

DRAFT LETTER OF OFFER**December 30, 2015****For Eligible Equity Shareholders of our Company Only****ANJANI PORTLAND CEMENT LIMITED**

Our Company was incorporated as a public limited company under the Companies Act, 1956, at Hyderabad, as Shez Chemicals Limited. Our Company was granted a certificate of incorporation and certificate of commencement of business dated December 17, 1983 and June 4, 1985, respectively, by the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to Shez Cements Limited and a fresh certificate of incorporation was issued on October 17, 1985. The name of our Company was further changed to Anjani Portland Cement Limited and a fresh certificate of incorporation was issued on October 7, 1999. For further details of change in the name and registered office of our Company, please see the chapter entitled 'History and Certain Corporate Matters' on page 100 of this Draft Letter of Offer.

Registered Office: 306 A, The Capital, 3rd Floor, Plot No. C-70, G-Block, Bandra Kurla Complex Bandra (East), Mumbai 400051, Maharashtra, India;

Corporate Office: No. 6-3-553, Unit Nos. E3 & E4, 4th Floor, Quena Square, Off Taj Deccan Road, Erramanzil, Hyderabad 500082, Telangana, India;

Contact Person: Ms. Anu Nair, Company Secretary and Compliance Officer; **Tel:** +91 22 4023 9909;

E-mail: anjani.rights@anjanicement.com; **Website:** www.anjanicement.com; **Corporate Identification Number:** L26942MH1983PLC265166

OUR PROMOTER: CHETTINAD CEMENT CORPORATION LIMITED		
FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY		
ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹[●] PER RIGHTS SHARE (INCLUDING A PREMIUM OF ₹[●] PER RIGHTS SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹7,500 LAKHS ON RIGHTS BASIS IN THE RATIO OF [●] ([●] RIGHTS SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES.		
GENERAL RISKS		
Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the Investors is invited to the statements in the section entitled 'Risk Factors' beginning on page 14 of this Draft Letter of Offer.		
ISSUER'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The existing Equity Shares of our Company are listed on the BSE Limited (BSE). Our Company has received in-principle approvals from the BSE for the listing of the Rights Shares offered in this Issue pursuant to the letter dated [●]. For the purposes of the Issue, the BSE shall be the Designated Stock Exchange.		
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
Motilal Oswal Investment Advisors Private Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot Prabhadevi, Mumbai 400 025 Maharashtra, India Telephone: +91 22 3980 4380 Facsimile: +91 22 3980 4315 Email: anjani.rightsissue@motilaloswal.com Website: www.motilaloswal.com Investor Grievance Email: moiapredressal@motilaloswal.com Contact Person Details: Zaid Motorwala / Paresh Raja SEBI Registration No.: INM00001105 CIN: U67190MH2006PTC160583		Karvy Computershare Private Limited Plot 31-32, Gachibowli, Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 Telangana, India Telephone: +91 40 6716 2222 Facsimile: +91 40 2300 1153 Email: einward.ris@karvy.com Investor Grievance E-Mail: anjaniporland.rights@karvy.com Website: www.karisma.karvy.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
“our Company”, “the Issuer” or “Anjani Portland Cement Limited”	Anjani Portland Cement Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 306-A, The Capital, 3 rd Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051, Maharashtra, India
“We”, “us” or “our”	Unless the content otherwise indicates or implies, refers to our Company
Financial Year, Fiscal or FY	The period of twelve (12) months ended March 31 of that particular year
Restated Consolidated Financial Information or Restated Consolidated Financial Statements	The consolidated summary statement of assets and liabilities as at March 31, 2013, March 31, 2012 and March 31, 2011, the consolidated summary statement of profit and loss and also the consolidated summary statement of cash flows for the Financial Years 2013, 2012 and 2011, and the annexures thereto, as restated in accordance with SEBI ICDR Regulations
Restated Standalone Financial Statements or Restated Financial Statements or Restated Standalone Financial Information	The summary statement of assets and liabilities of our Company as on June 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the summary statement of profit and loss and restated summary statements of cash flows for the three months period ended June 30, 2015 and Financial Years 2015, 2014, 2013, 2012 and 2011 and the annexures thereto, as restated in accordance with SEBI ICDR Regulations

Issuer Related Terms

Term	Description
Articles / Articles of Association	Articles of association of our Company
Auditors / Statutory Auditors	Statutory auditors of our Company, namely, Ramanatham & Rao, Chartered Accountants
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Cement Plant	Cement manufacturing unit of our Company situated at Chintalapalem Village, Mellacheruvu Mandal, Nalgonda District, Telangana, India
Corporate Office	Corporate office of our Company located at No. 6-3-553, Unit Nos. E3 & E4, 4 th Floor, Quena Square, Off Taj Deccan Road, Erramanzil, Hyderabad-500082, Telangana, India
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
Group Company	Group company as defined under Schedule VIII of the SEBI ICDR Regulations viz. our Promoter
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and disclosed in the chapter entitled ‘Our Management’ beginning on page 105 of this Draft Letter of Offer
MOA / Memorandum / Memorandum of Association	Memorandum of association of our Company
Open Offer	Open offer triggered under the SEBI (SAST) Regulations, by our Promoter after entering into a Share Purchase Agreement dated March 12, 2014
Power Project	16 MW coal based captive power plant at our Cement Plant
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(zb) of the SEBI ICDR Regulations viz. our Promoter
Promoter	Promoter of our Company viz., Chettinad Cement Corporation Limited. For further

Term	Description
	details please see the chapter entitled ' <i>Our Promoter and Promoter Group</i> ' on page 115 of this Draft Letter of Offer
Registered Office	Registered office of our Company located at 306-A, The Capital, 3 rd Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051, Maharashtra, India
Registrar of Companies /RoC	Registrar of Companies, Mumbai, located at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India
Shareholder(s)	Shareholders of our Company

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with SEBI ICDR Regulations and Companies Act
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot/ Allotted/Allotment	Unless the context requires, the allotment of Rights Shares pursuant to the Issue
Allottees	Persons to whom Rights Shares are allotted pursuant to the Issue
Applicants	Eligible Shareholder(s) and/or Renouncees who make an application for the Rights Shares in terms of this Draft Letter of Offer, including an ASBA Applicant
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the application money payable on application in their specified bank account maintained with the SCSBs
ASBA Account	Account maintained by an ASBA Investor with a SCSB which will be blocked by such SCSB to the extent of the appropriate amount in relation to an application by an ASBA Investor
ASBA Applicants/ ASBA Investor	Eligible Shareholders proposing to subscribe to the Issue through ASBA process and who: <ol style="list-style-type: none"> are holding the securities of our Company in dematerialized form as on Record Date and have applied for their Rights Entitlements and / or additional Equity Shares in dematerialized form; have not renounced their Rights Entitlements in full or in part; are not Renouncees; and are applying through blocking of funds in a bank account maintained with the SCSBs. QIBs, Non-Institutional Investors and Investors whose Application Money exceeds ₹ 200,000 can participate in the Issue only through the ASBA process
Bankers to the Issue	[●]
Composite Application Form /CAF	The form used by an Investor to make an application for the Allotment of Rights Shares and for application by Renouncees
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Rights Shares Allotted to one folio
Controlling Branches/Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
Demographic Details	Details of Investors such as address, bank account details for printing on refund orders and occupation
Designated Branch of the SCSBs	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries
Designated Stock Exchange /	BSE Limited

Term	Description
Stock Exchange/ BSE / BSE Limited	
Draft Letter of Offer	This Draft Letter of Offer dated December 30, 2015 issued by our Company in accordance with the SEBI ICDR Regulations and filed with SEBI
Eligible Equity Shareholder(s)	A holder(s) of Equity Shares as on the Record Date
Equity Share Capital	Equity share capital of our Company
Equity Shareholder(s)	A holder(s) of Equity Shares of our Company
Investor(s)	Eligible Equity Shareholders as on Record Date and/or Renouncees applying in the Issue
Issue / Rights Issue	Issue of [●] Equity Shares with a face value of ₹10 each (Rights Shares) for cash at a price of ₹[●] per Right Share (including a premium of ₹[●] per Rights Share) for an amount aggregating up to ₹7,500 lakhs on Rights basis in the ratio of [●]:[●] ([●] Rights Shares for every [●] fully paid up Equity Shares) held by the Equity Shareholders on the Record Date, i.e. [●]. The face value of the Rights Shares is ₹10 each and the Issue Price is [●] times of the face value of the Equity Shares
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	[●]
Issue Proceeds/ Proceeds of the Issue	[●]
Issue Size	The issue of [●] Rights Shares aggregating up to ₹ 7,500 lakhs
Lead Manager	Motilal Oswal Investment Advisors Private Limited
Letter of Offer	The final letter of offer filed with the Stock Exchange after incorporating the observations from SEBI on the Draft Letter of Offer
Listing Agreement/Equity Listing Agreement	The listing agreement entered into between our Company and the Stock Exchange
Net Proceeds	Issue Proceeds less the Issue related expenses
Non- Convertible Debentures / NCDs	Rated, taxable, secured, guaranteed, listed, redeemable, Non-Convertible Debentures in the form of separately transferable redeemable principal parts having the face value of ₹10,00,000
Non-Institutional Investors	All Investors, whether resident in India or otherwise, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Rights Issue Equity Shares for a cumulative amount of more than ₹2,00,000
Qualified Foreign Investors/ QFIs	<p>QFI shall mean a person who fulfills the following criteria:</p> <ol style="list-style-type: none"> 1. Resident in a country that is a member of Financial Action Task Force (FATF) or a member of a group which is a member of FATF; and 2. Resident in a country that is a signatory of the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral Memorandum of Understanding with SEBI. <p>Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on (i) jurisdictions having a strategic Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies;</p> <p>Provided further such person is not resident in India;</p> <p>Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor</p>

Term	Description
Qualified Institutional Buyers or QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a State Industrial Development Corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e. [●]
Refund Bank	[●]
Registrar to the Issue	Karvy Computershare Private Limited
Renouncee(s)	Any person(s), who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investors	Application by an Investor (including HUFs applying through their Karta) whose cumulative value of Equity Shares applied for in the Issue is not more than ₹2,00,000
Rights Entitlements	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on Record Date
Rights Shares/ Rights Equity Share	The Equity Shares of face value of ₹10 each of our Company offered and to be issued and allotted pursuant to this Issue
SCSBs	Self certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries
Share Certificate	The certificate in relation to the Rights Shares allotted to a folio
Split Application Form / SAF	An application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s)
Working Days	Any day other than Sundays on which commercial banks in Mumbai are open for business

Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AAEC	Appreciable Adverse Effect on Competition
AGM	Annual General Meeting
Air Act	The Air(Prevention and Control of Pollution) Act, 1981
APCPDCL	Andhra Pradesh Central Power Distribution Company Limited
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BOP	Balance of Plant
CAF	Composite Application Form
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis and Research Limited
CCI	Competition Commission of India
CCCL	Chettinad Cement Corporation Limited
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax

Term	Description
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidders beneficiary account
CLRA Act	Contract Labour(Regulation and Abolition) Act, 1979
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
CRISIL	Credit Rating Information Services India Limited
CrPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
CTS	Cheque Truncation System
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identity
EBIT	Earnings Before Interest and Tax
EPS	Earnings Per Share
ESI Act	Employee State Insurance under the Employees State Insurance Act, 1948
Factories Act	The Factories Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FPI(s)	A foreign portfolio investor who has been registered through the SEBI FPI Regulations provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations
FSA	Fuel Surcharge Adjustment
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GIR number	General Index Registrar number
GoI or Government or Central Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
IndAS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number
ISO	International Standards Organisation
IT	Information Technology
LIC	Life Insurance Corporation

Term	Description
LTCG	Long Term Capital Gain
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MT	Metric Tonnes
MTPA	Metric Tonnes Per Annum
Mutual Funds	A mutual fund registered under the SEBI (Mutual Funds) Regulations, 1996
N.A. / NA	Not Applicable
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NR/Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non resident external account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RABH	Reserve Air Bag House
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, Mumbai
RoNW	Return on Net Worth
RTGS	Real time gross settlement
SCSB	Self Certified Syndicate Bankers
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as replaced pursuant to the SEBI FPI Regulations
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Code / SEBI	Securities and Exchange Board of India (Substantial Acquisition of Shares and

Term	Description
(SAST) Regulations	Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	United States Securities Act, 1933, as amended from time to time
SPA	Share Purchase Agreement
Standard and Poor's	Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc.
STCG	Short Term Capital Gain
State Government	The government of a State in India
Stock Exchange	BSE
STT	Securities Transaction Tax
TPA	Tonnes Per Annum
TPH	Tonnes Per Hour
UK	United Kingdom
U.S. / USA / United States	United States of America
U S Dollars	United States Dollars
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Persons	U.S. persons (as defined in Regulation S under the Securities Act
VAT	Value added tax
Water Act	The Water (Prevention and Control of Pollution) Act, 1974

The words and expressions used but not defined in this Draft Letter of Offer shall have the same meaning as assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the Securities Contract (Regulation) Act, 1956 and the Depositories Act and the rules and regulations made thereunder.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about, and observe, such restrictions. Our Company is making this Issue on a rights basis to the Equity Shareholders of our Company and will dispatch the Letter of Offer/Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an Indian address. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Letter of Offer and the CAF, shall not be sent the Letter of Offer and the CAF.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI for its observations. Accordingly, the Rights Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Shares or the Rights Entitlements referred to in this Draft Letter of Offer. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The contents of the Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Shares or Rights Entitlements regarding the legality of an investment in the Rights Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (*Securities Act*), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (*United States* or *U.S.*) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (*Regulation S*), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. Our Company is making this issue of Rights Shares on a rights basis to the Equity Shareholders of our Company and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S)\, and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Shares or Rights Entitlement in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION, USE OF INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the restated financial information of our Company which has been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations for the quarter ended June 30, 2015 and Financial Years 2015, 2014, 2013, 2012 and 2011 (**Restated Financial Information**). Our Company's Financial Year commences on April 1 and ends on March 31 of the following year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

All the numbers in this Draft Letter of Offer have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs.

Any percentage amounts, as set forth in the section titled '*Risk Factors*', and the chapters entitled '*Our Business*' and '*Management Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on pages 14, 84 and 174 respectively of this Draft Letter of Offer, unless otherwise indicated, have been calculated on the basis of the Restated Financial Information.

Use of Industry and Market data

Unless stated otherwise, market, industry and demographic data used in this Draft Letter of Offer has been derived from '*Crisil - Cement – Annual Review 2015*' a report prepared by CRISIL. The report prepared by CRISIL was not commissioned either by our Company or the Lead Manager or by any of their respective affiliates or advisors. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Manager assumes any responsibility for the accuracy of that information.

Accordingly, Investors should not place undue reliance on this information.

Additionally, the extent to which the market and industry data presented in this Draft Letter of Offer is meaningful depends on the reader's familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our Company conducts its business and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the chapter entitled '*Basis for Issue Price*' at page 74 of this Draft Letter of Offer includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither our Company, nor the Lead Manager has independently verified such information.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India.

Our Company has presented certain financial and other information in '*lakhs*' and '*crores*'. One lakh represents one hundred thousand (100,000) and one crore represents one hundred lakhs (1,00,00,000). Further, this Draft Letter of Offer contains references to tonnes or metric tonnes. A tonne or metric tonne represents one thousand kilogrammes (1,000 kg).

FORWARD LOOKING STATEMENTS

Certain statements in this Draft Letter of Offer are not historical facts but are ‘forward-looking’ in nature. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the section entitled “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry*” and “*Business*”. Our Company may, from time to time, make written or oral forward-looking statements in reports to Equity Shareholders and in other communications. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

Words such as “believe”, “anticipate”, “estimate”, “seek”, “expect”, “continue”, “intend”, “predict”, “project”, “should”, “goal”, “future”, “could”, “may”, “will”, “would”, “targets”, “aims”, “is likely to”, “plan” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

These risks, uncertainties and other factors include, among other things, those listed under the section entitled “*Risk Factors*”, as well as those included elsewhere in this Draft Letter of Offer. Prospective Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- Company’s ability to successfully implement its strategy and its growth and expansion plans;
- Our Company’s ability to effectively respond to competition and technological changes;
- Our Company’s ability to obtain financing on favourable terms;
- Regulatory changes pertaining to the industry in which our Company operates and its ability to respond to them;
- Increase in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Changes in fiscal, economic or political conditions in India and other countries;
- Changes in laws and regulations that apply to companies in India;
- Changes in the value of the Indian rupee and other currencies;
- Performance of the Indian debt and equity markets; and
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has its operations.

For a further discussion of factors that could cause our Company’s actual results to differ, please see the section entitled ‘*Risk Factors*’ on page 14 of this Draft Letter of Offer. By their very nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange’s requirements, our Company and the Lead Manager will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Shares by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually materialises, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we do not, currently, believe to be material may also have an adverse effect on our business, results of operations and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Investment in equity and equity related securities involves a degree of risk and Investors should not invest any funds in this offer unless they can afford to take the risk of losing all or a part of their investment. In making an investment decision, prospective Investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Letter of Offer. To obtain a complete understanding, this section should be read in conjunction with the chapters entitled 'Our Business', 'Financial Statements' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on pages 84, 120 and 174, respectively, of this Draft Letter of Offer. Unless otherwise stated, the financial information of our Company used in this Section is derived from the Restated Financial Information.

INTERNAL RISK FACTORS

- There are various proceedings pending against our Company, our Directors and our Promoter, which if determined against our Company or these entities, may have an adverse effect on our business.***

There are outstanding legal proceedings involving our Company, our Directors and our Promoter which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our business and results of operations. Certain details of such outstanding legal proceedings as of date of this Draft Letter of Offer, to the extent quantifiable, are set out below:

Litigation against our Company

Direct Tax Matters (Consolidated)

S. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax		
	(a) Orders	2	303.45
	(b) Notices	4	NIL*
	Total	6	303.45

** To the extent quantifiable*

Indirect Tax Matters (Consolidated)

S. No.	Type of Indirect Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Central Excise/ CENVAT		
	(a) Orders	3	366.19

	(b) Notices	2	55.47
	Sub-total	5	421.66
2.	Customs Duty		
	(a) Orders	3	234.17
	Sub-total	3	234.17
	Total	8	655.83

Litigation against our Promoter

Direct Tax Cases (Consolidated)

S. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax		
	(a) Orders	8	10,014.89
	Total	8	10,014.89

Indirect Tax Cases (Consolidated)

S. No.	Type of Indirect Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Central Excise/ CENVAT		
	(a) Orders	24	9,657.95
	(b) Orders against which an appeal has not yet been preferred	9	690.97
	(c) Notices	41	22,829.11*
	Sub-total	75	33,178.03
2.	Customs Duty		
	(a) Orders	4	4,792.42
	Sub-total	4	4,792.42
3.	Electricity Tax		
	(a) Orders	4	2,219.02
	Sub-total	4	2,219.02
4.	Sales Tax/ VAT		
	(a) Orders	18	917.99
	Sub-total	18	917.99
	Total	100	41,107.46

* To the extent quantifiable

For further details please see the chapter entitled 'Outstanding Litigations and Material Developments' beginning on page 197 of this Draft Letter of Offer.

We cannot assure you that any of these matters will be settled in our favour or in favour of our Directors or Promoter or that no additional liability will arise out of these proceedings. An unfavourable outcome in any of these proceedings could have an adverse effect on our Directors or on our business and results of operations.

2. ***We have not, as on date of this Draft Letter of Offer, obtained certain licenses or approvals for the proposed project towards which funds are being raised through the Issue. Any delay or an inability to obtain approvals may adversely impact our ability to execute the project and, consequently, have a detrimental impact on our financial condition.***

As of the date of this Draft Letter of Offer, we have not obtained certain licenses or approvals from various authorities for setting up the 16 MW coal based captive power plant at our Cement Plant (**Power Project**) including necessary environmental and Factories Act, 1948 (**Factories Act**) related approvals. If we are unable to procure

these approvals on time, or at all, we may be unable to set up the Power Project according to our projected timelines or at all. Our inability to set up the Power Project may have an adverse effect on our financial condition.

3. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.*

Our funding requirement including our long term working capital requirement is based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and, the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. We may make necessary changes to the utilisation of Issue Proceeds in compliance with the provisions of the Companies Act in relation to the change in the objects in a public issue. In the event of any variations in actual utilization of the Issue Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

4. *Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.*

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations.

In addition, the object of the issue is to fund the capital expenditure towards setting up the Power Project. Our Company has no past experience in operating and managing a power plant and our inability to successfully operate the power plant may have adverse impact on our results of operations.

Our inability to maintain our growth or failure to successfully implement our growth strategies could have an adverse impact on the results of our operations, our financial condition and our business prospects.

5. *Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.*

Our financing agreements include conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders have certain rights to determine how we operate our businesses, which, amongst other things, restrict our ability undertake various actions including incur additional debt, declare dividends, amend our constitutional documents, change the ownership or control (including beneficial ownership or control) and management of our business. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or comply with such covenants or other covenants in the future.

Further, these debt obligations are typically secured by a combination of security interests over our assets and hypothecation of movables and future receivables. The security allows our lenders to *inter alia* sell the relevant assets in the event of our default.

Under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase and we may become subject to additional conditions from lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or the lenders could decline to

lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing on favourable terms, or at all. Any failure in the future to obtain necessary financing could result in a cash flow mismatch. Any of these factors could have an adverse effect on our business, financial condition and results of operations.

For further details of our financial indebtedness please see the chapter entitled '*Financial Indebtedness*' on page 192 of this Draft Letter of Offer.

6. *Coal is an important fuel source in our manufacturing operations. Any shortage in the supply, or increase in the price, of coal could have an adverse impact on our Company's business, financial condition and profitability.*

Coal is the main fuel in our manufacturing operations required for firing the pre-heater and rotary kiln as well as to generate power for grinding the clinker. In addition, coal is the main source of fuel for the proposed captive power plant. During Fiscal 2013, Fiscal 2014 and Fiscal 2015 expenditure on coal constituted 20.71%, 16.82% and 18.16% of our total operating expenses and 20.37%, 18.45% and 17.19% of our total income, respectively.

Our Company generally buys coal from indigenous sources and also uses coal that is bought from Indian companies who in turn import from international markets, specifically South Africa, Australia and Indonesia, through Chettinad Logistics Pvt. Ltd. While coal is available in India, the Indian cement industry generally receives only 3%-4% of the total coal production in India (Source: '*CRISIL - Cement – Annual Review 2015*'). We have entered into a three (3) year agreement (April 1, 2014 to March 31, 2017) with Singareni Collieries Company Limited for the annual supply of 63,000 tonnes of coal of varying calorific value, which is to be procured through the issue of purchase orders. However, our total annual coal requirement is 1,00,000 tonnes. Further, indigenous coal is lower in calorific value than coal imported, in particular, from South Africa, and, consequently, the amount of indigenous coal used in manufacturing operations will be higher in comparison to coal procured from overseas; however, imported coal is costlier.

Our Company has since Fiscal 2010 started using alternate sources of energy like industrial wastes instead of coal. In fact, in Fiscal 2015, we used alternate fuel sources to substitute coal to an extent of 20.15% of our total fuel requirement. Nevertheless, coal still remains our primary source of fuel. Accordingly, any shortage in the supply of coal could have an adverse impact on our Company's business and financial condition. Further, any increase in the price of coal, to the extent that we are unable to pass on the cost to the end consumer, would have an adverse impact on our margins and our profitability.

7. *Any failure to obtain, renew and maintain requisite statutory and regulatory permits, licenses and approvals for our operations from time to time may adversely affect our business.*

We require various statutory and regulatory permits, licenses and approvals to carry out our business and operations including environmental clearances and consents (cumulatively, the **Approvals**). For further details, please see the chapter entitled '*Government and Other Approvals*' beginning on page 211 of this Draft Letter of Offer. A majority of these Approvals are granted for a limited duration and must be periodically renewed. Further, while we have applied for some of these Approvals, we cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, then our business and operations may be adversely affected.

Further, the Approvals are subject to numerous conditions and there can be no assurance that these Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, either on account of non-compliance or otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business and financial condition. Our Company may also be liable to monetary penalties and imprisonment.

8. *Our operations are power intensive and our fuel expenses constitute a significant component of our operating costs. If we are unable to pass on the costs to our customers, our profit margins may be adversely affected.*

Our manufacturing facilities require continuous supply of power and our operations are highly power intensive making profitability sensitive to power costs. Our manufacturing facilities consume significant amounts of

electricity and the cost of electricity constituted 14.06%, 16.41% and 14.58% of our operating costs for Fiscal 2013, Fiscal 2014 and Fiscal 2015, respectively. Historically, Nalgonda District, where our manufacturing facilities are situated, has suffered shortage of electricity, in particular during summer. Any scarcity of power or increase in the cost of power could have an adverse impact on our results of operations, our revenues and our profitability. We meet our power requirements primarily through as state electricity boards and back-up diesel generator sets. Any continuous or chronic interruption in power supply to our manufacturing facilities will have a material adverse impact on our business and results of operations.

9. *Our Company's business is concentrated in and around Telangana and Andhra Pradesh. Any decline in our revenues from this region could adversely impact our business and financial condition.*

Our Company has a manufacturing unit in Nalgonda District, Telangana. Our Company's engages a large number of distributors and also engages in the direct sale across the country with particular focus on certain parts of Southern India viz., Telangana and Andhra Pradesh. Notwithstanding sales across various parts of India, majority of our total income is derived from Telangana and Andhra Pradesh. In Fiscals 2013, 2014 and 2015, our income from sales within Telangana and Andhra Pradesh constituted 59%, 60% and 72%, respectively, of our total income.

There are a number of cement manufacturers based in Telangana and Andhra Pradesh who also focus on selling their products in the same geographic zone as our Company. There can be no assurance that our Company will continue to be able to generate similar revenues from Telangana and Andhra Pradesh. Failure to generate similar revenues from our focus areas may impact our business and the results from our operations.

Further, transportation costs are one of the more significant expense items in our Company's business. Therefore, if we are unable to maintain or increase our revenues from Telangana and Andhra Pradesh and if we are required to sell our products in other geographic regions our margins and, consequently, our profits may be adversely affected.

10. *Our Company is heavily reliant on the demand for cement from various industries infrastructure, housing and commercial real estate. Any downturn in the cement consuming industries could have an adverse impact on our Company's business and results of operations.*

The cement manufacturing companies are heavily reliant on demand from the cement-consuming industries such as infrastructure, housing and commercial real estate. These industries are, in turn, affected by macro-economic factors and the general Indian economy.

While demand for cement rose by 5.2% in Fiscal 2015, the immediately preceding two financial years had witnessed a slowdown in demand. However, demand for cement in South India, where a majority of our Company's income is generated from, was lower than the national average and grew by only 3.5% during Fiscal 2015. In addition, cement demand growth from South India has, over the last five years remained nearly flat. Further, the demand during the Fiscal 2015 was higher in the first half and tapered off in the second half (*Source: 'Crisil - Cement – Annual Review 2015'*). While cement consuming industries such as infrastructure are expected to witness higher investments and, consequently, drive demand for cement, there can be no assurance that these expectations will be met or that our Company will benefit from such expansion. However, a slowdown in the cement consuming industries including infrastructure, housing and commercial real estate could have adverse impact on cement demand and, consequently, on our Company's business, results from operations and profits. Any sustained downturn slump in these industries could have a material adverse impact on our Company's business and financial condition, and, an impact on the price of the Equity Shares.

11. *We may not be able to secure additional funding in the future. In the event our Company is unable to obtain sufficient funding, it may delay its growth plans and have a material adverse effect on our business and financial condition.*

From time to time, our Company's plans may change due to changing circumstances, new business developments, new business or investment opportunities or unforeseen contingencies. If our plans do change, our Company may need to obtain additional financing to meet capital expenditure plans, which may be raised through borrowings from commercial banks, issue of debentures or other debt securities. If we raise additional funds by incurring debt, the interest and debt repayment obligations of our Company will increase, and we may be subject to additional

covenants, which could limit the ability to access cash flow from operations and/or other means of financing. There can be no assurance that we will be able to obtain adequate financing to fund future capital requirements on acceptable terms, in time. In addition, any adverse credit ratings by the debt rating agencies for the debt availed by our Company may adversely impact our Company's ability to obtain further financing. Any failure to obtain sufficient funding could result in the delay or abandonment of our growth plans and have an adverse impact on our business and financial conditions.

12. *Conflicts of interest may arise out of common business objects shared by our Company and certain companies within the Chettinad group.*

Chettinad Cement Corporation Limited, our Promoter, is in the same line of business as our Company and is one of the larger cement manufacturers in South India. Further, their area of operation and sales may overlap with ours and they also cater to the same customer profile as our Company. While there are no common directors between our Company and our Promoter, given that they are in the same line of business as us there can be no assurance that no conflict of interest will arise. Such a conflict could have an adverse impact on our business and operations.

Further, there may be conflicts of interest in addressing business opportunities and strategies where other companies in which the Chettinad group have equity interests are also involved. In addition, new business opportunities may be directed to these affiliated companies instead of us leading to loss of our business and revenues.

13. *Our Company has in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the Equity Shareholders.*

Our Company has entered into various transactions with related parties. For instance, we do not procure coal, one of our primary fuel sources from the international markets and rely on a Chettinad group entity to import it from third parties overseas. While our Company believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For further details on our related party transactions please see '*Financial Statements - Statement of Related Party Transactions*' on page 147 of this Draft Letter of Offer. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations.

14. *If our Company is unable to respond effectively to competition, our business and our financial condition may be adversely affected.*

We operate in a highly intensive and competitive industry, consequent to which we face intense competition. The Indian cement industry is dominated by a few large pan-India cement manufacturers such as ACC Ltd, Ambuja Cements Limited, and Ultratech Cement Limited who account for approximately 35% of the total market share. In addition, Chettinad Cement Corporation Limited, our Promoter, is one of the larger cement manufacturers in South India; Ramco Cements, India Cements and Dalmia Cements are some of the other larger manufacturers in South India (Source: '*Crisil - Cement – Annual Review 2015*'). Further, the southern region of India is much more fragmented than the rest of India and there are a number of medium and small cement manufacturers in and around Telangana and Andhra Pradesh which is where our manufacturing unit is located and these states are our largest market. The larger operators may have a significant pricing advantage over us due to their economies of scale. The smaller operators can eat into our market share due to the specificity of their operations i.e. they may manufacture only a single grade of cement and more concentrated geographical sales focus. Our ability to effectively compete with large, medium and small manufacturers will have a significant bearing on our business and financial condition.

15. *Our manufacturing process involves the use of hazardous industrial chemicals which entails significant risks.*

Our manufacturing facilities utilise various hazardous industrial chemicals including organic solids, spent carbon and organic liquids in the production of cement, which may be harmful to humans and the environment. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals may cause industrial accidents, loss of human life and/or environmental damage. If any industrial accident, loss of human life or environmental

damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would adversely affect our business, results of operations and reputation.

16. *We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.*

Our manufacturing facility is heavily dependent on plant and machinery including crushers, preheater, raw mill, kiln, coolers and grinding mills. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition.

17. *We depend on third party dealers and consignment agents for the sale and distribution of our products.*

The cement industry relies on an extensive network of dealers and consignment agents for the sale of cement. Our Company has over 600 dealers and 45 consignment agents spread across 40 cities and corporations of whom 25 are our exclusive dealers. Our Company relies heavily on its network of dealers for sale of our products. While a majority of these dealers and consignment agents have been distributing our products for long periods of time, they operate on commission and other incentives. Moreover, we do not have long term contracts with our dealers and consignment agents. If our competitors provide better commissions or incentives (or if we reduce our commissions or incentives) to our dealers and consignment agents, it could result in them favouring the products of other cement manufacturers including our direct competitors instead of our products. Any significant disruption in the dealership and consignment agency network could have a significant impact on our business, financial condition and profits.

18. *Any failure of our information technology systems could adversely impact our business.*

Our day to day operations depend on our information technology systems. All our operations function under an ERP system and we rely heavily on our information technology systems including for our manufacturing process which is significantly automated. We also use information technology systems for routine corporate activities such as processing of financial information, managing information pertaining to creditors/ debtors and engaging in normal business activities. Although we believe that we have effective backup systems in place, any partial or complete disruption of our information technology systems could adversely impact our business and the result of our operations.

19. *We are heavily reliant on our Key Managerial Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business.*

In order to successfully manage and expand our business, we are dependent on the services of Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees, including technicians and other professionals. In addition, our business is technical in nature and requires personnel with requisite technical expertise. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite technical expertise, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could adversely affect our business and results of operations.

20. *Our inability to protect or use our intellectual property rights may adversely affect our business.*

We have made applications for the registration of various trademarks including ‘Anjani Cement’ and ‘Anjani Super Gold Cement’. There can be no assurance that our Company will be granted these trademarks in a timely manner, or at all. Failure to obtain timely registration may adversely impact our ability to defend any infringement of our intellectual property since we will only be able to initiate passing-off action (which is more onerous to prosecute) which may not provide sufficient protection.

Moreover, the use of our brand name or logo by third parties could adversely affect our reputation and business, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe our rights, which may have an adverse effect on our business and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our product offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain product offerings. Any of the foregoing could adversely affect our business, results of operations and financial condition.

21. *Our Promoter will continue to be our largest Shareholder and have the right to approve certain corporate actions, which may potentially involve conflicts of interest with the other Equity Shareholders.*

Our Promoter holds 75% of the Equity Share Capital and, therefore, will have the ability to significantly influence our corporate decision making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at Board and at Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to the Memorandum and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoter interests in any such scenario will not conflict with the interest of other Shareholders or with the interests of our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of our other Shareholders.

22. *Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.*

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

We maintain 'All Risk' insurance including cover for fire, flood and earthquake for our various properties and our manufacturing facility. While we believe that we maintain sufficient insurance cover, certain types of losses may be either uninsurable or not economically viable to insure, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium.

23. *We have certain contingent liabilities which may adversely affect our financial condition.*

Our contingent liabilities as on June 30, 2015 and March 31, 2015 are as set out in the table below:

(₹ in lakhs)

Particulars	As on June 30, 2015	As on March 31, 2015
Disputed liability in respect of income tax demands	295.35	295.35
Disputed liability in respect of CENVAT credit*	180.32	180.32

Particulars	As on June 30, 2015	As on March 31, 2015
Disputed liability in respect of Fuel Surcharge Adjustment (FSA) charges and Penal Charges to APCPDCL	138.18	239.46
Disputed liability in respect of customs relating to coal**	130.46	130.46
Disputed liability in respect of service tax***	3.36	3.36
Bank guarantee	131.79	131.79
Total	879.46	980.74

* does not include penalty amount of ₹180.32 lakhs

** does not include penalty amount of ₹103.70 lakhs

*** does not include penalty amount of ₹2.19 lakhs

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. For further details, please see 'Standalone Financial Statements – Contingent Liabilities' beginning on page 149, respectively.

24. *We may be held liable for the payment of wages to the contract labourers we engage in our operations.*

In order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. We determine the number of contract labourers required depending on the requirement of our business from time to time. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payments that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, we may also be required to employ a number of such contract labourers as permanent employees. Any order from a regulatory body or court directing us to employ contracted employees could have an adverse effect on our business, results of operations and financial condition.

25. *Our Company may not be able to identify or correct defects or irregularities in title to the land which it owns.*

We cannot assure you that there will be no legal defects and irregularities in title to any land which our Company has acquired or may acquire in the future in connection with the operations of our Company or that our Company will be able to identify or correct any such defects. Moreover, we cannot assure you that all the legal defects, irregularities and disputes related to title would be identified by our Company prior to the acquisition of land. Any defects or irregularities of title may result in loss of development or operating rights over land, which may prejudice the success of our business and may require us to write off substantial expenditures in respect of a project. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title may have an adverse effect on our business, financial condition and results of operations. Further, when the current Promoter acquired our Company in the year 2014, it did not undertake a separate and independent land related diligence. Therefore, while the government mutation records reflect our Company to be the legal owner of the lands on which our manufacturing operations are located there has been no independent assessment to trace the antecedents of such lands.

26. *We may raise additional equity capital which may dilute your existing shareholding.*

Our growth and business strategies may require us to raise additional capital which may be met through a further issue of equity, or securities convertible into equity. Any issuance of Equity Shares to persons other than the Equity Shareholders will dilute your existing equity shareholding. Further, we may obtain funding from our Promoter through an equity infusion. This will also dilute your shareholding.

27. *We have not entered into any definitive agreements to monitor the utilization of the Issue Proceeds.*

The SEBI ICDR Regulations stipulates the appointment of monitoring agency only where the issue size is in excess of ₹50,000 lakhs. Since the Issue is for less than ₹50,000 lakhs, we will not be appointing a monitoring agency and the deployment of Issue Proceeds as stated in chapter entitled 'Objects of the Issue' on page 59 of this Draft Letter

of Offer will not be monitored by an independent agency.

28. *Some of the forms filed by us with the Registrar of Companies and our records in that respect are not traceable.*

Our current Promoter acquired our Company from our erstwhile promoters in 2014. Consequently, we have been unable to locate certain corporate records of our Company, in respect of various corporate actions undertaken by our Company, prior to the acquisition by our Promoter, including allotment of shares and alteration of authorised share capital and regulatory and other filings made by our Company. Further, on May 5, 2010, a fire broke out in our then newly constructed corporate office at 3rd Floor, Nagarjuna Circle, Punjagutta, Khairatabad, Hyderabad, pursuant to which a number of official documents including various statutory documents were lost. Our Company filed a first information report (Ref: 414 / 2010) under sections 154 and 157 of the CrPC. We cannot assure you that these records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

29. *Our Company has in the past not made / delayed making certain filings under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.*

Our Company has not made / delayed making filings with the Stock Exchange under Regulations 6(2), 6(4), 7(3) and 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Our Company had accordingly made a consent application dated March 10, 2014 to SEBI for the aforementioned violations. However, in response SEBI *vide* its letter dated March 12, 2014, rejected the consent application *inter alia* on the ground that the proof of delayed filing of the disclosures was not submitted along with the said application. Our Company is currently in the process of tracing the required proof of delayed filing of the said disclosures and has to this end also approached the relevant stock exchange.

Any violation of regulatory requirements for the aforementioned or future violations by our Company and/or our Promoter may result in SEBI issuing penalties, warnings and show cause notices against us and/ or our Promoter, which may materially affect our business, results of operations and our financial conditions.

30. *Our Company has not paid dividends in the last three (3) Financial Years. There can be no assurance that our Company will be in a position to pay dividends in the future.*

Our Company has not paid any dividend on its Equity Shares during the preceding three (3) Financial Years. Further, the ability to pay dividends in the future will depend upon a variety of factors, including the earnings, general financial conditions, capital requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, the Articles of Association and other factors considered relevant by the Board of Directors of our Company. Therefore, there can be no assurance that our Company will be in a position to declare dividends or declare dividends, of any particular amount or with any frequency in the future.

31. *The demand for cement is seasonal*

In India, the demand for cement, generally, declines during monsoons due to slowdown in construction activity, consequently making demand for cement seasonal. Monsoons typically extend from June to September across India (except in parts of Tamil Nadu and Kerala, where they last from November to January). Consequently, demand is the lowest during the July-September quarter and highest during the January-March quarter. Our Company's manufacturing output and our revenues may be adversely affected during such period.

32. *We have a large work force and our employee benefit expense is significant component of our operating costs. An increase in employee benefit expense could reduce our profitability.*

Our operations are highly dependent on our skilled and semi-skilled labour. Due to economic growth in the past and the increase in competition for skilled and semiskilled employees in India, wages in India have, in recent years, been increasing. In addition, we may also need to increase our compensation levels to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Finally, many of our employees receive salaries that are linked to minimum wage laws in India and any increase in the minimum wage in any state in which we operate could increase our operating costs. A significant long-term increase in our

employee benefit expense could reduce our profitability, which could, amongst others, impact our growth prospects.

EXTERNAL RISK FACTORS

33. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

- a. high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- b. changes in existing laws and regulations; and
- c. a slowdown in economic growth or financial instability in India could adversely affect our business and results of operations.

34. *Governmental actions and changes in policy could adversely affect our business.*

The Government of India and the State Government have broad powers to affect the Indian economy and our business in numerous ways. Any change in existing Government of India and/or State Government policies or new policies providing or withdrawing support to the Indian cement industry or otherwise affecting the economy of India, including the construction industry, could adversely affect the supply/demand balance and competition in markets in which we operate and negatively affect our cost structure. There can be no assurance that we would be able to pass on such increase in costs to our customers through an increase in our prices, which could adversely affect our business, financial condition and prospects.

35. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, of India, as amended (**Competition Act**) regulates practices having an appreciable adverse effect on competition (**AAEC**) in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (**CCI**). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

36. *Any downgrade of credit ratings of India or Indian companies may adversely affect the ability to raise debt financing.*

India's sovereign foreign currency long-term debt is rated by (i) Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc. (***Standard & Poor's***); (ii) Fitch Ratings Limited (***Fitch***); and (iii) Moody's Investors Services Limited (***Moody's***). These ratings reflect an assessment of the Government of India's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. No assurance can be given that Standard & Poor's, Fitch, Moody's or any other statistical rating organization will not downgrade the credit ratings of India, which could adversely affect the ability of our Company to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on the business and financial condition of our Company.

37. *The occurrence of natural disasters may adversely affect the business, financial condition and results of operation of our Company.*

India has experienced natural calamities, such as tsunamis, floods, droughts and earthquakes in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. For example, the erratic progress of the monsoon in 2004 and 2009 affected sowing operations for certain crops. Such unforeseen circumstances of below normal rainfall and other natural calamities could have a negative impact on the Indian economy. Because our operations are located in India, our business and operations could be interrupted or delayed as a result of a natural disaster in India, which could affect our business, financial condition, results of operations and the price of our Equity Shares.

38. *The Indian cement industry is cyclical and is affected by a number of factors beyond our control.*

The Indian cement industry is cyclical in nature. In the past, cement prices and profitability of cement manufacturers have fluctuated significantly in India, depending upon overall supply and demand. A number of factors influence supply and demand for cement, including production overcapacity, general economic conditions, in particular activity levels in certain key sectors such as housing and construction, our competitors' actions and local, Government of India and State Government policies, which in turn affect the prices and margins we and other Indian cement manufacturers can realise.

Excess cement production capacity in the market has been one of the major factors influencing the South Indian and Maharashtra cement market. Such excess capacity has had a direct impact on the price at which we can sell our cement and the margins we realise. There was an increase in the demand for cement in India in the mid-1990s, which resulted in Indian cement companies, including ourselves, substantially expanding their capacities. While this capacity expansion was implemented, demand for cement softened and increased at lower rates than had occurred in the mid-1990s. As a result, during and from the Financial Years 2001 to 2003, supply of cement far exceeded demand, and cement prices decreased in all markets in India, including our primary markets in South India.

The long lead time required to add or expand capacity has also led to supply/demand imbalances. The long lead time makes it more difficult for Indian cement companies to time the commencement of new production facilities when demand out-balances supply.

39. *The Indian cement market in general and the South Indian and Maharashtra cement market in particular, are extremely competitive.*

The cement industry in India is highly fragmented and competitive. We face competition from domestic cement companies which operate in the Indian market, as well as companies that are joint ventures with international cement companies. Our expansion into new product markets, such as slag cement, could also results in new and additional competition for our business. Our competitors include companies such as My Home Industries Limited and Sagar Cements Limited, which over a period of time have acquired local interests as part of their business strategy. These competitors may limit our opportunity to expand our market share and may compete with us on pricing of products. Some of our competitors are larger than we are, are more diversified, with operations across India, have greater financial resources than we do, have access to a cheaper cost of capital and may be able to produce cement more efficiently or to invest larger amounts of capital into their businesses. Our business could be

adversely affected if we are unable to compete with our competitors and sell cement at comparable prices. For example, if any of our current or future competitors develop more efficient production facilities, enabling them to produce cement and clinker at a significantly lower cost and sell at lower prices than us, we may be required to lower the prices we charge for our products and our business and results of operations could be adversely impacted.

Current and future competitors may also introduce new and more competitive products and supporting services, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, including distributors of our products, thereby increasing their ability to address the needs of our target customers. If we cannot compete in pricing, provide competitive products or services or expand into new markets, this could have a material negative effect on our business, financial condition and prospects.

40. *Hostilities, civil unrest, breaches of law and order and other acts of violence may adversely affect our business and the trading price of the Equity Shares.*

Hostilities, civil unrest and other acts of violence or war within India and the surrounding region may adversely affect worldwide financial markets and may result in a loss of consumer confidence, which in turn may adversely affect our business, prospects, results of operations, cash flows and financial condition.

41. *Disruptions in transport and supply could affect our business.*

The production of cement is dependent on a steady supply of various inputs. These inputs are transported to our plants by land, and cement is transported to our customers by land (through trucks). Transport of our inputs and finished products is subject to various bottlenecks and other hazards beyond our control, including poor road and other transport infrastructure, accidents, adverse weather conditions, strikes and civil unrest. Either an increase in the price of transportation or interruptions in transportation of our inputs or finished products could have a material adverse effect on our business, financial condition and results of operations. In addition, cement is a perishable product as its quality deteriorates upon contact with moisture or humidity over a period of time. Therefore, prolonged storage or exposure to moisture during transport may result in cement stocks being written off. Similarly, our cement is sold in bags, which may split open during transport, again resulting in stock being written off. We do not maintain business interruption insurance with respect to transport.

42. *Our Equity Shares are quoted in Indian rupees in India and Investors may be subject to potential losses arising out of foreign exchange rate risk on the Indian rupee and risks associated with the conversion of the Indian rupee proceeds into foreign currency.*

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian Stock Exchange on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign Investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the US Dollar and other currencies subjects Investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

43. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Letter of Offer.*

As stated in the reports of the Statutory Auditors included in the chapter entitled 'Financial Statements' beginning on page 120 of this Draft Letter of Offer, the financial statements included in this Draft Letter of Offer are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective Investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Letter of Offer. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is dependent on familiarity

with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

44. ***Public companies in India, including our Company, may be required to prepare financial statements under IFRS or IndAS (a variation of IFRS). The transition to IFRS or IndAS in India is very recent and still unclear and our Company may be negatively affected by such transition.***

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Public companies in India, including our Company, may be required to prepare annual and interim financial statements under Indian Accounting Standard 101 'First-time Adoption' of Indian Accounting Standards (**IndAS**). On January 2, 2015, the Ministry of Corporate Affairs, Government of India (**MCA**) announced the revised roadmap for the implementation of IndAS (on a voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance companies through a press release.

The aforementioned press release specifies that IndAS will be required to be implemented on a mandatory basis by companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India, based on their respective net worth as set out below:

Sr. No.	Net Worth	First Period of Reporting
1.	₹ 50,000 lakhs or more	Financial Year 2016
2.	Less than ₹ 50,000 lakhs	Financial Year 2017

In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, IndAS differs in certain respects from IFRS and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operations, cash flow or changes in Shareholders' equity will not be presented differently under IndAS than under Indian GAAP or IFRS. When our Company adopts IndAS reporting, it may encounter difficulties in the on-going process of implementing and enhancing its management information systems. There can be no assurance that the adoption of IndAS by our Company will not adversely affect its results of operations or financial condition. Any failure to successfully adopt IndAS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operations of our Company.

45. ***If security or industry analysts do not publish research or publish unfavourable research or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares of our Company may decline.***

The trading market for the Equity Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We may be unable to sustain coverage by well regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for our Equity Shares would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts downgrade our Equity Shares or publish inaccurate or unfavourable research about our business, our Equity Shares price may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our Equity Shares could decrease, which might cause the price and trading volume of our Equity Shares to decline.

46. ***The Companies Act, 2013 has effected significant changes to the existing Indian Company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

The Companies Act, 2013 has been recently notified, except for certain provisions. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, and in certain cases, introduced certain requirements which did not have corresponding provisions under the Companies Act, 1956, such as

provisions related to private placement of securities, disclosures in prospectus, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by Shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and Key Managerial Personnel from engaging in forward dealing. As a result of the changes brought about by the Companies Act, 2013, we have revised the rate of depreciation on certain tangible and intangible fixed assets and, consequently, the depreciation charge in the Restated Financial Information for the three months ended June 30, 2015 is higher by ₹ 730.27 lakhs of our Company.

In addition, pursuant to the corporate social responsibility (CSR) provisions contained in the Companies Act, 2013 our Company may also need to spend, in each financial year, at least two per cent (2%) of our average net profits during the three (3) immediately preceding financial years towards one of the specified CSR activities.

47. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect the business and financial performance of our Company.*

The business and financial performance of our Company could be affected by any unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to our Company and its business. For further details on certain existing regulations applicable to the business of our Company, please see the chapter entitled 'Regulations and Policies' beginning on page 97 of this Draft Letter of Offer. There can be no assurance that the Government may not propose and implement new regulations and policies which may affect the business or our Company. Any such change and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on the business, financial condition and results of operations of our Company. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may adversely harm the results of operations of our Company.

48. *Investors may be adversely affected due to retrospective tax law changes by the Indian government affecting our Company.*

Certain recent changes to the Income Tax Act provide that income arising directly or indirectly through the sale of a capital asset of an offshore company, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India. The term 'substantially' has not been defined under the Income Tax Act and therefore, the applicability and implications of these changes are largely unclear. Due to these recent changes, Investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of the Equity Shares. In the past, there have been instances where changes in the Income Tax Act have been made retrospectively and there cannot be an assurance that such retrospective changes will not happen again.

49. *There can be no assurance that the Rights Shares issued pursuant to the Issue will be listed on the BSE in a timely manner or at all.*

In accordance with Indian law and practice, after the Board of Directors passes the resolution to allot the Securities but prior to crediting such Securities into the Depository Participant accounts of the Investors, we are required to apply to BSE for final listing approval. After receiving the final listing approval from BSE, we will credit the Securities into the Depository Participant accounts of the respective Investors and apply for the final trading approval from BSE. There could be a failure or delay in listing these Rights Shares on the BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Rights Shares.

50. *There are restrictions on daily movements in the price of Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point of time.*

We are subject to a daily 'circuit breaker' imposed by the Stock Exchange, which may not allow transactions beyond specified increases or decreases in the price of the Equity Shares of our Company. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the circuit breakers is set by the Stock Exchange based on the historical

volatility in the price and trading volume of the Equity Shares of our Company. The Stock Exchange will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without the knowledge of our Company. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares of our Company. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

51. *Shareholders may be subject to Indian taxes arising out of capital gains on the sale of Rights Shares.*

As per the current taxation laws capital gains arising from the sale of the equity shares of a company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than twelve (12) months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of twelve (12) months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Rights Shares of our Company will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gain upon a sale of the Rights Shares. For further details, please see the chapter entitled '*Statement of Possible Tax Benefits Available to the Company and its Shareholders*' beginning on page 65 of this Draft Letter of Offer.

52. *Our Company's ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our Company's ability to raise foreign capital for expansion plans or acquisitions and other strategic transactions, and could constrain our Company's ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure Investors that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our Company's business, prospects, result of operations and financial condition.

Prominent Notes to Risk Factors

1. Issue of [●] Equity Shares with a face value of ₹10 each for cash at a price of ₹ [●] per Right Share (including a premium of ₹ [●] per Rights Share) for an amount aggregating upto ₹ [●] lakhs on Rights basis in the ratio of [●]:[●] ([●] Rights Shares for every [●] fully paid up Equity Shares) held by the Equity Shareholders on the Record Date, i.e. [●]. The face value of the Rights Shares is ₹10 each and the Issue Price is [●] times of the face value of the Equity Shares.
2. The net worth of our Company as per the Restated Financial Information as of June 30, 2015, March 31, 2015 and March 31, 2014 is ₹ 8,417.27 lakhs, ₹ 7,746.14 lakhs and ₹ 6,074.88 lakhs, respectively. For further details, please see the section entitled '*Financial Information*' beginning on page 120 of this Draft Letter of Offer.
3. The NAV per Equity Share of our Company as per the Restated Financial Statement as of June 30, 2015, March 31, 2015 and March 31, 2014 is ₹ 47.61, ₹ 43.11 and ₹ 35.51, respectively. For further details, please see the section entitled '*Financial Information*' beginning on page 120 of this Draft Letter of Offer.
4. Our Company has not entered into any transactions with its group company during the fifteen (15) months period preceding the latest financial statements included in this Draft Letter of Offer i.e. April 1, 2014 to June 30, 2015. For further details regarding the related party transactions and business interest, please refer to the chapter entitled '*Financial Statements*' beginning on page 120 of this Draft Letter of Offer.
5. Our Company has issued Equity Shares for consideration other than cash. For further details, please refer the chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

6. For information on changes in our Company's name and objects clause of the Memorandum of Association of our Company, please see the chapter entitled '*History and Certain Corporate Matters*' beginning on page 100 of this Draft Letter of Offer.
7. Except as disclosed in the chapters entitled '*Capital Structure*', '*Our Promoter and Promoter Group*' and '*Our Management*' beginning on pages 49, 115 and 105 respectively of this Draft Letter of Offer, none of the Promoter, Directors or Key Managerial Personnel have any interest in our Company.
8. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoter, the Directors of our Company and their relatives, have financed or agreed to finance the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six (6) months immediately preceding the date of filing of this Draft Letter of Offer with SEBI.
9. Any clarification, information and complaints relating to the Issue shall be made available by the Lead Manager and our Company to the Investors at large and no selective or additional information would be available for a section of Investors in any manner whatsoever.
10. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs giving full details such as name, address of the Applicants, application number, number of Rights Shares applied for, application amounts, ASBA Account number and the Designated Branch of the SCSBs where the Composite Application Form has been submitted by the ASBA Investor. For contact details, please see the chapter entitled '*General Information*' beginning on page 43 of this Draft Letter of Offer.
11. Investors may contact Compliance Officer or the Lead Manager for any complaints pertaining to the Issue.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Unless otherwise stated, the information in this section is derived from the 'CRISIL - Cement – Annual Review 2015' by CRISIL. In addition, we have relied on websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we, nor any other person connected with the Issue, has independently verified the information provided in this chapter. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on this information.

With a capacity of about 397 million tonnes as of Financial Year 2014-2015, India is the world's second largest cement producer.

The top 5 players account for 45% of the cement industry's capacity, as on March 2015. The domestic manufacturers can broadly be bucketed into pan-India, regional and standalone players. Pan-India players are large players like Holcim Group companies - ACC and Ambuja, and Aditya Birla Group company - UltraTech Cement (including Samruddhi Cement). Players whose presence is restricted to one or two regions are categorised as regional players. Key players included in this segment are Jaiprakash Associates (North and Central), Lafarge (concentrated in the East), India Cement (South, West), Shree Cements (North), Binani Cement (North), Kesoram Industries (South), Chettinad Cement (South), Dalmia Cement (South) and Ramco Cement (South). Players like Panyam Cement, Penna Cement, etc are operational in few states within a region. Owing to their largely local reach, these players are classified as standalone players.

Cement is segregated into various categories based on its composition and specific end-uses. It is primarily classified into

- Portland;
- Blended; and
- Speciality

Demand for cement is closely related to growth in the construction sector. Over the past 5 years, from 2010-11 to 2014-15, demand for cement has grown at a moderate CAGR of around 4%, largely led by construction of infrastructure and industrial projects, coupled with modest demand from the housing sector and commercial construction. In 2014-15, total reported demand stood at approximately 250 million tonnes.

Demand for cement stems either from new construction work or repair of existing structures. Further, demand can be broadly classified into the following four segments:

Housing	55-60%
Infrastructure	20-25%
Commercial Construction	5-10%
Industrial Segments	10-15%

Demand declines during monsoons due to slowdown in construction activity, consequently making demand for cement seasonal.

The cement Industry is largely regional in nature as cement is a high-volume and low-value commodity. Thus transporting cement beyond a distance makes it unviable for end-users. Cement consumption varies region-wise because the demand-supply balance, per capita income and level of industrial development differ in each state and consequently, in each region. In 2014-15, the South accounted for the largest share of consumption (around 25%), followed by the West (around 21%), North (around 20%), East (around 18%) and the central region (around 17%).

In addition, the cement industry, like most capital-intensive commodity industries, is cyclical in nature, especially with respect to supply. Demand for cement is linked to economic growth. Hence, when the economy is strong, demand increases.

As a result, the profitability of players increases, leading to capacity additions by existing players and the entry of new players. However, since it takes around 2-3 years to build a cement plant, it is likely that demand could either decrease or stagnate, or capacity additions could exceed demand before completion of these capacities. This could lead to decrease in cement prices with the industry facing a downturn, and players reducing operating rates or shutting their plants.

The Industry's capacity utilisation has been a cause for concern in the recent past with capacity utilisation at 71% for 2014-15. The cement industry's operating rate, which skidded from 85% in 2009-10 to 69% in 2013-14, recovered slightly to 71% in financial Year 2015, spurred by a 5.2% rise in cement demand.

Pan-India operating rates were pulled down primarily by weak capacity utilisation in the South, where there was significant overcapacity and demand remained subdued. Operating rates in the western and central regions were high at 86%-89% as the two regions have limited production capacity. CRISIL Research projects the pan-India operating rate to average 78% over 2015-16 to 2019-20, as compared to 72% in the previous 5-year period. A bettering operating rate would be mainly due to expected improvement in demand growth of 8.0-8.5% CAGR and slowdown in capacity additions post 2015-16.

A gradual improvement in demand is expected to increase cement prices by 5-6% over 2015-16 to 2016-17. Supporting the price rise are expectations of production discipline among the players.

In 2014-15, average pan-India cement prices rose by about 5% over a low base, owing to improved demand. Prices increased across most regions, with the South recording the sharpest rise of about 11.2%. Higher increase in prices in the South could be attributed to production cuts. Prices in the central and western regions rose moderately, mainly due to production cuts and better demand. The prices have remained nearly flat in H1FY16 with a 1% year on year growth.

SUMMARY OF BUSINESS OF OUR COMPANY

Our Company is part of the Chettinad group which is one of the prominent business houses in South India with diverse businesses including cement manufacturing, transportation, logistics and supply chain management and construction.

Our Company is one of the more prominent small-sized cement manufacturing companies in South India. Our Company commenced its cement manufacturing operations in 1999 with an installed production capacity of 1,98,000 TPA, with one production plant. As on October 31, 2015, we operate two production lines in our Cement Plant with an installed production capacity of 11,60,000 TPA. Our Company manufactures both OPC and PPC. This classification of cement is based on its composition which ultimately determines the usage. Within OPC there are different grades of cement based on the minimum compressive strength gained by the cement-sand mortar mix in 28 days' time. We manufacture 53 grade and 43 grade in OPC. Further, on September 24, 2015, we introduced a new product i.e. rapid hardening portland cement.

The principal raw materials used by our Company for cement manufacturing process are limestone, gypsum, iron ore, laterite and fly ash. Our installed cement manufacturing capacity and production details for Fiscals 2013, 2014 and 2015 have been set out below.

(figures in TPA)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Installed capacity	11,60,000	11,60,000	11,60,000
Actual Production			
OPC 53	3,46,375	3,76,926	3,36,071
OPC 43	1,09,947	1,31,646	1,14,052
PPC	1,99,574	2,92,533	3,87,870
Total Production	6,55,896	8,01,105	8,37,993

Our Company operates an integrated cement manufacturing facility in Nalgonda District, Telangana, which is located approximately 220 kilometres from Hyderabad. Telangana, and in particular, Nalgonda District is a repository of high-quality limestone which is an essential raw material for the manufacture of cement. As of date, we operate two limestone mines situated in Chintalapalem village, in Nalgonda District, with reserves (including probable reserves) of approximately 43 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 53 million tonnes.

Our manufacturing facility uses a significantly automated production process installed using SIEMENS PCS7-CEMAT distribution control system with round-the-clock monitoring, sampling and analysis of cement production through its stages from mining to packing. Our manufacturing facility comprises of two (2) lines.

Line 1

Line 1 was set up in 1999 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 4,00,000 TPA.

Line 2

Line 2 was set up in 2010 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 7,60,000 TPA.

Both lines are equipped with RABH technology to minimize pollution and to ensure a dust free environment at our manufacturing facility. RABH is a state-of-the-art technology with high dust collection efficiency for respirable dust. It is preferred system for high temperature operations. Our manufacturing facility has been granted various accreditations including ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001: 2007.

Our Company's total revenue as restated in Fiscal 2015, Fiscal 2014 and Fiscal 2013 was ₹ 26,080.08 lakhs, ₹ 28,244.93 lakhs and ₹ 28,894.27 lakhs, respectively. Our Company's profit after tax as restated in Fiscal 2015, Fiscal 2014 and Fiscal 2013 was ₹ 1,671.26 lakhs, ₹ (1,859.73) lakhs and ₹ 321.09 lakhs, respectively. Our total revenue as restated in the three months ended June 30, 2015, was ₹ 8,791.83 lakhs.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

The Restated Standalone Financial Information and Restated Consolidated Financial Information have been prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations and presented under the chapter entitled 'Financial Statements' on page 120. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the chapters entitled 'Financial Statements' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' on pages 120 and 174 respectively.

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars		As of June 30, 2015	As of March 31,				
			2015	2014	2013	2012	2011
I. EQUITY AND LIABILITIES							
(1)	Shareholders' Funds						
(a)	Share Capital	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96
(b)	Reserves and Surplus	6,578.31	5,907.18	4,235.92	6,095.65	5,774.56	4,465.60
(2)	Non-Current Liabilities						
(a)	Long-Term Borrowings	15,327.06	17,533.05	7,170.34	15,870.77	16,953.87	18,171.87
(b)	Deferred Tax Liabilities (Net)	338.48	181.27	455.47	1,335.04	1,183.11	950.18
(c)	Other Long Term Liabilities	394.83	238.19	175.29	212.76	143.31	111.81
(d)	Long Term Provisions	218.30	218.30	196.13	107.83	71.61	39.65
(3)	Current Liabilities						
(a)	Short-Term Borrowings	1,029.18	1,573.40	7,416.03	5,081.92	3,678.49	3,644.68
(b)	Trade Payables	297.59	700.21	3,779.38	1,913.17	1,817.43	980.29
(c)	Other Current Liabilities	3,602.91	3,069.88	7,512.58	5,551.93	4,868.24	4,030.28
(d)	Short-Term Provisions	148.50	137.52	25.98	209.78	684.85	285.88
Total		29,774.12	31,397.96	32,806.09	38,217.81	37,014.43	34,519.20
II. ASSETS							
(1)	Non-Current Assets						
(a)	Fixed Assets						
	(i) Tangible Assets	19,448.35	20,444.58	21,309.24	23,022.08	22,827.46	23,389.16
	(ii) Capital Work-In-Progress	86.59	65.69	25.62	28.08	923.25	40.82
(b)	Long Term Loans and Advances	529.96	554.12	558.45	393.79	422.95	1,118.69
(c)	Non Current Investments				1,885.34	1,646.95	1,646.95
(2)	Current Assets						
(a)	Current Investments	2.83	2.83	4.49	-	-	-
(b)	Inventories	2,545.00	3,741.27	3,037.74	3,986.19	2,956.38	3,378.21

Particulars	As of June 30, 2015	As of March 31,				
		2015	2014	2013	2012	2011
(c) Trade Receivables	2,154.07	1,531.67	1,564.37	2,357.63	2,094.97	1,487.48
(d) Cash and Cash Equivalents	490.05	309.48	491.44	382.42	360.28	227.49
(e) Short-Term Loans and Advances	4,517.27	4,748.32	5,804.74	6,162.27	5,782.19	3,230.40
(f) Other Current Assets	-	-	10.00	-	-	-
Total	29,774.12	31,397.96	32,806.09	38,217.81	37,014.43	34,519.20

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	For the three months ended June 30, 2015	Fiscal				
		2015	2014	2013	2012	2011
REVENUE						
I. Revenue from operations	8,775.27	25,966.68	28,062.91	28,803.99	29,609.24	17,549.93
II. Other Income	16.56	113.40	182.02	90.29	50.38	32.52
Total Revenue (I +II)	8,791.83	26,080.08	28,244.93	28,894.27	29,659.61	17,582.45
EXPENSES						
Cost of Materials consumed	1,066.76	3,610.84	4,139.62	4,274.83	3,832.13	3,418.62
Purchase of Stock-in-Trade	-	-	59.54	107.08	10.41	-
Changes in inventories of finished goods and work-in-progress	475.03	525.72	401.84	(875.76)	809.03	(1,667.37)
Employee benefits expense	448.68	1,501.77	1,446.87	1,329.06	1,245.75	924.37
Finance Costs	486.36	2,779.87	3,538.06	3,445.68	3,333.59	2,540.20
Depreciation	996.23	1,059.37	1,492.07	1,437.19	1,406.11	1,310.48
Other Expenses	4,493.33	15,205.44	19,906.24	18,703.19	17,224.22	10,966.76
Total Expenses	7,966.39	24,683.01	30,984.24	28,421.27	27,861.24	17,493.06
Profit/(Loss) before tax	825.44	1,397.07	(2,739.31)	473.00	1,798.37	89.39
Tax expense:						
Current tax	176.17	36.04	-	94.65	359.85	17.82
Less : MAT Credit Entitlement	176.17	36.04	-	94.65	359.85	17.82
Net Current tax	-	-	-	-	-	-
Additional Current Tax	(2.90)	-	-	-	-	6.92
Deferred tax	157.20	(274.19)	(879.58)	151.91	232.93	22.93
Profit/(Loss) After Tax	671.14	1,671.26	(1,859.73)	321.09	1,565.44	59.54
Earnings per equity share:						
(1) Basic	3.65	9.09	(10.11)	1.75	8.51	0.32
(2) Diluted	3.65	9.09	(10.11)	1.75	8.51	0.32

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ in lakhs)

Particulars	For the Three Month Ended June 30, 2015	Fiscal				
		2015	2014	2013	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Net Profit/(Loss) before Tax	825.44	1,397.07	(2,739.31)	473.00	1,798.37	89.39
Adjustment for :						
Depreciation	996.23	1,059.37	1,492.07	1,437.19	1,406.11	1,310.48
Interest and Finance charges	486.36	2,779.87	3,538.06	3,445.68	3,333.59	2,540.20
Loss/(profit) in Sale of Fixed Asset	-	60.88	(95.28)	-	-	0.11
Loss/(Gain) on account of exchange difference	-	-	4.01	-	-	-
Bad Debts Written off	161.67	189.68	76.19	118.01	-	-
Obsolete Stock written off	-	-	420.47	-	-	-
Impairment Loss	-	-	360.67	-	-	-
Advances Written off	-	126.46	-	-	-	-
Diminution in value of current Investments	-	2.80	1.39	1.32	-	-
Operating Profit Before Working Capital Changes	2,469.70	5,616.13	3,058.27	5,475.20	6,538.07	3,940.18
Changes in Working Capital						
(Increase)/Decrease in Inventories	1,196.27	(703.53)	343.04	(1,029.81)	421.83	(2,144.67)
(Increase)/Decrease in Trade Receivables	(784.07)	(156.98)	717.07	(380.67)	(607.49)	(371.20)
(Increase)/Decrease in Loans and Advances	482.11	898.08	228.85	(207.59)	(1,593.45)	(752.83)
Increase/(Decrease) in Current Liabilities	(378.14)	(4,529.39)	3,134.92	877.04	1,286.88	654.75
Cash Generated from Operations	2,985.87	1,124.31	7,482.15	4,734.17	6,045.83	1,326.23
Direct taxes paid	-	(20.00)	(83.02)	(410.27)	(149.80)	(160.33)
Net Cash Flow from Operating Activities	2,985.87	1,104.31	7,399.13	4,323.90	5,896.03	1,165.90
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Fixed Assets including Capital Work in Progress	(20.90)	(353.18)	(500.69)	(746.53)	(1,726.83)	(2,953.32)
Sale Proceeds from Fixed Assets	-	67.53	423.18	8.52	2.34	
Sale proceeds of Investments	-	-	1,965.00	(238.39)	-	
Purchase of Current Investments (REC bonds)	-	(1.15)	(5.88)			
Net Cash Flow from Investing Activities	(20.90)	(286.80)	1,881.61	(976.40)	(1,724.49)	(2,953.32)
C. CASH FLOW FROM						

Particulars	For the Three Month Ended June 30, 2015	Fiscal				
		2015	2014	2013	2012	2011
FINANCING ACTIVITIES:						
Repayment of Hire Purchase Loans	-	(5.32)	(3.89)	(0.24)	(0.24)	(22.77)
Proceeds From Long Term Borrowing (Net)	(3.68)	(1,414.12)	(1,712.75)	(1,673.86)	(1,124.96)	(109.29)
Dividend Paid	-	(0.28)	(0.22)	(220.68)	(147.12)	
Corporate Dividend Tax paid	-	-	(35.80)			
Proceeds From Issue of Non-Convertible Debentures	-	6,000.00	-			
Inter Corporate Deposit Received / (Repaid)	-	(2,050.00)	2,050.00			
Increase / (Decrease) in Cash Credit Utilisation	(544.22)	(3,792.63)	284.11	1,403.43	33.81	1,741.31
(Repayment) / Proceeds from Unsecured Loans	(1,515.59)	2,579.88	(6,233.85)	627.61	526.42	2,698.84
Interest Paid	(720.93)	(2,305.30)	(3,519.09)	(3,468.95)	(3,331.59)	(2,540.20)
Amount Transferred to Investor Education Protection Fund	-	(5.70)	-	-		
Net Cash Flow from Financing Activities	(2,784.42)	(993.47)	(9,171.49)	(3,332.69)	(4,043.67)	1,767.89
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:	180.55	(175.96)	109.25	14.81	127.87	(19.53)
Cash and Cash Equivalents at the beginning of the year	275.01	450.97	341.73	326.92	199.05	218.58
Cash and Cash Equivalents at the end of the year	455.56	275.01	450.97	341.73	326.92	199.05
Cash and Cash Equivalents :						
Cash and Cash Equivalents as above	455.56	275.01	450.97	341.73	326.92	199.05
Balances in Statutory Restricted Accounts	34.49	34.49	40.47	40.69	33.36	28.44
Cash and Cash Equivalents	490.05	309.50	491.44	382.42	360.28	227.49

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As of March 31,		
	2013	2012	2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1,838.96	1,838.96	1,838.96
(b) Reserves and Surplus	6,545.75	6,100.50	4,655.75
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	16,318.41	19,810.45	19,973.36
(b) Deferred Tax Liabilities (Net)	1,431.93	1,319.57	1,097.23
(c) Other Long Term Liabilities	213.72	144.27	111.81
(d) Long Term Provisions	109.46	74.11	39.65
(3) Current Liabilities			
(a) Short-Term Borrowings	5,904.07	4,912.11	4,347.69
(b) Trade Payables	2,562.87	2,104.59	1,586.23
(c) Other Current Liabilities	6,148.32	5,552.99	4,032.28
(d) Short-Term Provisions	210.12	684.99	296.00
Total	41,283.60	42,542.54	37,978.96
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	24,478.48	24,240.24	25,464.16
(ii) Intangible Assets	3.80	5.07	-
(iii) Capital Work-In-Progress	34.95	3,330.42	253.79
(b) Long Term Loans and Advances	435.94	568.54	1,118.69
(c) Goodwill on Consideration	344.73	295.09	295.09
(d) Non Current Investments	737.10	-	-
(2) Current Assets			
(a) Current Investments	-	-	-
(b) Inventories	4,739.51	3,582.97	4,196.55
(c) Trade Receivables	3,319.99	3,136.33	2,371.27
(d) Cash and Cash Equivalents	444.11	616.95	297.55
(e) Short-Term Loans and Advances	6,741.82	6,766.94	3,981.87
(f) Other Current Assets	3.16	-	-
Total	41,283.60	42,542.54	37,978.96

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSSES

(₹ in lakhs)

Particulars	Fiscal		
	2013	2012	2011
REVENUE			
I. Revenue from operations	32,609.60	32,926.78	20,524.68
II. Other Income	94.29	278.08	41.11
Total Revenue (I +II)	32,703.89	33,204.85	20,565.79
EXPENSES			
Cost of Materials consumed	6,452.93	5,595.80	5,187.57
Purchase of Stock-in-Trade	107.08	101.44	-
Changes in inventories of finished goods and work-in-progress	(895.60)	827.48	(1,721.70)
Employee benefits expense	1,585.67	1,463.60	1,127.16
Finance Costs	3,676.03	3,591.49	2,759.21
Depreciation	1,670.59	1,690.76	1,588.96
Other Expenses	19,534.64	17,980.41	11,510.58
Total Expenses	32,131.33	31,250.99	20,451.78
Profit/(Loss) before tax	572.56	1,953.87	114.01
Tax expense:			
Current tax	154.60	401.50	24.44
Less : MAT Credit Entitlement	94.65	359.85	17.82
Net Current tax	59.95	41.65	6.62
Tax for the earlier years	(5.46)	-	2.69
Deferred tax	124.58	210.99	31.27
Share of Net profit of Associate	51.76	-	-
Profit/(Loss) After Tax	445.25	1,701.22	73.43
Earnings per equity share:			
(1) Basic	2.42	9.25	0.40
(2) Diluted	2.42	9.25	0.40

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in lakhs)

Particulars	Fiscal		
	2013	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax	572.56	1,953.87	114.01
Adjustment for :			
Depreciation	1,670.59	1,690.76	1,588.96
Interest and Finance charges	3,676.03	3,591.49	2,759.21
Loss/Profit on sale of Assets	2.46	(244.37)	1.33
Profit on account of Exchange Difference	-	-	-
Bad Debts Written off	118.64	-	-
Operating Profit Before Working Capital Changes	6,040.28	6,991.75	4,463.50
Changes in Working Capital			
(Increase)/Decrease in Inventories	(1,156.54)	613.58	(2,531.77)
(Increase)/Decrease in Trade Receivables	(65.02)	(765.06)	(239.48)
(Increase)/Decrease in Loans and Advances and other Assets	157.71	(2,856.74)	(849.85)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	549.78	2,428.06	913.64
Cash Generated from Operations	5,526.21	6,411.58	1,756.05
Direct taxes paid	(410.27)	(185.44)	(179.10)
Net Cash Flow from Operating Activities	5,115.94	6,226.14	1,576.95
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Inflow/(Outflow)			
Net Purchase of Fixed Assets	(1,225.51)	(3,542.18)	(3,297.28)
Work In progress			
Proceeds from sale of Fixed Assets	13.29	244.37	9.56
Purchase of investments in Associate			
Increase in investment in Associate	(735.00)		
Net Cash Flow from Investing Activities	(1,947.22)	(3,297.81)	(3,287.72)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Inflow / (Outflow)			
Proceeds / (Repayment) of Vehicle Loans	(1.43)	1.40	(20.86)
Proceeds from Long Term Borrowing	237.62	908.85	90.97
Repayment of Long Term Borrowing	(1,900.61)	-	-
Increase / (Decrease) in Cash Credit Utilisation	1,591.96	(35.58)	1,931.19
(Repayment) / Proceeds from Unsecured Loans	627.60	283.71	2,698.84
Dividend Paid	(220.68)	(147.12)	(214.44)
Dividend Tax Paid	-	(23.87)	-
Interest and Finance charges paid	(3,676.03)	(3,591.49)	(2,759.21)
Net increase in Statutory Restricted Accounts Balances	(7.33)	(4.82)	-
Net Cash Flow from Financing Activities	(3,348.89)	(2,608.92)	1,726.49
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(180.18)	319.42	15.72
Cash and Cash Equivalents at the Commencement of the year	583.61	264.20	248.49
Cash and Cash Equivalents at the close of the year	403.43	583.61	264.20
CASH AND CASH EQUIVALENTS :			
Cash and Cash Equivalents as above	403.43	583.61	264.20
Balances in Statutory Restricted Accounts	40.69	33.36	33.36
Cash and Cash Equivalents	444.12	616.97	297.56

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter entitled '*Terms of the Issue*' on page 230 of this Draft Letter of Offer.

Securities being offered by our Company	Upto [●] Equity Shares
Rights Entitlement	[●] Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●]
Record Date	[●]
Face Value per Rights Equity Shares	₹ 10
Issue Price per Rights Equity Share	[●] including a premium of [●] per Rights Equity Share
Equity Shares outstanding prior to the Issue	1,83,89,597 Equity Shares
Voting Rights and Dividend	The Equity Shares issued pursuant to the issue shall rank <i>pari passu</i> in all respects with the existing Equity Shares of our Company.
Issue size	Issue of upto [●] Equity Shares of face value of [●] Each for cash at a price of [●] (Including a premium of [●] per Rights Equity Share) per Rights Equity Share not exceeding an amount [●]
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please see the chapter entitled ' <i>Terms of the Issue</i> ' on page 230 of this Draft Letter of Offer.
Use of Issue Proceeds	For further information, please see the chapter entitled ' <i>Objects of the Issue</i> ' on page 59 of this Draft Letter of Offer.
ISIN Code	INE071F01012
BSE Scrip Code	518091

Payment terms

The payment terms are as follows:

Due Date	Amount
On Application of Rights Equity Shares	[●] per Rights Equity Share which constitutes 100 % of the Issue Price.

GENERAL INFORMATION

Our Company was incorporated as Shez Chemicals Limited on December 17, 1983 at Hyderabad, Andhra Pradesh as a public limited company under the Companies Act, 1956. A fresh certificate of incorporation, consequent upon change of name of our Company to Shez Cements Limited, was issued on October 17, 1985. Subsequently, pursuant to a special resolution of the shareholders dated September 30, 1999, the name of our Company was changed to Anjani Portland Cement Limited. A fresh certificate of incorporation, consequent upon change of name of our Company, was issued on October 7, 1999. For further details of change in the name and Registered Office of our Company please see the chapter entitled '*History and Certain Corporate Matters*' on page 100 of this Draft Letter of Offer.

The Board of Directors of our Company has approved the Issue under Section 62 of the Companies Act, at their meeting held on April 29, 2015. This Draft Letter of Offer has been approved by the Rights Issue Committee as authorized by the Board of Directors at their meeting held on December 30, 2015.

For further details of the business of our Company please see the chapter entitled '*Our Business*' on page 84 of this Draft Letter of Offer.

ISSUE OF [●] EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹ [●] PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹ 7,500 LAKHS ON RIGHTS BASIS IN THE RATIO OF [●]:[●] ([●] RIGHTS SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE FACE VALUE OF THE RIGHTS SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

Registered Office of our Company

306 A, The Capital
3rd Floor, Plot No. C – 70
G – Block, Bandra Kurla Complex
Bandra (E), Mumbai 400051
Maharashtra, India
Tel: +91 22 4023 9909
E-mail: anjani.rights@anjanicement.com
Website: www.anjanicement.com

Corporate Identification Number: L26942MH1983PLC265166

Corporate Office of Our Company

Unit E3 & E4
4th Floor, Quena Square
Erramanzil
Hyderabad – 500 082
Telangana State, India
Tel: +91 40 2335 3096
Fax: +91 40 2335 3093
E-mail: secretarial@anjanicement.com

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies
100, Everest

Marine Drive
Mumbai 400002
Maharashtra, India

Board of Directors

As on the date of filing of this Draft Letter of Offer the Board of Directors of our Company comprises the following Directors:

Name	Designation	DIN	Address
V. Subramanian	Chairman, Non - Executive, Independent Director	06693099	5/Door No FC-Block-1, Shakti Nagar New Street, Kamala Paradise, Porur Chennai, TN 600116
A. Subramanian	Managing Director	06693209	1E,11 th Block, Asvini, Amarisa Apartment, Kalasathamman Koil Street, Ramapuram, Chennai 600089
S.B. Nirmalatha	Non - Executive Director	03092392	35 I Main Road, Lake Area, Nungambakkam Chennai, Tamil Nadu, India 600034
Gopal Perumal	Non - Executive, Independent Director	06630431	Old No. 52, New No. 122, Subramaniya Mudali Street, Saidapet, Chennai, Tamil Nadu India 600015

For further details of our Directors please see the chapter entitled '*Our Management*' on page 105 of this Draft Letter of Offer.

Company Secretary and Compliance Officer

Anu Nair
306 A, The Capital
3rd Floor, Plot No. C – 70
G – Block, Bandra Kurla Complex
Bandra (E), Mumbai 400051
Maharashtra, India.
Tel: +91 22 4023 9909
E-mail: anunair@anjanicement.com

Chief Financial Officer

M L Kumavat
306 A, The Capital
3rd Floor, Plot No. C – 70
G – Block, Bandra Kurla Complex
Bandra (E), Mumbai 400051
Maharashtra, India.
Tel: +91 22 4023 9909
E-mail: kumavat@anjanicement.com

Lead Managers to the Issue:

Motilal Oswal Investment Advisors Private Limited

Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opposite Parel ST Depot,
Prabhadevi
Mumbai 400 025
Maharashtra, India

Telephone: +91 22 3980 4380,
 Facsimile: +91 22 3980 4315
 Email: anjani.rightsissue@motilaloswal.com
 Website: www.motilaloswal.com
 Investor Grievance E-mail: moiaplredressal@motilaloswal.com
 Contact Person Details: Zaid Motorwala / Paresh Raja
 SEBI Registration No.: INM00001105
 CIN: U67190MH2006PTC160583

Legal Advisor to the Issue

Bharucha & Partners

9, S. S. Ram Gulam Marg
 Ballard Estate
 Mumbai – 400001
 Maharashtra, India
 Telephone: +91 22 6132 3900
 Facsimile: +91 22 6633 3900
 Email: anjani@bharucha.in

Auditors to our Company

Ramanatham & Rao

P.B No. 2102, Flat # 302
 Kala Mansion
 Sarojini Devi Road
 Secunderabad 500003
 Telangana, India
 Telephone: + 91 40 27814147
 Facsimile: +91 40 27840307
 Email: krchalla.ca@gmail.com

Banker to the Issue

Name: [●]
 Address: [●]
 Tel: [●]
 Facsimile: [●]
 E-mail: [●]
 Website: [●]
 Contact Person: [●]

Bankers to our Company

HDFC Bank Limited 9 th Floor, 115 Dr. Radhakrishnan Salai Mylapore, Chennai 600 004 Tel: +91 44 2847 7241 Facsimile: +91 44 2847 7250 E-mail: Naveen.Victor@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. A. Naveen	HDFC Bank Limited 6-1-73, Ground and 3 rd Floor Saeed Plaza, Lakdi ka pul, Hyderabad Tel: +91 44 2847 7246 Facsimile: +91 44 2847 7250 E-mail: Naveen.Victor@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. A. Naveen Victor	State Bank of India 6-3-347/22/2, Aishwarya Nilayam, Dwarakapuri Colony Punjaguta, Hyderabad Tel: +91 40 2335 2160 Facsimile: +91 40 2335 2170 E-mail: sbi.11661@sbi.co.in Website: www.sbi.co.in Contact Person: Ms. D. Vijayalakshmi
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Victor		
Lakshmi Vilas Bank Survey.No.8-3-248/1/7/7, Nagarjuna Hills, Punjaguta, Hyderabad Tel: +91 40 2335 5355 Facsimile: +91 40 2335 5357 E-mail: punjagutta@lvbank.in Website: www.lvbank.com Contact Person: Ms. V. Hema	State Bank of Hyderabad Dondapadu, Mellacheruvu Mandal Nalgonda District Tel: +91 8683 235 234 Facsimile: +91 86832 35234 E-mail: dondapadu@sbhyd.co.in Website: www.sbhyd.com Contact Person: Mr. K. Raghu	

Refund Banker to the Issue:

Name: [●]
Address: [●]
Tel: [●]
Facsimile: [●]
E-mail: [●]

Self Certified Syndicate Bankers:

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount Process is provided at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For further details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA applications may be submitted at all branches of the SCSBs.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Investor, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

For more details on the ASBA process, please see the details given in CAF and also please see the chapter entitled '*Terms of the Issue*' on page 230 of the Draft Letter of Offer.

Registrar to the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B Plot 31-32
Gachibowli Financial District, Nanakramguda
Hyderabad 500 032
Telephone: +91 40 6716 2222,
Facsimile: +91 40 2300 1153
Email: einward.ris@karvy.com
E-mail: anjaniportland.rights@karvy.com
Website: www.karisma.karvy.com

Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Note: Investors are advised to contact the Registrar to the Issue/Compliance Officer in case of any pre-Issue/post-Issue related problems such as non-receipt of the Draft Letter of Offer / the Letter of Offer / the Abridged Letter of Offer / CAF (**Composite Application Form**) / allotment advice / Share Certificate(s) / refund orders.

Subscription by our Promoter and Promoter Group

The Promoter has confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. The subscription by our Promoter of the Rights Shares and the consequent Allotment of the Right Shares would be subject to the aggregate shareholding of the Promoter not exceeding 75% of the post-Issue Equity Share Capital of our Company on the date of Allotment, in compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and the SEBI Listing Regulations.

For further details please refer to '*Terms of the Issue - Basis of Allotment*' on page 248 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last date for receiving requests for SAFs (Split Application Form)	[●]
Issue Closing Date	[●]

Monitoring Agency

In terms of Regulation 16(1) of the SEBI ICDR Regulations an issuer is required to appoint a monitoring agency if the issue size is in excess of ₹ 50,000 lakhs. Since this Issue is for less than ₹ 50,000 lakhs our Company is not required to appoint a monitoring agency. Our Board and the Audit Committee of our Board will monitor the use of proceeds of this Issue in accordance with applicable law.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

Expert

Except as stated below, our Company has not obtained any expert opinion.

Our Company has received written consent from the Statutory Auditor namely, Ramanatham & Rao, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in the Draft Letter of Offer in relation to the: i) reports of the Statutory Auditor dated December 21, 2015 for the audited consolidated financial statements for the Financial Years 2013, 2012 and 2011 and the audited standalone financial statements for the quarter ended June 30, 2015 and Financial Years ended 2015, 2014, 2013, 2012 and 2011; and ii) statement of tax benefits dated December 21, 2015 included in the Draft Letter of Offer and such consent has not been withdrawn as of the date of the Draft Letter of Offer.

Listing on the Stock Exchange

The Equity Shares of our Company are listed on the BSE. We have received an in-principle approval for listing of the Rights Equity Shares from the BSE by a letter dated [●]. We will make applications to the BSE for final listing and trading approvals in respect of the Rights Equity Shares being offered in terms of the Draft Letter of Offer.

Trustees

As this is an Issue of Rights Equity Shares, the appointment of trustee/s is not required.

Underwriting

This Issue shall not be underwritten.

Credit Rating

As this is an Issue of Rights Equity Shares, we are not required to obtain a credit rating in connection with the Issue and/or the Rights Equity Shares.

Principal Terms of Loans and Assets Charged as Security

For further details in connection with the principal terms of loans and assets charged as security, please see the chapter entitled '*Financial Indebtedness*' on page 192 of this Draft Letter of Offer.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

CAPITAL STRUCTURE

The Equity Share Capital of our Company as at the date of this Draft Letter of Offer and after the Issue, is set forth below.

(₹ in lakhs except share data)

Sl. No.	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A.	AUTHORIZED SHARE CAPITAL		
	3,00,00,000 Equity Shares of face value of ₹ 10 each	3,000.00	3,000.00
	10,00,000 14% Preference Shares of face value of ₹ 10 each	100.00	100.00
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	Issued Capital		
	1,83,94,463 Equity Shares	1,839.45	[●]
	Subscribed and Paid up		
	1,83,89,597 Equity Shares	1,838.96	[●]
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER*		
	Up to [●] Equity Shares	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE		
	[●] Equity Shares	[●]	[●]
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	Nil	
	After the Issue	[●]	

*This Issue is being made pursuant to a resolution passed by the Board at its meeting held on April 29, 2015.

Changes in the Authorised Share Capital

Set out below are the changes to the authorised share capital of our Company since our incorporation:

Date of Shareholders' Resolution	Authorised Share Capital (in ₹)		Particulars
	Equity Shares	Preference Shares	
On Incorporation	5,00,00,000	Nil	Incorporated with an authorised share capital of ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each
September 28, 1990	6,50,00,000	Nil	Increase in authorized share capital of our Company from ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each to ₹6,50,00,000 divided into 65,00,000 Equity Shares of ₹10 each
September 30, 1991	10,00,00,000	Nil	Increase in authorized share capital of our Company from ₹6,50,00,000 divided into 65,00,000 Equity Shares of ₹10 each to ₹10,00,00,000 divided into 1,00,00,000

Date of Shareholders' Resolution	Authorised Share Capital (in ₹)		Particulars
	Equity Shares	Preference Shares	
			Equity Shares of ₹10 each
September 29, 1993	15,10,00,000	90,00,000	Increase in authorized share capital of our Company from ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each to ₹16,00,00,000 divided into 1,51,00,000 Equity Shares of ₹10 each and 9,00,000 14 per cent cumulative redeemable Preference Shares of ₹10 each
September 28, 1994	20,10,00,000	90,00,000	Increase in authorized share capital of our Company from ₹16,00,00,000 divided into 1,51,00,000 Equity Shares of ₹10 each and 9,00,000 14 per cent cumulative redeemable preference shares of ₹10 each to ₹21,00,00,000 divided into 2,01,00,000 Equity Shares of ₹10 each and 9,00,000 14 per cent cumulative redeemable Preference Shares of ₹10 each
September 28, 2010	30,00,00,000	1,00,00,000	Increase in authorized share capital of our Company from ₹21,00,00,000 divided into 2,00,00,000 Equity Shares of ₹10 each and 10,00,000 14 per cent cumulative redeemable preference shares of ₹10 each to ₹31,00,00,000 divided into 3,00,00,000 Equity Shares of ₹10 each and 10,00,000 14 per cent cumulative redeemable Preference Shares of ₹10 each.

For further details, see 'Risk Factors - Some of the forms filed by us with the Registrar of Companies and our records in that respect are not traceable.' at page 23 of this Draft Letter of Offer.

Notes to the Capital Structure

1. Share Capital History of our Company

(a) The history of the Equity Share Capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (Please refer to the Note)	Nature of Consideration	Nature of Transaction	Cumulative Number of Equity Shares	Cumulative Paid - up Equity Share Capital (₹in lakhs)
December 17, 1983	70	10	-	Please refer to the Note	Subscriber to the Memorandum of Association	70	0.007
1994*	85,50,000	10	-	Please refer to the Note	Initial Public Offering	85,50,070	855.01
1995**	42,70,064	10	-	Please refer to the Note	Rights Issue	1,28,20,134	1,282.01
October 29, 2001	55,69,463	10	-	Part cash and other than cash***	Preferential Allotment****	1,83,89,597	1,838.96

* Based on notice dated February 24, 1994 issued by BSE Limited for the listing and trading of securities and undertaking from the Issuer.

** Based on the letter dated April 15, 1995 issued by the BSE Limited and undertaking from our Company.

*** Pursuant to the term loan facilities availed by our Company from certain banks, our Company was required to convert then outstanding unsecured loans given by the erstwhile promoters in order to maintain the requisite debt-equity ratio.

**** 53,44,418 Equity Shares were allotted to Venkata Vishnu Raju Kalidindi, 85,505 Equity Shares were allotted to P.V.R.L. Narasimha Raju, 1,21,500 Equity Shares were allotted to P. Lakshmi, 9000 Equity Shares were allotted to P. Satyanarayana Raju, 9000 Equity Shares were allotted to P. Suryakantalah, 9 Equity Shares were allotted to Vanitha Datla, 9 Equity Shares were allotted to R. Kunjithapathnam, 9 Equity shares were allotted to N.V.S.S.S Raju, 9 Equity shares were allotted to B.S. Sudhakara Raju, 4 Equity shares were allotted to K. Gopalakrishna.

Note: Our current Promoter acquired our Company from our erstwhile promoters in 2014. We have been unable to locate certain corporate records of our Company, in respect of various corporate actions undertaken by our Company including allotment of shares. Consequently, our Company does not have details pertaining to Issue Price and nature of consideration.

- (b) Our Company has complied with the relevant provisions of the SEBI ICDR Regulations, while making preferential allotment of equity shares.
- (c) As on the date of this Draft Letter of Offer our Company does not have any outstanding 14 per cent cumulative redeemable Preference Shares.
- (d) Our Company has not issued Equity Shares at a price lower than the Issue Price during a period of one year preceding the date of this Draft Letter of Offer.

2. Issue of Equity Shares in the last two preceding years

Our Company has not issued Equity Shares in the last two years preceding the date of this Draft Letter of Offer.

3. Issue of Equity Shares for consideration other than cash

Except as set out below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share ***	Nature of Consideration	Nature of Transaction	Cumulative Number of Equity Shares	Cumulative Paid - up Equity Share Capital (₹in lakhs)
October 29, 2001	55,69,463	10	-	Part cash and other than cash*	Preferential Allotment **	1,83,89,597	1,838.96

* Pursuant to the term loan facilities availed by our Company from certain banks, our Company was required to convert then outstanding unsecured loans given by the erstwhile promoters in order to maintain the requisite debt-equity ratio.

** 53,44,418 Equity Shares were allotted to Venkata Vishnu Raju Kalidindi, 85,505 Equity Shares were allotted to P.V.R.L. Narasimha Raju, 1,21,500 Equity Shares were allotted to P. Lakshmi, 9000 Equity Shares were allotted to P. Satyanarayana Raju, 9000 Equity Shares were allotted to P. Suryakantalah, 9 Equity Shares were allotted to Vanitha Datla, 9 Equity Shares were allotted to R. Kunjithapathnam, 9 Equity shares were allotted to N.V.S.S.S Raju, 9 Equity shares were allotted to B.S. Sudhakara Raju, 4 Equity shares were allotted to K. Gopalakrishna.

*** Our current Promoter acquired our Company from our erstwhile promoters in 2014. We have been unable to locate certain corporate records of our Company, in respect of various corporate actions undertaken by our Company including allotment of shares. Consequently, our Company does not have details pertaining to Issue Price and nature of consideration.

4. History of the Equity Share Capital held by our Promoter

As on the date of this Draft Letter of Offer, our Promoter holds 1,37,92,197 Equity Shares, equivalent to 75% of the Equity Share Capital. Set forth below is the build-up of the shareholding of our Promoter since incorporation of our Company:

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)	Source of Funds ^{###}
May 15, 2014	Transfer [*]	37,84,014	Cash	10	61.75	20.58	[●]	Internal Accruals
May 20, 2014	Transfer ^{**}	37,84,014	Cash	10	61.75	20.58	[●]	Internal Accruals
May 21, 2014	Transfer ^{***}	14,42,873	Cash	10	61.75	7.84	[●]	Internal Accruals
July 17, 2014	Open Offer [#]	31,07,962	Cash	10	61.75	16.90	[●]	Internal Accruals
July 21, 2014	Open Offer [#]	33,790	Cash	10	61.75	0.19	[●]	Internal Accruals
September 2, 2014	Transfer ^{##}	16,39,544	Cash	10	61.75	8.91	[●]	Internal Accruals

^{*} Off Market Transfer of 6,02,409 Equity Shares from Vanitha Datla, 11,96,600 Equity Shares from K. Ramavathy, 7,16,700 Equity Shares from K.S.N. Raju, 2,21,580 Equity Shares from Aditya Vissam, 3,65,000 Equity Shares from Vanitha Finance and Investment(p) Ltd., 2,68,925 Equity Shares from P.V.R.L. Narasimha Raju, 2,31,700 Equity Shares from P. Lakshmi, 50,000 Equity Shares from P.S. Naveen, 1,11,500 Equity Shares from P. Satyanarayana Raju, 19,600 Equity Shares from P.S. Kantamma

^{**} Off market transfer of 37,84,014 Equity Shares from Venkata Vishnu Raju Kalidindi

^{***} Off market transfer of 11,24,773 Equity Shares from Venkata Vishnu Raju Kalidindi and 3,18,100 Equity Shares from K. Anuradha

[#] Pursuant to the Open Offer triggered by our Promoter after entering into a Share Purchase Agreement (SPA) dated March 12, 2014

^{##} Off market transfer of 16,39,544 Equity Shares from Venkata Vishnu Raju Kalidindi

^{###} The source of funds has been certified by M/s Karthik Bharathi & Co., Chartered Accountants by their certificate dated December 21, 2015

Note: Our Promoter entered into a Share Purchase Agreement (SPA) dated March 12, 2014 with the erstwhile promoters of our Company for acquisition of 61.62% Equity Share Capital. Pursuant to the SPA, our Promoter, then, made an Open Offer to acquire upto 26% of the Equity Share Capital of our Company. Pursuant to the Open Offer and the SPA, our Promoter acquired 17.09% and 57.91% of the Equity Share Capital, respectively. After the completion of the Open Offer and in terms of the SPA our Promoter holds 75% of the Equity Share Capital.

- None of the Equity Shares held by the Promoter is subject to lock-in as on the date of this Draft Letter of Offer.
- In terms of Regulation 34(c) of the SEBI ICDR Regulations the requirements of minimum promoters' contribution and lock-in are not applicable in this Issue.
- Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on December 25, 2015.

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE - HOLDE RS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERI -ALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO. OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					% OF (A+B)	% OF (A+B+C)	NUMB ER OF SHARE S	%
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*10 0
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual / HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	1,37,92,197	1,37,92,197	75.00	75.00	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
SUB-TOTAL A(1) :		1	1,37,92,197	1,37,92,197	75.00	75.00	0	0.00
(2)	FOREIGN							
(a)	Individuals (NRIs / Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2):	0	0	0	0.00	0.00	0	0.00
TOTAL A = A(1) + A(2)		1	1,37,92,197	1,37,92,197	75.00	75.00	0	0.00
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	2	34,400	0	0.19	0.19	-	-
(b)	Financial Institutions / Banks	3	7,800	0	0.04	0.04	-	-
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	-	-
(d)	Venture Capital Funds	0	0	0	0.00	0.00	-	-
(e)	Insurance Companies	0	0	0	0.00	0.00	-	-

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE - HOLDE RS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERI -ALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO. OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					% OF (A+B)	% OF (A+B+C)	NUMB ER OF SHARE S	%
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*10 0
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	-	-
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	-	-
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	-	-
(i)	Others	0	0	0	0.00	0.00	-	-
SUB-TOTAL B(1):		5	42,200	0	0.23	0.23	-	-
(2)	NON-INSTITUTIONS						-	-
(a)	Bodies Corporate	110	10,07,485	9,89,185	5.48	5.48	-	-
(b)	Individuals						-	-
	(i) Individuals holding nominal share capital up to ₹1 lakh	7,610	18,82,201	9,34,364	10.24	10.24	-	-
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	17	16,36,338	15,68,328	8.90	8.90	-	-
(c)	Others						-	-
	a) Non- Resident Indians	22	17,593	17,593	0.10	0.10	-	-
	b) Clearing Members	33	11,583	11,583	0.06	0.06	-	-
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	-	-
	Sub-Total B(2):	7,792	45,55,200	35,21,053	24.77	24.77	-	-
TOTAL B = B(1) + B(2)		7,797	45,97,400	35,21,053	25.00	25.00	-	-
TOTAL (A+B)		7,798	1,83,89,597	1,73,13,250	100.00	100.00	-	-
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE						-	-

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE - HOLDE RS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERI -ALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO. OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					% OF (A+B)	% OF (A+B+C)	NUMB ER OF SHARE S	%
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*10 0
	BEEN ISSUED							
(1)	PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0.00	-	-
(2)	PUBLIC	0	0	0	0.00	0.00	-	-
GRAND TOTAL (A+B+C)		7,798	1,83,89,597	1,73,13,250	100.00	0.00	0	0.00

8. Top 10 Shareholders of our Company

The list of top 10 Shareholders of our Company and the number of Equity Shares held by them are set forth below:

(a) The top 10 Shareholders as on December 25, 2015 are as follows:

Sl. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)
1.	Chettinad Cement Corporation Limited	1,37,92,197	75.00
2.	Sangeetha S	6,69,810	3.64
3.	Pratibhuti Vinihit Limited	3,15,000	1.71
4.	Venkata Vishnu Raju Kalidindi	2,67,246	1.45
5.	Savitha S	2,47,130	1.34
6.	Sathya S	2,22,991	1.21
7.	Healthwealth Pharmaceuticals Private Limited	1,66,939	0.91
8.	Breeze Enterprises Private Limited	1,11,990	0.61
9.	Enviropure Marketing Agencies Private Limited	87,742	0.48
10.	Green Valley Minerals And Metals Private Ltd	52,220	0.28
	Total	1,59,33,265	86.64

(b) The top 10 Shareholders as on December 18, 2015 are as follows:

Sl. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)
1.	Chettinad Cement Corporation Limited	1,37,92,197	75.00
2.	Sangeetha S	6,69,810	3.64
3.	Pratibhuti Vinihit Limited	3,15,000	1.71
4.	Venkata Vishnu Raju Kaladindi	2,67,246	1.45
5.	Savitha S	2,47,130	1.34
6.	Sathya S	2,22,991	1.21
7.	Healthwealth Pharmaceuticals Private Limited	1,66,939	0.91
8.	Breeze Enterprises Private Limited	1,11,990	0.61
9.	Enviropure Marketing Agencies Private Limited	87,742	0.48
10.	Green Valley Minerals And Metals Private Ltd	52,220	0.28

Sl. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)
	Total	1,59,33,265	86.64

(c) The top 10 Shareholders as on December 31, 2013 are as follows:

Sl. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)
1.	Venkata Vishnu Raju Kalidindi	72,28,916	39.31
2.	K.Ramavathy	11,96,600	6.51
3.	S. Sangeetha	9,14,090	4.97
4.	K.S.N.Raju	7,16,700	3.90
5.	Esbee Holdings Private Limited	6,38,600	3.47
6.	Vanitha Datla	6,02,409	3.28
7.	Vanitha Finance and Investment Private Limited	3,65,000	1.98
8.	K.Anuradha	3,18,100	1.73
9.	P.V.R.L.Narasimha Raju	2,68,925	1.46
10.	S.Sathya	2,54,590	1.38
	Total	1,25,03,930	68.00

9. Details of Equity Shares held by our Directors, Key Managerial Personnel and directors of our Promoter

(i) None of our Directors hold any Equity Shares.

(ii) As on the date of this Draft Letter of Offer, none of the Key Managerial Personnel and directors of our Promoter hold any Equity Shares in our Company except Bhavna Desai, the director of our Promoter, who holds 7,092 Equity Shares.

10. Except for 900 Equity Shares held by Motilal Oswal Securities Limited, in its capacity as a clearing member, as of December 25, 2015, the Lead Manager and its associates do not hold any Equity Shares in our Company.
11. As on the date of this Draft Letter of Offer, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
12. Except as disclosed in this section, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
13. Our Company, its Directors and our Promoter shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue.
14. Our Promoter or the directors of our Promoter, or the Directors of our Company and their immediate relatives have not purchased or sold any securities of our Company during the period of 6 months immediately preceding the date of filing of the Draft Letter of Offer with SEBI.
15. Except as provided below, none of the Promoter or the Directors has purchased or subscribed or sold any Equity Shares within three years immediately preceding the date of filing of this Draft Letter of Offer with the SEBI which in aggregate is equal to or greater than 1% of the pre-Issue capital of our Company:

Name of the person	Category	Date of Issue/ Acquisition/ Transfer	Number of Equity Shares	Price per Equity Shares	Reasons
Chettinad Cement Corporation Limited	Promoter	May 15, 2014	37,84,014	61.75	Acquisition from the erstwhile promoters of our Company

Chettinad Cement Corporation Limited	Promoter	May 20, 2014	37,84,014	61.75	Acquisition from the erstwhile promoters of our Company
Chettinad Cement Corporation Limited	Promoter	May 21, 2014	14,42,873	61.75	Acquisition from the erstwhile promoters of our Company
Chettinad Cement Corporation Limited	Promoter	July 17, 2014	31,07,962	61.75	Pursuant to the Open Offer
Chettinad Cement Corporation Limited	Promoter	July 21, 2014	33,790	61.75	Pursuant to the Open Offer
Chettinad Cement Corporation Limited	Promoter	September 2, 2014	16,39,544	61.75	Acquisition from the erstwhile promoters of our Company

16. Our Company has not issued any Equity Shares out of revaluation reserves.
17. As on December 25, 2015, the total number of our Shareholders is 7,798.
18. Our Company or Directors or the directors of our Promoter or the Lead Manager have not entered into any buy-back and/ or standby arrangements for purchase of Equity Shares from any person.
19. All Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares issued pursuant to this Issue shall be fully paid up.
20. There have been no financing arrangements whereby the Directors of our Company, the directors of our Promoter and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of 6 months preceding the date of filing of the Draft Letter of Offer.
21. Our Company presently does not intend or propose to alter its capital structure for a period of 6 months from the opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements. However, if business needs of our Company so require, our Company may alter its capital structure during the period of 6 months from the opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise, during the period of 6 months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining the requisite approvals.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
23. Our Company shall ensure that transactions in the Equity Shares by our Promoter between the date of filing of the Draft Letter of Offer and the date of closure of the Issue shall be intimated to the Stock Exchange within 24 hours of such transaction.
24. The Promoter of our Company currently holds 1,37,92,197 Equity Shares aggregating to 75% of the pre-Issue share capital of our Company and have undertaken that they intend to subscribe to the full extent of its Rights Entitlement in the Issue, subject to aggregate shareholding of the Promoter not exceeding 75% of the Equity Share Capital of our Company after the Issue.

For further details of under subscription and allotment to the Promoter and Promoter Group, please refer to sub-chapter entitled "*Basis of Allotment*" under the chapter entitled '*Terms of the Issue*' beginning on page 248 of this Draft Letter of Offer.

25. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Letter of Offer.
26. Our Company has not revalued its assets during the last 5 Financial Years.
27. The Issue will remain open for 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days including the Issue Opening Date.

OBJECTS OF THE ISSUE

The Object of the Issue is to fund the capital expenditure towards setting up a 16 MW coal based captive power plant at our Cement Plant (**Power Project**).

The objects clause of our Company's Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by our Company pursuant to the Issue.

Requirement of Funds

Issue Proceeds

We intend to utilize the Issue proceeds (**Proceeds of the Issue** or **Issue Proceeds**) for the abovementioned object.

Utilisation of Proceeds of the Issue

The proposed utilisation of the estimated Issue Proceeds is set forth in the table below:

		(in ₹ lakhs)	
		Description	Amount
		Capital expenditure for the Power Project	7,500.00

Details of the Object of the Issue

The Object of the Issue is to fund the capital expenditure towards the Power Project which is proposed to be financed entirely out of the Issue Proceeds and our internal accruals. We confirm that the internal accruals of our Company are sufficient for the stated means of finance, excluding the amount to be raised through the Issue. The Issue Proceeds will not be utilised towards working capital requirements of our Company. The Issue Proceeds are estimated to be approximately ₹ [●] lakhs.

Our fund requirements and deployment of the Proceeds of the Issue is based on internal management appraisals and estimates, and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan and estimates from time to time and consequently, our funding requirements and deployment of funds may also change. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds, subject to compliance with applicable law. Until our Company realises the Issue Proceeds, it proposes to utilize its internal accruals and/or raise additional debt to meet the proposed expenditure in respect of the Object of the Issue.

Our historical capital expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular object at the discretion of our management. The current estimates are based on the quotations received by us and management estimates. As of October 31, 2015, we have not entered into definitive agreements or placed orders for the purchase of plant and machinery aggregating to ₹ 354.15 lakhs, which constitutes approximately 5% of the proposed expenditure, in that regard. As some of quotations received are valid only up to period mentioned in the respective quotations, we may need to obtain fresh quotation before placing the firm order. Hence, the actual cost may vary.

In case of a shortfall in the Issue Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Issue Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Any variation in the Object of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

Appraisal of the Object of the Issue

The Object of the Issue for which the Issue Proceeds will be utilized has not been appraised by any agency.

Schedule of Implementation / Utilization of Issue Proceeds

The details of the proposed utilization of the estimated Proceeds of the Issue, as currently estimated by our Company, during Fiscals 2015 and 2016, and the expenditure incurred as of October 31, 2015, is set forth below.

(in ₹ lakhs)

Particulars	Estimated Total Cost	Amount deployed as of October 31, 2015		Balance Amount to be deployed			Schedule of deployment of the estimated Issue Proceeds as of October 31, 2015*
		Own Funds	Bridge Loan	Own Funds	Working capital facilities available	Estimated Issue Proceeds	
Capital expenditure for setting up a 16 MW power plant situated at Chintalapalem Village, Mellacheruvu Mandal, Nalgonda District, Telangana	8,665.16	939.60	-	225.56	-	7,500.00	939.60

* As certified by Ramanatham & Rao, Chartered Accountant, vide their certificate dated December 21, 2015.

Details of the Object of the Issue

Capital expenditure for setting up a 16 MW coal based power plant

Our Company proposes to set up a 16 MW coal based power plant within the Cement Plant, the Power Project. The electricity generated is intended to be used for captive consumption at our Company's cement manufacturing factory at Survey No. 226, Chintalapalem Village, Mellacheruvu, Nalgonda District, Telangana. The power generated by the Power Project will be in addition to the power that our Company purchases from the Telangana State Electricity Board.

The fund requirement for the Power Project is ₹ 8,665.16 lakhs. The proposed schedule for deployment of funds for the Power Project is as follows:

Cost of the Power Project

(₹ in lakhs)

Sr. No.	Particulars	Estimated Costs	Annual break-up of the utilization of the Estimated Cost		Means of Finance		
			Fiscal 2016	Fiscal 2017	Amount deployed as of October 31, 2015, from internal accruals	Amount to be utilised after October 31, 2015 from internal accruals	Amount proposed to be utilised from the estimated Issue Proceeds
1.	Boiler	2,275.84	554.00	1,721.84	252.80	Nil	2,023.04
2.	Steam Turbine Generator	1,146.81	195.00	951.81	139.05	Nil	1,007.76
3.	Air Cooled Condenser	645.78	112.00	533.78	58.00	Nil	587.78
4.	Balance of Plant (Mechanical)	1,445.90	273.00	1,172.90	130.70	Nil	1,315.20
5.	Balance of Plant and (Electrical Instrumentation)	1,282.46	249.00	1,033.46	115.00	Nil	1,167.46
6.	Chimney	71.82	27.00	44.82	Nil	Nil	71.82
7.	Owners' Engineering, PMC and Inspection Services	239.40	Nil	239.40	24.56	Nil	214.84
8.	Civil Works	1,245.70	230.00	1,015.70	170.87	Nil	1,074.83
9.	Spares & Miscellaneous	114.75	69.00	45.75	14.45	91.56	8.74
10.	Consultancy Services	62.70	62.00	0.70	34.17	Nil	28.53
11.	Contingency	134.00	Nil	134.00	Nil	134.00	Nil
Total		8,665.16	1,771.00	6,894.16	939.60	225.56	7,500.00

Note: All amounts are inclusive of excise duty, sales tax / value added tax and service tax, as applicable.

Plant, machinery and electrical installation

This head comprises of the expenses incurred towards the boiler, the steam turbine generator, air cooled condenser, chimney, the Balance of Plant (mechanical) and Balance of Plant (electrical and instrumentation). The cost of plant and machinery is inclusive of incidental and ancillary costs including costs related to erection, commissioning and supervision related expenses. The vast majority of contracts are on a fixed cost basis.

Balance of Plant (**BOP**) comprises the mechanical and electrical and control instrumentation system for the Power Project including engineering, procurement and construction of auxiliary cooling towers, fire-fighting systems, demineralization plant, fly ash handling system, ventilation and air conditioning, low tension panel, high tension panel, variable frequency drive panel, diesel generation set and distributed control system and field instruments.

The total cost of plant and machinery towards the Power Project is ₹ 7,222.76 lakhs. Details of plant and machinery that will be used in the Power Project including details of the letters of intent (**LOI**) or the agreements executed with the relevant parties and cost are set out below.

(₹ in lakhs)

Sr. No.	Particulars	Description	Name of the Contractor	Date of purchase order / Agreement	Amount*	Estimated date of delivery
1.	Boiler	Supply of 70 Tonnes Per Hour (TPH) Atmospheric Fluidized Bed Combustion (AFBC) Boiler	Thermax Limited	Agreement dated August 19, 2015	1,979.44	September 12, 2016
		Erection of 70 TPH AFBC Boiler	Thermax Limited	Agreement dated August 19, 2015	296.40	September 12, 2016
2.	Steam Turbine Generator	Supply of steam turbine, generator and auxiliaries	Siemens Limited	Agreement dated August 19, 2015	1,040.79	October 19, 2016
		Erection of steam turbine, generator and auxiliaries	Siemens Limited	Agreement dated August 19, 2015	106.02	October 19, 2016
3.	Air Cooled Condenser	Supply of air cooled condenser and auxiliaries	GEA Cooling Tower & Tech (India) Private Limited	Agreement dated August 19, 2015	605.88	June 14, 2016
		Erection of air cooled condenser and auxiliaries	GEA Cooling Tower & Tech (India) Private Limited	Agreement dated August 19, 2015	39.90	June 14, 2016
4.	Balance of Plant (Mechanical)	Supply of Balance of Plant (Mechanical)	ISGEC Heavy Engineering Limited	Agreement dated October 15, 2015	1,278.32	August 22, 2016
		Erection of Balance of Plant (Mechanical)	ISGEC Heavy Engineering Limited	Agreement dated October 15, 2015	167.58	August 22, 2016
5.	Balance of Plant (Electrical and Instrumentation)	Supply of Balance of Plant (Electrical and Instrumentation)	ISGEC Heavy Engineering Limited	Agreement dated October 15, 2015	1,214.06	August 12, 2016
		Erection of Balance of Plant (Electrical and Instrumentation)	ISGEC Heavy Engineering Limited	Agreement dated October 15, 2015	68.40	August 12, 2016
6.	Chimney	Design, supply, testing, packaging, transportation, unloading and safe storage, construction, erection and commissioning of RCC tapered chimney above raft foundation	Shree Vijaya Heavy Engineering and Construction Private Limited	Purchase order dated November 17, 2015	71.82	June 6, 2016
7.	Owners' Engineering, Project Management and Consultancy and Inspection Services	Project Management Services, Inspection Services in addition to the Engineering & consultancy services	Feedback Infra Private Limited has been appointed for project management services and inspection services in addition to rendering design, engineering and consultancy services in respect to Power Project through their engagement letter dated 30 October 2014. The fee charged		239.40	-

Sr. No.	Particulars	Description	Name of the Contractor	Date of purchase order / Agreement	Amount*	Estimated date of delivery
			will be based on the actual man-days spent. Further, as required, other consultants could be appointed and accordingly letter of intents will be issued by our Company.			
8.	Spares & Miscellaneous	-	Purchase orders will be issued, as required.		114.75	-
Total					7,222.76	

* All amounts are inclusive of excise duty, sales tax / value added tax and service tax, as applicable.

Land

The Power Project is proposed to set up on the land within the Cement Plant.

Site development and infrastructure

The overall cost of development of the site and infrastructure is estimated to be ₹ 1,245.70 lakhs. The cost for site development and infrastructure include civil works, survey expenses, costs related to the construction of boundary wall, drainage system, bore wells, site levelling, grading temporary stores and sheds and temporary construction of power facilities.

Steel and Cement Expenses

Out of the total estimated cost of ₹ 240 lakhs for steel to be used in the Power Project, our Company has placed a purchase order PO NOs APCL/CPP-1/PO.NO.5014 and 5018 dated September, 7, 2015 and October, 12, 2015 for ₹ 101.80 lakhs and the remaining purchase orders will be made, as required. Further, the requirement of cement for the Power Project will be procured from the existing inventory of our Company at a cost of ₹ 72 lakhs.

Consultancy Service

Feedback Infra Private Limited (**FBIPL**) has been appointed for rendering design, engineering and consultancy services in respect to Power Project through their engagement letter dated 30 October 2014. The fee to be paid to FBIPL is ₹ 62.70 lakhs.

Contingency

We have retained a provision for contingency of ₹ 134 lakhs to cover an increase in estimated cost.

Implementation Schedule of the Power Project

Sr. No.	Particulars	Estimated Date of Completion	Current Status
1.	Boiler	September 26, 2016	Civil work for foundation of the Boiler is complete. Civil work for setting up of the electrostatic precipitator is in progress.
2.	Steam Turbine Generator	October 27, 2016	Our Company has entered into relevant contracts with the vendor.
3.	Air Cooled Condenser	June 13, 2016	
4.	Balance of Plant (Mechanical)	June 24, 2016	
5.	Balance of Plant (Electrical and Instrumentation)	June 24, 2016	Our Company has issued a purchase order with the vendor.
6.	Chimney Installation	June 25, 2016	
7.	Civil Works	October 30, 2016	Excavation work is complete and reinforced cement concreting work is in progress.

Government and Environmental Clearances

We have obtained / applied for the required government and environmental clearances for the Power Project. We are in the process of obtaining a few more approvals for which applications have been made and we will continue to make applications for other approvals / permissions, at appropriate stages of our Power Project development. For further details, please see chapter entitled '*Government and Other Approvals*' at page 211 of this Draft Letter of Offer.

Issue Expenses

The issue expenses will be financed from our Company's internal accruals.

Means of Finance

The stated Object of the Issue is proposed to be entirely financed by the Proceeds of the Issue and our Company's internal accruals and thus, we are in compliance with the requirements of firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 4(2)(g) of the SEBI ICDR Regulations.

Interim Use of Funds

Pending utilization for the purposes described above, we intend to deposit the funds in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Issue Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through any short-term instrument like non-convertible debentures, commercial papers etc., pending receipt of the Issue Proceeds.

Monitoring Utilization of Funds from Issue

As this is an Issue for an amount less than ₹ 50,000 lakhs, there is no requirement for the appointment of a monitoring agency. Our Board or its duly authorized committees will monitor the utilization of the Issue Proceeds. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will, on a quarterly basis, disclose to the Audit Committee and the Board the uses and applications of the Issue Proceeds in accordance with the applicable law. Further, on an annual basis, we will prepare a statement detailing the funds which have been utilized for purposes other than those stated in the Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until such time that all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditors. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including material deviations if any, in the utilization of the Issue Proceeds from the Object of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee and the Board.

Our Company shall submit to the stock exchange necessary quarterly statements pursuant to the including the statement of deviations or variations from the use of proceeds stated in the offer document and shall also simultaneously make the material deviations/adverse comments, of the Audit committee and the Board, if any, public through advertisement in newspapers.

Other Confirmations

There are no existing or anticipated transactions in relation to the utilization of Issue Proceeds with our Promoter, the Directors or our Key Managerial Personnel and no part of the Proceeds is intended to be paid by our Company as consideration to our Promoter, the Directors or our Key Managerial Personnel.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO ANJANI PORTLAND CEMENT LIMITED (“COMPANY”) AND TO ITS SHAREHOLDERS

To,

The Board of Directors

Anjani Portland Cement Limited
306A, The Capital, 3rd Floor
Plot No C 70, G-Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051
Maharashtra

Dear Sir,

Sub. : Statement of Possible Tax Benefits Available to the Company and its shareholders with regards to Rights Issue of M/s Anjani Portland Cement Limited

We hereby confirm that the enclosed annexure states the possible tax benefits available to Anjani Portland Cement Limited (the Company) and its shareholders under the Income Tax Act, 1961 (provisions of Finance Act, 2015) and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions, which is based on the business imperatives, the Company may or may not choose to fulfill.

The amendments in Finance Bill 2015 have been incorporated to the extent relevant in the enclosed statement. It may be noted that the same is subject to enactment through the Finance Act.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India, which are subject to change from time to time.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future: or
- The conditions prescribed for availing the benefits, where applicable have been/ would be met.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

This report is intended solely for your information and for the inclusion in the offer documents in connection with the proposed rights issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For, Ramanatham & Rao.

Chartered Accountants
F. R. No. S-2934

C. Kameswara Rao
Partner
M. No. 24363
Place: Secunderabad
Date: 21st December 2015

This statement is intended to provide general information to the investor. It sets out the possible tax benefits available to shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the tax laws presently in force in India. Several of these benefits are dependent on shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Each investor is advised to consult his own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (“THE ACT”)

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY:

No special tax benefit is available to the Company.

B. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of section 32 of the Act.
2. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act read with section 72 of the Act.
3. Under section 32(1)(ia) of the Act, the company is entitled to claim additional depreciation of a sum equal to 20% of the actual cost of any new plant or machinery that is acquired and installed by the Company for 180 days or more during the year subject to conditions specified in the said section of the Act. In case it is acquired and installed for less than 180 days during the year, additional depreciation @10% is available in the first year and the balance 10% additional depreciation shall be allowed in the next year.
4. Under section 72 of the Act, Unabsorbed Business Loss, if any, for an assessment year can be carried forward and set off against business profits. The Unabsorbed Business shall not be allowed to be carried forward beyond eighth assessment year immediately succeeding the assessment year in which Business Loss was incurred.
5. As per section 115JAA of the Act, credit is allowed in respect of Minimum Alternate Tax (MAT) paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit become allowable.
6. Under section 32AC of the Act, the Company is entitled to an investment allowance of 15% of actual cost of new plant and machinery acquired and installed subject to fulfillment of prescribed conditions. No deduction under section 32AC would be available from the financial year 2017-18 onwards.
7. As per section 80G of the Act, the company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.

8. Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital assets being shares listed in a recognised Stock Exchange in India held by the Company for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains ("LTCG"). Capital gains arising on sale of shares listed in a recognised Stock Exchange in India held for 12 months or less are considered as short term capital gains ("STCG").
9. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
10. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than units) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following:
 - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
 - b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
11. In respect of any other capital assets, LTCG means capital gains arising from the transfer of an asset, held by an assessee for more than 36 months. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
12. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
13. LTCG in respect of other assets will be chargeable to tax at the rate 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost. STCG in respect of other assets would be subject to tax as calculated under normal provisions of the Act without indexation of the cost.
14. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:
 - a. National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred or in the subsequent year.

Where the "long term specified asset" is transferred or converted into money within three years from the date of its acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
15. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG.
16. As per section 70 read with section 74 of the Act, long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

17. As per section 10(34A) of the Act, any income arising to the company being a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA is exempt from tax.

C. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of any Indian company is exempt from tax.
2. No income tax is deductible at source from income by way of dividend under the present provisions of the Act in case of residents.
3. Issuance of rights to subscribe for shares is not subject to tax in the hands of the shareholders.
4. As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction is chargeable to STT, will be exempt in the hands of the shareholder.
5. In accordance with section 112 of the Act, LTCG on transfer of listed securities to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate lower of the following:
 - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
 - b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
6. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:
 - a. National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred or in the subsequent year.

Where the “long term specified asset” is transferred or converted into money within three years from the date of its acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

7. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) of the Act) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (“HUF”) will be exempt from capital gains tax if the net consideration is utilised to purchase or construct a residential house. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
8. As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the Act. No deduction under Chapter VIA of the Act shall be allowed from such income.
9. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG.

10. As per section 70 read with section 74 of the Act, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.
11. As per section 36(1)(xv) of the Act, the amount of STT paid by a resident shareholder in respect of taxable securities transactions offered to tax as "Profits and Gains of Business or Profession" shall be allowable as a deduction against such Business Income.
12. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.
13. As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an Individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'Income from Other Sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso therein.
14. The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

D. SPECIAL TAX BENEFITS AVAILABLE TO NON-RESIDENT INDIANS (OTHER THAN FIIS)

1. As per section 115C(e) of the Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
2. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
3. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
4. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
5. As per section 115H of the Act, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.
6. As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year

and accordingly his total income for that assessment year will be computed in accordance with other provisions of the Act.

7. In respect of Non-Resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.
8. As per section 90(4) of the Act, the Non-Resident Indians shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the Non-Resident Indians shall be required to provide such other information, as has been notified.

E. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENT SHAREHOLDERS (OTHER THAN FIIS):

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of any Indian company is exempt from tax.
2. No income tax is deductible at source from income by way of dividend under the present provisions of the Act in case of non-residents.
3. Issuance of rights to subscribe for shares is not subject to tax in the hands of the shareholders.
4. As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction is chargeable to STT, will be exempt in the hands of the shareholder.
5. As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilised in the purchase of shares. Capital gain so computed in such foreign currency shall be reconverted into Indian Currency. Cost Indexation benefit will not be available in such a case.
6. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to first proviso to Section 48 of the Act. However, as per the proviso to section 112 of the Act, if the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:
 - a. National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred or in the subsequent year.

Where the “long term specified asset” is transferred or converted into money within three years from the date of its acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

8. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) of the Act) arising on the transfer of the shares of the company held by an Individual or HUF will be exempt from capital gains tax if the net consideration is utilised to purchase or construct a residential house. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
9. As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that is not liable to STT would be subject to tax as calculated under the normal provisions of the Act. No deduction under Chapter-VIA shall be allowed from such income.
10. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG.
11. As per section 70 read with section 74 of the Act, the Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.
12. Under section 36(1)(xv) of the Act, the amount of STT paid by a non-resident shareholder in respect of taxable securities transactions offered to tax as "Profits and Gains of Business or Profession" shall be allowable as a deduction against such Business Income.
13. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.
14. As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other information, as has been notified.

F. SPECIAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

II. BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Wealth Tax Act, 1957 is abolished with effect from assessment year 2016-17. Therefore the company and the shareholders are not liable for payment of tax on wealth.

III. BENEFITS AVAILABLE UNDER THE GIFT TAX ACT, 1958

Gift tax is not leviable in respect of any gift made on or after 1 October 1998. Therefore the company and the shareholders are not liable for payment of tax on gifts made under the Gift Tax Act 1958.

IMPORTANT NOTES:

1. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income Tax consequences that apply to them.
2. We do not express an opinion or provide any assurance as to whether the Company is currently availing any of these tax benefits or will avail these tax benefits in future.
3. Our views are based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.
5. Prevailing surcharge levied on Individuals, HUF, AOP, Body of Individuals, Artificial Juridical Person, Co-operative Society, Local Authorities (residents as well as non-residents) at the rate of 12% if the total income exceeds Rs. 1 crore.
6. Prevailing surcharge levied on domestic companies at the rate of 7% where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.
7. Prevailing surcharge levied on every company other than domestic company at the rate of 2% where the income exceeds Rs. 1 crore but does not exceed Rs. 10 crores and at the rate of 5% where the income exceeds Rs. 10 crores.
8. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.
9. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
10. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] will be determined by our Company, in consultation with the Lead Manager, on the basis of assessment of market demand and the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is ₹10 and the Issue Price is ₹ [●].

Investors should also see the chapters entitled '*Our Business*', '*Financial Statements*' and section entitled '*Risk Factors*' and on pages 84, 120 and 14 respectively of this Draft Letter of Offer, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Established presence of '*Anjani*' brand in Andhra Pradesh and Telangana;
2. Availability and access to raw materials;
3. Strategic location of our manufacturing facility;
4. Strong and experienced Promoter; and
5. Experienced senior management team.

For further details, please see the chapter entitled '*Our Business*' and section entitled '*Risk Factors*' on pages 84 and 14 respectively of this Draft Letter of Offer.

Quantitative Factors

Information presented in this section is derived from the Restated Financial Statements prepared in accordance with the Companies Act, 1956, the Companies Act and the SEBI ICDR Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Earnings Per Share (EPS)

As per the Restated Standalone Financial Statements:

Particulars	Basic/Diluted EPS* (₹)	Weight
Financial Year 2013	1.75	3
Financial Year 2014	(10.11)	2
Financial Year 2015	9.09	1
Weighted average	(0.98)	
For three (3) months ended June 30, 2015**	3.65	

* Basic and Diluted EPS of continuing operations

** Not annualized

Note: EPS calculations have been done in accordance with Accounting Standard 20 – "Earning per share" issued by the Institute of Chartered Accountants of India.

2. Price Earnings Ratio (P/E Ratio)

a. P/E Ratio (EPS based on Restated Standalone Financial Statements):

Particulars	P/E at the Issue Price
P/E based on basic and diluted EPS for Financial Year 2015	22.45
P/E based on weighted average basic and diluted EPS for Financial Year 2014	N.A

b. Industry P/E:

Particulars	P/E
Highest	61.88

Lowest	2.49
Average	27.79

3. Return on Net Worth (RoNW)

As per Restated Standalone Financial Statements:

Particulars	RNoW%	Weight
Financial Year 2013	4.05%	3
Financial Year 2014	(30.61%)	2
Financial Year 2015	21.58%	1
Weighted average	(4.58%)	
For three (3) months ended June 30, 2015*	7.97%	

Return on net worth (%) = Net Profit after tax as restated / Net worth at the end of the year.

* Not annualized

4. Minimum return on increased Net Worth required for maintaining pre-issue EPS as at June 30, 2015 is:

To maintain pre-Issue basic & diluted EPS

- a. Based on Restated Financial Information of our Company: [●]

5. NAV per Equity Share (face value of ₹10 each)

Particulars	Amount (₹)
As on June 30, 2015	47.61
Issue Price	[●]
After the Issue	[●]

NAV per Equity Share represents, (Net worth at the end of the period)/(Total number of equity shares outstanding at the end of the period)

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Standalone / Consolidated	Face Value (₹ per share)	EPS (₹)	NAV (₹ per share)	P/E	RONW (%)
			Basic/ Diluted			
Anjani Portland Cement Limited ⁽¹⁾	Standalone	10	9.09	43.11	22.45	21.58
Peer Group						
NCL Industries Limited ⁽²⁾	Standalone	10	2.55 / 2.42	42.54	61.88	5.99%
Panyam Cements & Mineral Industries Limited ⁽²⁾	Standalone	10	-9.48 / -9.48	9.03	NA	NA
Deccan Cements Limited ⁽²⁾	Standalone	10	28.38 / 28.38	349.84	24.35	8.11%
Sagar Cements Limited ⁽²⁾	Standalone	10	170.61 / 170.61	299.82	2.49	56.90%

⁽¹⁾ Based on Restated Standalone Financial Information of our Company for Fiscal 2015

⁽²⁾ Based on audited standalone financials for Fiscal 2015

Note:

(a) Return on Net Worth is calculated as Net Profit for the year divided by shareholders fund (share capital plus reserves and surplus)

(b) NAV per share is calculated as shareholders fund divided by paid-up number of shares of our company.

(c) P/E figures are computed based on closing market price as on December 28, 2015 of Anjani Portland Cement Limited, NCL Industries Limited, Panyam Cements & Mineral Industries Limited, Deccan Cements Limited, Sagar Cements Limited at BSE, available at www.bseindia.com) divided by Basic EPS (on standalone basis) based on the annual reports of such companies for the Fiscal 2015.

The peer group above has been determined on the basis of listed public companies comparable in size to our Company whose business portfolio is comparable with our Company's business.

7. The Issue Price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Lead Manager, is justified in view of the above qualitative and quantitative parameters.

On the basis of basis of the above qualitative and quantitative parameters, our Company, in consultation with the Lead Manager, is of the opinion that the Issue Price of ₹ [●] is justified based on the above accounting ratios. For further details, please see the section entitled 'Risk Factors' on page 14 of this Draft Letter of Offer and the financials of our Company including important profitability and return ratios, as set out in the chapter entitled 'Financial Statements' on page 120 of this Draft Letter of Offer to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned under the section entitled 'Risk Factors' on page 14 of this Draft Letter of Offer and you may lose all or part of your investments.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise stated, the information in this section is derived from the 'CRISIL - Cement – Annual Review 2015' by CRISIL. In addition, we have relied on websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we, nor any other person connected with the Issue, has independently verified the information provided in this chapter. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on this information.

The Indian Economy

The Indian economy is the fourth largest in the world on a purchasing power parity basis, behind only the USA, the EU and China. (Source: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>). According to the World Economic Outlook projections, India registered a 7.3% growth in GDP in Fiscal 2014 and is forecasted to grow at a rate of 7.3% in Fiscal 2015 and Fiscal 2016. (Source: (<https://www.imf.org/external/pubs/ft/weo/2015/02/pdf/text.pdf>).

The Indian Cement Industry

With a capacity of about 397 million tonnes as of Financial Year 2014-2015, India is the world's second largest cement producer. However, it has been a gradual shift since setting up the first plant in Porbandar, Gujarat in 1914. With the easing of licensing, price and distribution controls aided rapid capacity expansions, which led to a surplus position. The evolution can be split into three distinct periods:

- Total government control (up to 1982);
- Partial decontrol (1982 to 1989); and
- Total decontrol (after 1989).

Total government control (up to 1982)

In this phase, the government exercised strict control by fixing production limits, prices and distribution channels to ensure fair prices for consumers and commensurate remuneration for producers across the country.

Partial decontrol (1982 to 1989)

Recognising the uniform price system's inefficiencies, the government introduced a system of partial decontrol in 1982. While existing producers had to sell 66.4% of their produce to the government at a ceiling price, new and sick units had to sell half of the output. The balance could be sold in the open market. While producers earned a stable profit on the levy sale to the government, gains from open market sales decreased, as market supply increased, which heightened competition. Thus, the government gradually reduced the levy quota and hiked retention prices to boost profitability from open-market sales.

Total decontrol (after 1989)

In 1989, the government completely removed price and distribution controls. A subsidy scheme replaced the freight pooling system to ensure availability of cement at reasonable prices in remote regions. This opened up opportunities for the industry and was marked by huge investments.

Key Raw materials

Limestone is a key input used to produce clinker, to which additives such as bauxite iron ore and gypsum are added to manufacture portland cement. Further, fly ash and slag is added to manufacture blended cement. The grades of limestone and additives used determine the quality of cement produced. Similarly, the choice of fuel depends on availability, cost, and process efficiency. Players are also considering the use of alternatives

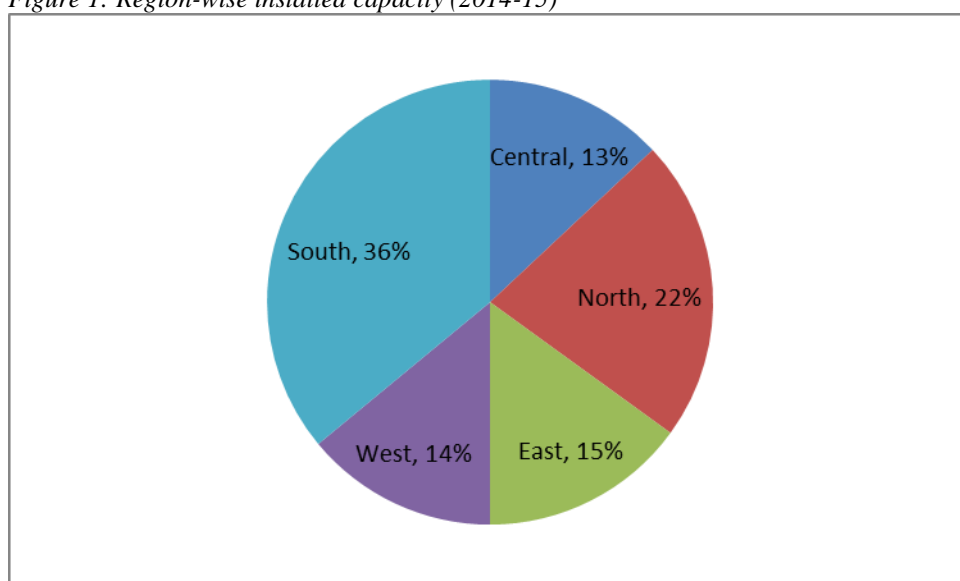
generated from agro waste, waste oils, animal meal, rice husk, etc. to battle the shortage and a rise in prices of traditional options.

Industry Structure

The top 5 players account for 45% of the cement industry's capacity, as on March 2015. Total installed cement capacity in India stood at 397 million tonnes, as of March 2015.

The domestic manufacturers can broadly be bucketed into pan-India, regional and standalone players. Pan-India players are large players like Holcim Group companies - ACC and Ambuja, and Aditya Birla Group company - UltraTech Cement (including Samruddhi Cement). Players whose presence is restricted to one or two regions are categorised as regional players. Key players included in this segment are Jaiprakash Associates (North and Central), Lafarge (concentrated in the East), India Cement (South, West), Shree Cements (North), Binani Cement (North), Kesoram Industries (South), Chettinad Cement (South), Dalmia Cement (South) and Ramco Cement (South). Players like Panyam Cement, Penna Cement, etc., are operational in few states within a region. Owing to their largely local reach, these players are classified as standalone players.

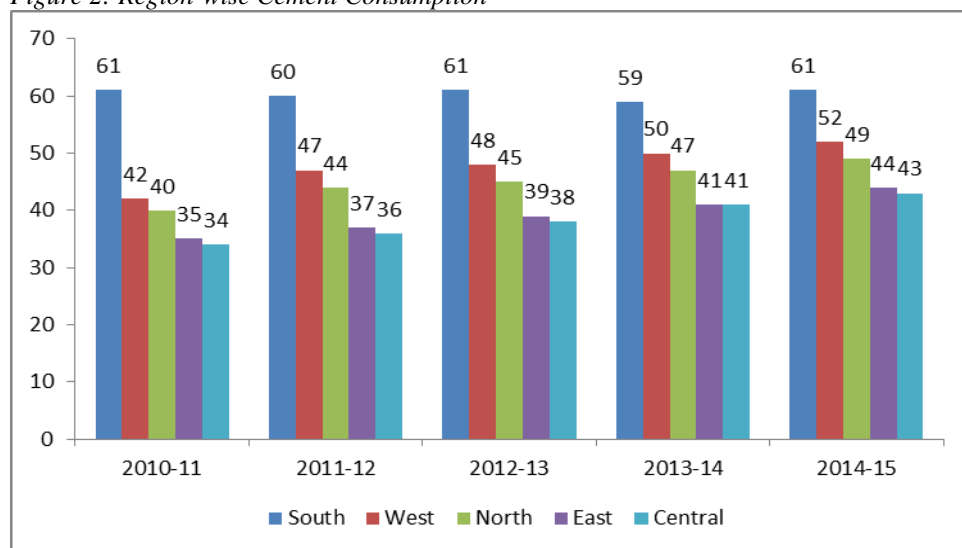
Figure 1: Region-wise installed capacity (2014-15)



The cement Industry is largely regional in nature as cement is a high-volume and low-value commodity. Thus transporting cement beyond a distance makes it unviable for end-users. Cement consumption varies region-wise because the demand-supply balance, per capita income and level of industrial development differ in each state and consequently, in each region.

In 2014-15, the South accounted for the largest share of consumption (around 25%), followed by the West (around 21%), North (around 20%), East (around 18%) and the central region (around 17%).

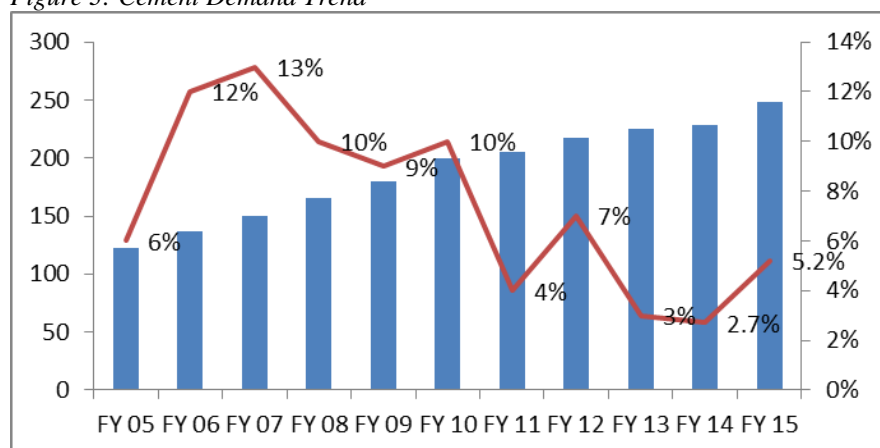
Figure 2: Region-wise Cement Consumption



Demand Dynamics Closely Related to Construction Sector

Demand for cement is closely related to growth in the construction sector. Over the past 5 years, from 2010-11 to 2014-15, demand for cement has grown at a moderate CAGR of around 4%, largely led by construction of infrastructure and industrial projects, coupled with modest demand from the housing sector and commercial construction. In 2014-15, total reported demand stood at approximately 250 million tonnes.

Figure 3: Cement Demand Trend



Demand for cement stems either from new construction work or repair of existing structures. Further, demand can be broadly classified into the following four segments:

Housing	55-60%
Infrastructure	20-25%
Commercial Construction	5-10%
Industrial Segments	10-15%

The housing sector acts as the major demand driver for the cement industry in India, accounting for around 60% of the overall cement demand. The demand from the housing sector is influenced by three factors viz., - per capita income of the rural and urban consumers, government outlay and access to finance. Before the economic slowdown of 2009-10, the urban housing market witnessed a boom on the back of increase in income levels, employment opportunities created by the information technology (IT) sector and the growing number of nuclear families. Urban housing demand grew at a mere 1% CAGR during the last 5 years, mainly influenced by the slowdown in the last 1-2 years.

Similarly, demand for rural housing has witnessed a slowdown in the past 1-2 years. Demand from rural housing in the last 5 years was driven by government-supported schemes and increase in rural income. Robust rural wage growth drives construction of larger and more *pucca* houses. In future, demand for *pucca* houses is expected to grow at a healthy pace as the penetration of *pucca* houses in rural India remains low at around 50%-55% as of 2012.

Over the past 5 years, the infrastructure segment accounted for nearly one-fifth of the total cement demand in India. Demand from the segment grew at a CAGR of 10% during this period. Over the next few years, increasing spends on urban infrastructure projects and irrigation are likely to act as major drivers for cement demand from the infrastructure segment. Besides, continuing investments in the power sector as well as increased cement intensity in road projects are expected to propel cement demand further.

Seasonality of Demand and Cyclicality of the Industry

Demand declines during monsoons due to slowdown in construction activity, consequently making demand for cement seasonal. Monsoons typically extend from June to September across India (except in parts of Tamil Nadu and Kerala, where they last from November to January). Consequently, demand is the lowest during the July-September quarter and highest during the January-March quarter.

In addition, the cement industry, like most capital-intensive commodity industries, is cyclical in nature, especially with respect to supply. Given the high gestation period of 24-30 months, there is a time lag between the capacity build-up and cement demand (approximately 24-30 months). Demand for cement is linked to economic growth. Hence, when the economy is strong, demand increases. As a result, the profitability of players increases, leading to capacity additions by existing players and the entry of new players. However, since it takes around 2-3 years to build a cement plant, it is likely that demand could either decrease or stagnate, or capacity additions could exceed demand before completion of these capacities. This could lead to decrease in cement prices with the industry facing a downturn, and players reducing operating rates or shutting their plants.

Types of Cement

Cement is segregated into various categories based on its composition and specific end-uses. It is primarily classified into

- Portland;
- Blended; and
- Speciality.

Portland Cement

Portland cement is the most common type of cement in general usage, as it is the basic ingredient in concrete. There are different types of Portland cement, which differ based on their chemical composition. However, the manufacturing process remains the same. The Ordinary Portland Cement is popularly known as grey cement. Although OPC is suitable for all types of civil engineering works, it cannot be used for mass concrete work like multi-storeyed buildings.

Blended Cement

Blended cement is more suitable for certain applications as compared to Portland cement. This cement is used for large concrete works, such as dams and piers. Blended cement minimises the risk of developing contraction cracks on account of the lower heat of hydration of these cements.

Speciality Cement

Speciality cements have several special properties and are used in specific applications. This type of cement is required for the urgent repairs of important concrete structures, such as foundation pillars.

Demand Situation

After two successive years to slowdowns, demand recovered in 2014-15, rising 5.2%. The moderate rise was mainly due to demand clocking a healthy 9% y-o-y growth in the first half because of a delayed monsoon extending the construction works duration, and improved consumer sentiment following the formation of a new

government. In contrast, the second half saw a sharp tapering off to about 1% owing to lower infrastructure spending and demand from rural areas.

The demand grew marginally by 2% in the first half of FY2016. The demand is expected to pick-up from Q4 onwards.

The major drivers for growth for remaining part of the Financial Year 2016 and 2017 are:

1. Demand from housing scheme and irrigation projects by Telangana government
2. Spending on infrastructure for new capital of Andhra Pradesh at Amaravati. The state govt. has also sanctioned two lakh houses for the rural poor under NTR Housing scheme and would provide assistance ranging from ₹ 1.2 lakhs to ₹ 1.5 lakh per housing unit to the beneficiaries. The scheme is expected to aid demand from rural housing.
3. A pick up in private investments, particularly in the housing sector with improved consumer sentiment following reduction in home loan rates.

Pick-up in execution of national highway and other central government projects such as Housing For All, Smart Cities mission etc.

These drivers are expected to accelerate cement demand growth to 6-6.5% in Fiscal 2016. Over a 5-year period, cement demand is projected to increase 8.0-8.5% CAGR, led by continued growth in the housing and infrastructure sectors. Demand growth from the commercial and industrial segments is, however, expected to be muted over the medium term.

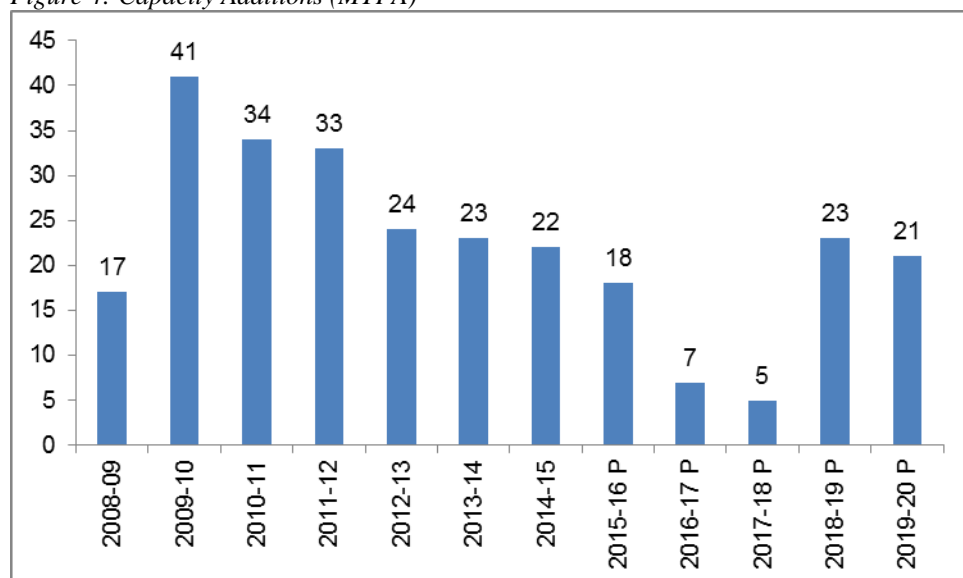
Capacity Additions

Crisil Research Estimates overall installed capacity of 397 mtpa.

The Industry's capacity utilisation has been a cause for concern in the recent past with capacity utilisation at 71% for 2014-15. Cement capacities totalling 22 million tonnes per annum (mtpa) were added in 2014-15 despite only a moderate growth in demand. The biggest drag on pan India operating rates has been the South, where ample capacities were set up despite weak demand.

Despite several projects being delayed and pick-up in demand expected only in the second half of 2015-16, capacity additions totalling 18 million tonnes per annum (mtpa) are expected to come on-stream in 2015-16. This is in addition to the approximately 22 mtpa of capacities commissioned in 2014-15. The reason for the continuing rapid pace in capacity additions is players completing the already earmarked capital expenditure.

Figure 4: Capacity Additions (MTPA)



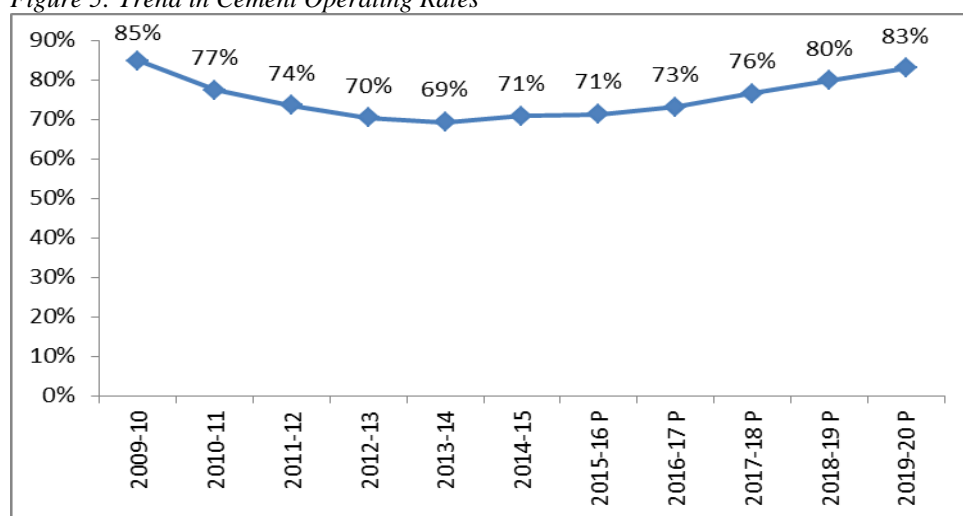
Operating Rate Improving

The cement industry's operating rate, which skidded from 85% in 2009-10 to 69% in 2013-14, recovered slightly to 71% in financial Year 2015, spurred by a 5.2% rise in cement demand. The persistent low operating rate, though, is because demand growth slowed sharply between Financial Year 2013 and Financial Year 2014 (grew by mere 4%) amid continuing capacity additions despite a significant overhang. The deceleration in pan-India cement demand was due to slowdown in housing, infrastructure and related economic activity.

Pan-India operating rates were pulled down primarily by weak capacity utilisation in the South, where there was significant overcapacity and demand remained subdued. Operating rates in the western and central regions were high at 86%-89% as the two regions have limited production capacity, with typically 25-30% of their demand supplied by other regions. Operating rates in the North and East were moderate at around 75%.

CRISIL Research projects the pan-India operating rate to average 78% over 2015-16 to 2019-20, as compared to 72% in the previous 5-year period. A bettering operating rate would be mainly due to expected improvement in demand growth of 8.0-8.5% CAGR and slowdown in capacity additions post 2015-16.

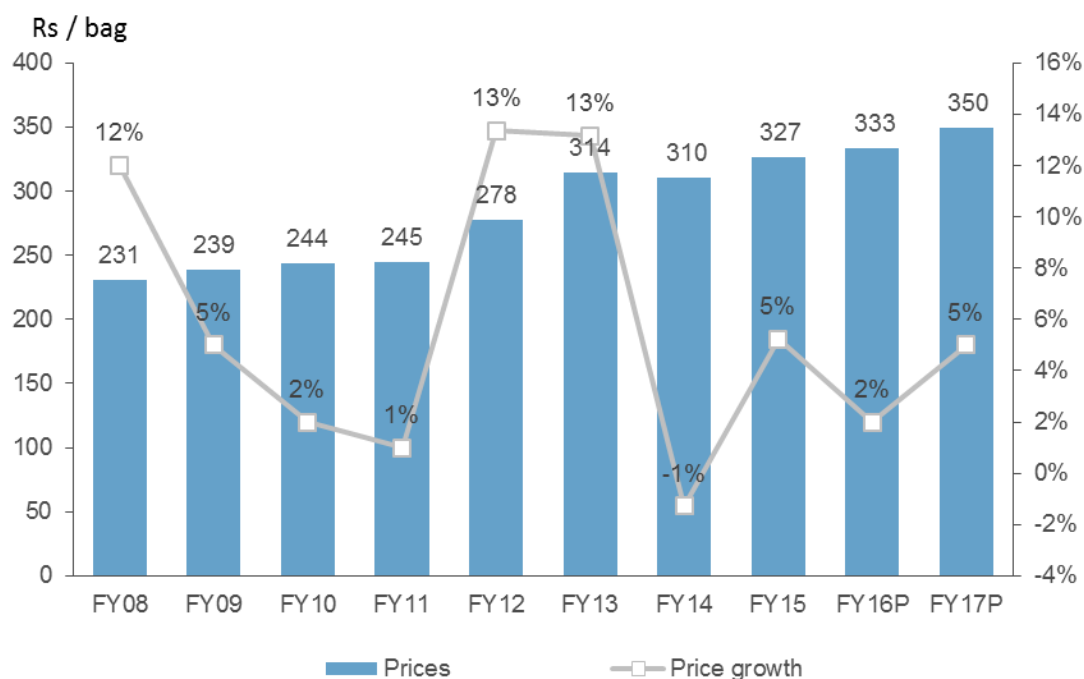
Figure 5: Trend in Cement Operating Rates



Price Outlook:

A gradual improvement in demand is expected to increase cement prices by 5-6% over 2015-16 to 2016-17. Supporting the price rise are expectations of production discipline among the players.

Figure 6: Trend in pan-India cement prices



In 2014-15, average pan-India cement prices rose by about 5% over a low base, owing to improved demand. Prices increased across most regions, with the South recording the sharpest rise of about 11.2%. Higher increase in prices in the South could be attributed to production cuts. Prices in the central and western regions rose moderately, mainly due to production cuts and better demand. Prices in the eastern region, however, declined 2.4%, as increasing capacities in the region gradually reduced its dependence on other regions for supplies. The prices have remained nearly flat in H1FY16 with a 1% year on year growth. The prices have fallen in all other regions except east and south. Weak demand in the west, north and central is expected to continue pricing pressure and limit price rise in these regions.

OUR BUSINESS

Overview

Our Company is part of the Chettinad group which is one of the prominent business houses in South India with diverse businesses including cement manufacturing, transportation, logistics and supply chain management and construction.

Our Company is one of the more prominent small-sized cement manufacturing companies in India. Our Company commenced its cement manufacturing operations in 1999 with an installed production capacity of 1,98,000 tonnes per annum (**TPA**) with one production plant. As on October 31, 2015, we operate two production lines in our Cement Plant with an installed production capacity of 11,60,000 TPA. Our Company manufactures both Ordinary Portland Cement (**OPC**) and Portland Pozzolana Cement (**PPC**). This classification of cement is based on its composition which ultimately determines the usage. Within OPC there are different grades of cement based on the minimum compressive strength gained by the cement-sand mortar mix in 28 days' time. We manufacture 53 grade and 43 grade in OPC. Further, on September 24, 2015, we introduced a new product i.e. rapid hardening portland cement.

The principal raw materials used by our Company for cement manufacturing process are limestone, gypsum, iron ore, laterite and fly ash.

Our installed cement manufacturing capacity and production details for Fiscals 2013, 2014 and 2015 have been set out below.

(Figures in TPA)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Installed capacity	11,60,000	11,60,000	11,60,000
Actual Production			
OPC 53	3,46,375	3,76,926	3,36,071
OPC 43	1,09,947	1,31,646	1,14,052
PPC	1,99,574	2,92,533	3,87,870
Total Production	6,55,896	8,01,105	8,37,993

Our Company operates an integrated cement manufacturing facility in Nalgonda District, Telangana, which is located approximately 220 kilometres from Hyderabad. Telangana, and in particular, Nalgonda District is a repository of high-quality limestone which is an essential raw material for the manufacture of cement. As of date, we operate two limestone mines situated in Chintalapalem village, in Nalgonda District, with reserves (including probable reserves) of approximately 43 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 53 million tonnes.

Our manufacturing facility uses a significantly automated production process installed using SIEMENS PCS7-CEMAT distribution control system with round-the-clock monitoring, sampling and analysis of cement production through its stages from mining to packing.

Our manufacturing facility comprises of two (2) lines.

Line 1

Line 1 was set up in 1999 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 4,00,000 TPA.

Line 2

Line 2 was set up in 2010 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 7,60,000 TPA.

Both lines are equipped with Reverse Air Bag House (**RABH**) technology to minimize pollution and to ensure a dust free environment at our manufacturing facility. RABH is a state-of-the-art technology with high dust collection efficiency for respirable dust. It is preferred system for high temperature operations.

Our manufacturing facility has been granted various accreditations including ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001: 2007.

Our Company's total revenue as restated in Fiscal 2015, Fiscal 2014 and Fiscal 2013 was ₹ 26,080.08 lakhs, ₹ 28,244.93 lakhs and ₹ 28,894.27 lakhs, respectively. Our Company's profit after tax as restated in Fiscal 2015, Fiscal 2014 and Fiscal 2013 was ₹ 1,671.26 lakhs, ₹ (1,859.73) lakhs and ₹ 321.09 lakhs, respectively. Our total revenue as restated in the three months ended June 30, 2015, was ₹ 8,791.83 lakhs.

Competitive Strengths

We believe that the following are our core competitive strengths.

Strategic location of our manufacturing facility

Our manufacturing facility is located in Nalgonda District in Telangana, approximately 220 kms from Hyderabad. Nalgonda District, and Hyderabad, where our corporate office is situated, were part of the erstwhile undivided state of Andhra Pradesh and are proximate to Andhra Pradesh. Tamil Nadu, Andhra Pradesh and Karnataka are key cement-consuming markets. Andhra Pradesh accounts for nearly 20% of the total cement consumption in South of India (Source: 'Crisil - Cement – Annual Review 2015'). While Tamil Nadu and Karnataka have witnessed faster growth in the Southern region, Andhra Pradesh, which faced decline in demand due to political instability, witnessed growth in the second half of Fiscal 2015 (Source: 'Crisil - Cement – Annual Review 2015').

Logistics, in particular transportation, is one of the key elements of operating costs for a cement manufacturing company. Our expenditure on transport during Fiscal 2013, Fiscal 2014 and Fiscal 2015, was ₹ 4,543.89 lakhs, ₹ 3,828.47 lakhs and ₹ 2,743.24 lakhs, comprising 15.99%, 12.36%, 11.11% of our total operating expense. Generally, margins are inversely proportional to distance from the manufacturing facility to the markets. Therefore, being located close to key markets such as Tamil Nadu, Andhra Pradesh and Karnataka helps us in reducing our transportation expense. Further, Andhra Pradesh shares a land border with Odisha, which is one of the major cement consuming states in Eastern India.

Further, our cement manufacturing facility is accessible by road and is close to a sea-port i.e. approximately 30 kms from the national highway and approximately 450 kms away from the nearest sea-port of Krishnapatnam. This makes the transportation of raw materials and finished products significantly easier. While we have thus far not exported our finished products, the accessibility to both the national highways and a sea-port provides us with the option of exporting our finished product, if required, expeditiously and economically.

In addition, the State Government of Telangana is in the process of constructing a bridge across the river Krishna, which will reduce distance to Chennai, an important cement consuming market, by approximately 90 kms. Once the bridge is complete, we believe it could further reduce our transportation cost.

Availability and access to raw materials

Generally, the cost of raw materials accounts for approximately 20%-25% of the operational revenue of cement manufacturers (Source: 'Crisil - Cement – Annual Review 2015'). In Fiscal 2013, Fiscal 2014 and Fiscal 2015, our Company's cost of raw materials was ₹ 4,274.83 lakhs, ₹ 4,139.62 lakhs and ₹ 3,610.84 lakhs, constituting 14.79%, 14.66% and 13.85% of our total revenue, respectively.

Limestone is one of the most important raw materials used in the manufacture of cement and the quantity of limestone used is predicated on the quality of the limestone used in the process. There are different grades of limestone based on the composition of Silicon di-oxide, Aluminium Oxide, Hematite, Calcium Oxide and Magnesium Oxide. South India has abundant availability of limestone, with Nalgonda District, in particular, being one of the larger repositories of high-quality limestone (Source: 'Crisil - Cement – Annual Review 2015'). Additives such as laterite / iron ore are required to be added to the manufacturing process depending on the quality of limestone used in our manufacturing of Cement.

As of date, we operate two limestone mines situated in Chintalapalem village, in Nalgonda District, with reserves (including probable reserves) of approximately 43 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 53 million tonnes with an average total carbonate composition of

approximately 85%. The limestone that is available in our mines are Dark Grey Limestone (**DGL**) and Banded Argillaceous Limestone (**BAL**). Our limestone mines are located at distance of approximately 7.5 kms which ensures that we have accessibility to requisite quality of limestone. The abundance, quality and access to limestone, is a significant strength of our Company.

Easy access to low cost alternate fuels

Fuel, in the form of coal, is an integral part of the cement manufacturing process. Coal is an expensive source of fuel supply. In addition, the quality of coal available in India varies and an inferior quality of coal i.e. coal with lower calorific value, increases the consumption of coal in the manufacturing process which in turn increases cost. Further, coal with higher calorific value, in addition to be an expensive fuel, is also difficult to procure in India. We have, accordingly, been importing high quality coal from export markets such as South Africa, Australia and Indonesia which increases our operational expenses.

In light of the fact that coal is an exhaustible natural resource and is an expensive source of fuel, various cement manufacturers have been considering the use of alternate fuels generated from the Agro industry, the pharmaceutical industry (such as organic solid, organic liquid and spent carbon), petrochemical waste oils, animal meal, rice husk, etc. to battle the shortage and a rise in prices of traditional options. Our Company has, been proactively using alternate sources of fuel since the year 2010. Hyderabad and the nearby areas are replete with pharmaceuticals manufacturing companies which generate vast quantities of hazardous waste such as spent carbon, organic liquid and organic solid. This waste is costly to recycle and is difficult to eliminate. The waste generated by these companies, though, is suitable for use in our manufacturing process as fuel. The pharmaceutical waste is easily available at significantly lower cost.

Strong and experienced Promoter

Our Promoter, Chettinad Cement Corporation Limited (**CCCL**), is a leading cement manufacturer and one of the largest cement manufacturing companies in South India. As of Fiscal 2015, CCCL had an installed capacity of 11 million TPA. With an experience of over four (4) decades in the cement industry CCCL operates four (4) manufacturing facilities in the Puliur, Karikali and Ariyalur in Tamil Nadu and Kallur in Karnataka.

In addition the Chettinad group of companies, which was established in 1912, has since become one of the largest business houses in South India. The Chettinad group has a diverse array of business interests including in cement, logistics, port operations, steel fabrication, construction and power. Chettinad Logistics Private Limited focusses on providing vital logistics and infrastructure support to businesses in South India.

We believe that CCCL's experience and expertise in the cement industry and the financial stability and the reputation of the Chettinad group of companies instills confidence in our customers and augments our brand value.

Proven and experience management team

We believe that we have a strong management team led by persons with significant experience and expertise in the cement industry. Our Board comprises Directors who have extensive experience in the cement industry setting up and managing companies in the cement and construction industries. In addition, we also have a management team of qualified professionals, who have expertise and experience in the cement industry. Our management team comprises skilled and capable professionals, who assist the Board in implementing our business strategies and identifying new opportunities for furthering the growth of our Company. For further details of our Board of Directors and our Key Managerial Personnel please see the chapter entitled 'Our Management' on page 105 of this Draft Letter of Offer.

Strong Sales and Marketing Network

We believe that we have strong sales and distribution network capable of successfully marketing our brand and our products. As our cement products are marketed regionally, we focus our sales and distribution mainly in the states of Telangana and Andhra Pradesh. As of October 31, 2015, our sales division which comprises 45 employees led by a senior vice president constitutes 15% of our total employee strength. In addition, our distribution network comprises over 600 dealers and 45 consignment agents including 25 exclusive dealers.

We have long-term relationships with our distributors and consignment agents, who are local entrepreneurs. We believe this gives us a unique advantage in providing us with intimate knowledge of the demands and needs of customers in the regional markets where our agents are present and operate. Through our network of agents and dealers, we are able to reach a wide base of customers in the markets in which we operate.

Further, we have also introduced an innovative brand building strategy by launching 'ASK ANJANI', under which we have set-up up mobile lab for mobile concrete solutions. The mobile lab has inbuilt cement and concrete testing equipment for concrete at different stages of its use - pre or post construction. This mobile lab is available on call at any construction site within a radius of 400 kms from our manufacturing facility / Corporate Office. Customers and potential customers can avail of the facility to test the quality of cement or concrete that is being used / proposed to be used in their construction site.

Business Strategies

The key elements of our business strategy are set out below.

Leveraging our existing capacity through improvements in production efficiency

At present, our installed annual cement manufacturing capacity is 11,60,000 tonnes. However, in Fiscal 2013, Fiscal 2014 and Fiscal 2015 our annual production was 8,37,993 tonnes, 8,01,105 tonnes and 6,55,896 tonnes of cement, constituting an annual capacity utilisation of 72.24%, 69.06% and 56.54%, respectively. This is against the industry average capacity utilisation for Fiscal 2016 approximately 71%. Further, the cement industry average capacity utilisation is projected to increase to 80% over the next five years with a further increase to 85% by around 2019-2020 (Source: 'Crisil - Cement – Annual Review 2015').

Therefore, we believe that there is significant scope for leveraging our existing manufacturing production capacity. We intend to augment our production capacity through various measures including providing new pillard burner pipe, retrofitment of kiln feed bucket elevator, kiln main gearbox changing, pre-heater fan motor changing and upgradation of cooler electrostatic precipitators are under implementation to optimise production.

Expanding our market reach

During Fiscal 2013, Fiscal 2014 and Fiscal 2015, and for the three months ended June 30, 2015, ₹ 19,250 lakhs, ₹20,300 lakhs, ₹23,328 lakhs and ₹8,639 lakhs, constituting 59%, 60%, 72% and 74% of our revenue was generated from the states of Telangana and Andhra Pradesh.

We believe that we are well positioned to expand our market reach into the eastern part of India, and, in particular, Odisha and West Bengal. The eastern part of India accounts for around 18% of the cement consumption in India and the region is largely an industrial belt. Demand in the eastern region has been largely driven by infrastructure and housing development and implementation of several industrial projects in the mineral resource-rich states such as Odisha, Jharkhand and Chhattisgarh. Odisha, in particular, is one of the major consumers of cement in the eastern part of India. In addition, the eastern region is already witnessing an inbound flow of cement and the price of cement in this region has grown at a CAGR of 6% over the past five (5) years i.e. between Fiscal 2011 to Fiscal 2015 (Source: 'Crisil - Cement – Annual Review 2015'). Odisha is proximate to Andhra Pradesh with which it shares a land boundary. Further, we have already have presence in Odisha with 6 consignment sales agents and 65 sub-dealers and we propose to increase our presence by expanding on our distribution network. We believe that the closer proximity of Odisha will also mitigate our cost and help us to achieve better margins. West Bengal, like Odisha, is one of the larger cement consuming markets in the eastern part of India. Towards minimising the cost of transportation, which is one of the larger elements of our operational cost, we may consider setting up a cement grinding plant in the eastern part of India.

Penetrate new markets by setting up cement grinding units

Presently, we operate an integrated cement manufacturing facility in Nalgonda District. We propose to expand our operations into the eastern part of India, particularly, Odisha and West Bengal. The capital outlay required for setting up an integrated cement manufacturing unit, though, can be substantial. Further, transportation of cement is one of the key components of our operational cost and in Fiscal 2015 constituted 10.52% of our total revenue. To avoid the significant cost that setting up a cement manufacturing plant would entail and to obviate the cost of transportation, we may consider setting up cement grinding units. The primary raw material used by cement grinding units is clinker.

Clinker is an intermediate stage product that occurs during the process of cement manufacturing. Clinker is lumpy or nodule like in appearance with a diameter of 3 millimetres to 25 millimetres which when ground along with certain other raw materials forms cement. Clinker is a marketable commodity which when stored in dry condition can be stored for several months without any appreciable loss in quality. This makes clinker easier to handle and transport than cement since cement must to be maintained in dry watertight conditions and is easier to contaminate through exposure to carbon-di-oxide and moisture. Therefore, by setting up a cement grinding unit in the eastern part of India, we believe that we will be able to penetrate the eastern region with, in the longer run, no significant increase in our operational costs.

Our Products

The existing business of our Company is manufacturing of cement. Cement is the key ingredient in concrete, the primary building material in the industrial and residential construction sectors. Cement acts as the binding agent, which when mixed with sand, stone or other aggregates and water, produces either ready mixed concrete or mortar. Mortar is the mixture of cement with sand and water, and ready-mixed concrete is the mixture of cement with sand, gravel or other aggregates and water.

We produce and sell cement, manufactured using clinker produced in our Cement Plant as well as other ingredients procured from various local suppliers. Our primary products of cement are:

1. Ordinary Portland Cement (**OPC**); and
2. Portland Pozzolana Cement (**PPC**).

The cement products manufactured by our Company comply with the standards prescribed by BIS. The cement products are marketed under the brand name of 'Anjani Super Gold'. We believe the 'Anjani Super Gold' enjoys recognition in the markets where we operate.

Ordinary Portland Cement

Set out below are the two grades of Ordinary Portland Cement sold by our Company.

53 Grade OPC

This grade of cement is widely used in plain and reinforced cement concrete, masonry and plastering, for bridge piers, pre- stressed girders and electric poles, concrete pipes, pre- cast concrete, pre- stressed concrete, slip formed concrete, tall building and structures, R.C.C bridges, for cement concrete roads, for structural repairs and grouting, pre- stressed works, precast element, bridges, atomic power stations, railway sleepers, silos RCC pipe etc.

43 Grade OPC

This grade of cement is widely used for all general and semi-specialized constructions like columns, beams, slabs and all structural works, manufacture of concrete blocks and tiles, brick and stone masonry, plastering and flooring, plain and Reinforced Cement Concrete (RCC), precast, pre stressed slip formed concrete jobs, and commercial buildings, industrial constructions, multi- storied complexes, cement concrete roads, heavy duty floors etc.

Portland Pozzolana Cement

PPC cement is widely used in mass concrete works like dams, spillways, retaining walls where OPC is not suitable, all types of RCC work, underground structures, bridges, general building works, hydro- power stations etc.

Fly ash, the pozzolanic material is typically used in the production of PPC, reduces the amount of clinker required and allows us to produce PPC at a lower cost. Fly ash is a waste generated from the operation of coal-fired power stations and is readily available and cheaper than clinker. Due to the use of fly ash, which gives PPC a lower hydration heat and more sulphate resistance, our PPC is particularly suitable for use in coastal areas and in the construction of bridges, highways, housings, ports, mass concrete dams, irrigation systems and fully plated foundations.

Our margins vary for the different types of cement we manufacture. The sale of PPC has historically achieved higher margins compared to our other cement products. Our production of various cements is driven by market demand for different types of cement. This diverse cement product offering enables us to satisfy various performance specifications from customers, allowing us to serve a broad spectrum of the end market.

The following table sets forth our production of OPC and PPC for the periods indicated:

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
OPC 43 Grade	1,09,947	1,31,646	1,14,052
OPC 53 Grade	3,46,375	3,76,926	3,36,071
PPC	1,99,574	2,92,533	3,87,870
Total	6,55,896	8,01,105	8,37,993

Production Facilities

We own and operate a Cement Plant situated in Nalgonda District, Telangana. The Cement Plant is strategically located to allow us to easy access to limestone deposits. As of October 31, 2015, our Cement Plant employs 212 full-time employees. At our Cement Plant, quality assurance controls are incorporated into the various stages of the manufacturing process which are in compliance with international standards, such as ISO 9001, ISO 14001 and BS OHSAS 18001.

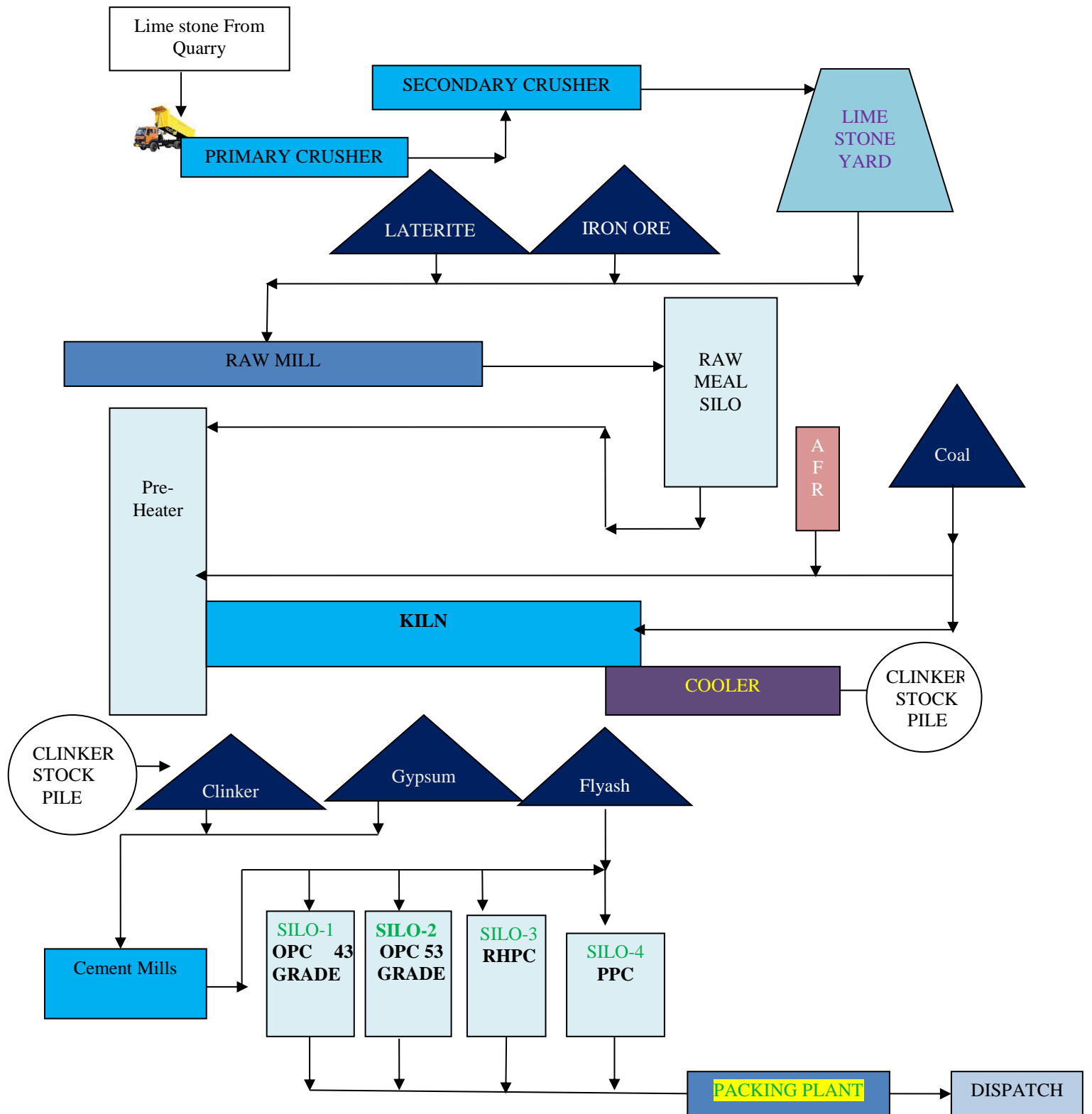
The following table sets forth the current clinker capacity, installed cement capacity, grinding capacity and utilization level of our Cement Plant's production units for the periods indicated.

(in tonnes except figures in %)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Installed Cement Capacity (annualized)	11,60,000	11,60,000	11,60,000
Cement Production	6,55,896	8,01,105	8,37,993
Utilization Level	56.54%	69.06%	72.24%

Cement Manufacturing Process

Set out below is the brief chart on the cement production process.



Set out below is the brief write up on the manufacturing process of manufacturing clinker and cement. Cement is primarily a processed mixture of limestone, sand, shale, clay and iron ore, with limestone being the major raw material.

Manufacturing Clinker

Stage 1

Limestone mining

Limestone mining involves benching, drilling and blasting. In limestone benching, the quality of the input is assessed and compared with benchmarks before the additives are mixed. The benched limestone is then drilled and blasted into small pieces. After blasting, the limestone is extracted and transported for crushing.

Crushing

Here the limestone is crushed to make particles suitable for blending and storage. At the crushing plant, a series of crushers and screens reduce the limestone rocks to a size less than 10 mm. The crushed material is stored in linear stockpiles for further processing. Other additive materials like sand, shale, clay, and iron ore are crushed and stored in separate linear stockpiles for later use.

Stage 2

Raw mill grinding

Raw material grinding is carried out through a dry process, wherein, each of the raw materials is fed in the right proportion to attain the desired chemical composition before being fed to a rotating ball mill. The raw materials are then dried with waste process gases and ground to less than 90 microns in size. The resultant mixture of material is known as 'raw meal'.

Blending and storage

The raw meal is stored in a vertical continuous blending cum storage silo where it is pneumatically blended to ensure a uniform chemical composition. The thoroughly homogenized mixture is then fed to the pre heater.

Coal Crushing and Grinding

Our Company procures coal from indigenous sources. In addition we also use coal that is imported from Australia, Indonesia, and South Africa. They are then blended together to achieve a uniform heat value. The coal mixture is then crushed and ground in a ball mill up to 75 microns in size and stored in fine coal hoppers.

Stage 3

Pre-heating stage and kiln

Pyroprocessing is carried out in a 5 stage preheater, calciner and rotary kiln with cooler. It takes place inside the pre-heater tower which is about 90 meters in height.

Raw meal from the storage silo is extracted at a defined rate and fed at the top of the pre-heater tower while being subjected to higher temperatures at every single stage of the 5 stages. High temperatures free the raw meal of all moisture and also do the preheating. After 4 stages, the raw meal enters the 'calciner' wherein calcium carbonate in the raw meal is decomposed into calcium oxide and carbon dioxide. The material is then fed to rotary kiln.

The pre-heater tower and rotary kiln are made of a steel casing and lined with special refractory materials to protect it from not only the high temperatures in the kiln but also from reactions with the raw meal and gases in the kiln, abrasion and mechanical stresses induced by deformation of the kiln shell as it rotates.

In the kiln, the calcination process is completed as the raw meal burns at 1,450 degree Celsius with fine coal fed through the kiln outlet and calciner. The raw material inside the kiln liquefies. During this heat treatment of raw meal, calcium oxide reacts with silica, alumina and iron oxides to form crystals of calcium silicates, calcium aluminates and calcium alumino ferrites etc. This process is called sintering. The reaction results in nodular product known as 'clinker' which has the desired hydraulic properties.

The heated clinker is discharged from the rotary kiln into a clinker cooler. Large cooling fans blow air through the heated clinker cooling it down on its way out. The hot kiln gases are filtered through the reverse air bag house and cooler hot gases are filtered through electrostatic precipitator. The clinker cooler is primarily meant to

transfer heat from the clinker to the pyroprocessing system in the form of hot gases, optimizing the whole system by reducing fuel consumption and improving overall energy efficiency.

Clinker leaving the clinker cooler is at a temperature of 100 degree Celsius capable of being handled by standard conveying equipment. Clinker is then stored in well sheltered stock piles.

Manufacturing Clinker to Cement

Stage 4

Final Grinding and blending

The black, nodular clinker, gypsum and fly-ash are stored in separate hoppers ready to follow the course of final grinding. From the hoppers the clinker along with gypsum and fly-ash are ground together in ball mills in defined proportions to form the final cement products. Fineness of the final products, amount of gypsum added, and the percentage of fly-ash added are all varied to develop the product variants and different grades of cement.

Stage 5

Distribution and Dispatch system

Each product variant is stored in an individual bulk storage silo ready to be dispatched. Cement is packed in bags using auto roto packer to maintain accurate weight of the cement in the bag and is distributed by road. Customers may also demand cement to be dispatched in bulk tankers.

Raw Materials and Supply

The principal raw materials used by our Company for cement manufacturing process are:

1. Limestone;
2. Gypsum;
3. Iron Ore;
4. Laterite; and
5. Fly Ash.

Our costs of raw materials consumed in production of cement accounted for approximately 13.36 % and 14.63 % of our total expenses for the Fiscal 2014 and 2015, respectively. Raw materials are transported to the production plant mainly by means of road transport. We use independent road haulage operators to transport raw materials to our plants.

Limestone

The main raw material used in the production of cement is limestone. The cement production process requires approximately 1.5 MT of limestone for every MT of clinker produced, resulting in an estimated annual requirement of approximately 15.3 lakhs MT of limestone at our Cement Plant, based on full utilisation of current installed capacity.

As of date, we operate two limestone mines situated in Chintalapalem village, in Nalgonda District, with reserves (including probable reserves) of approximately 43 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 53 million tonnes. The mines are situated near our Cement Plant and currently we mine 3 varieties of limestone viz. Banded Dark Gray Limestone; Argillaceous Limestone; and Lateritic Interstitial Clay. Each of these varieties of limestone can be used in the production of cement.

Gypsum

The other raw material used in manufacturing of cement is gypsum, which acts as a retarding agent to control the setting time for cement. Generally, between 4.50 MT and 5.00 MT of gypsum is consumed in the production of 100 MT of cement. Our current annual requirement of gypsum is approximately 40,000 MT. Gypsum is usually obtained from domestic supplies and we generally maintain stocks in levels sufficient to meet our production requirements.

Iron Ore and Laterite

We currently meet our iron ore requirement by obtaining Iron Sludge. Laterite is used as an additive. We obtain iron ore and laterite from local suppliers by placing purchase orders, as required.

Fly Ash

Fly ash is used typically in the manufacturing process of PPC as it reduces the amount of clinker required and allows production of PPC at a lower cost. Fly ash is a waste generated from the operation of coal-fired power stations and is readily available and cheaper than clinker.

Power and Fuel

Power and fuel expenses are the most significant expenses in the cement manufacturing process comprising approximately 33.23% and 32.74% of our total expenses in the Fiscal 2014 and 2015, respectively. Coal and electricity are our principal sources of energy for cement production along with use of alternate fuels. Coal / alternate fuels are used to burn raw materials in the kiln during the production process while electricity is used across all the processes.

Coal

Currently our long term domestic linkages, historically have only met majority of our coal requirements, the balance of our coal requirements are typically met through the use of imported coal from South Africa, Australia and Indonesia.

We primarily use domestically sourced coal at our Cement Plant, as the plant is in close proximity to domestic suppliers of coal which makes it economical. The domestic coal consumed by us is supplied primarily from Singareni Collieries Company Limited. The supply of domestic coal in India is subject to price and distribution controls imposed by the Government of India. All purchases of coal are delivered by road from the various coalfields to our Cement Plant.

Electricity

Electricity is supplied by Telangana State Southern Power Distribution Company Limited. As part of the object of this issue, we are setting up a 16 MW coal based captive power plant which is expected to be commissioned during the Fiscal 2017.

Alternate Fuels

Approximately 20% of the fuel requirement of our Cement Plant is satisfied by the use of waste, from pharmaceutical industries, in the form of solvents. The waste is used to substitute coal for thermal energy requirement in our Cement Plant. This solvent waste is available to us at zero landing cost to our manufacturing facility. Currently, we procure these solvents from pharmaceutical companies located in and around Hyderabad and Visakhapatnam.

Pharmaceutical waste like spent carbon, spent organic liquid and spent organic solid can be substituted in place of coal to reduce natural fuels, to reduce carbon-di-oxide emissions and also reduce cost of production.

Power and Fuel Efficiency

Our current energy reduction program includes the increased use of high quality imported coal, with a planned level of optimum amount of imported coal in our overall fuel mix and the use of alternate fuels. We believe this should enable us to reduce our consumption of thermal energy. The price of imported coal has been increasing in the recent years, mainly due to an increase in the FOB value as well as an increase in freight shipping rates.

Sales and Distribution

Our sales and distribution operations are spread over South India, Maharashtra, as well as Odisha. We have over 600 dealers and 45 consignment agents to promote our products in these markets. Further, we have more than

500 customers which include direct customers like infrastructure companies, government departments, contractors, builders, pipe and cement brick manufacturing units amongst others.

Market Segmentation

Broadly, based on the geographical spread, our marketing operations are categorized broadly into 3 segments:

1. Primary Market : Upto a radius of 250 Kms.
2. Secondary Market : 251 Kms. To 500 Kms.
3. Tertiary Market : 501 Kms. To 1000 Kms.

The realization from the primary market is the highest, the secondary market is moderate and tertiary market fetches variable cost plus a marginal contribution. The following table sets forth our revenue and sales quantities by products for the periods indicated.

(₹ in lakhs)

Particulars	Fiscal 2015		Fiscal 2014		Fiscal 2013	
	Quantity (in MTs)	Amount	Quantity (in MTs)	Amount	Quantity (in MTs)	Amount
OPC	451,256	17,452.61	505,799	16,778.79	452,648	14,973.86
PPC	198,942	7,460.60	295,220	9,542.86	388,224	12,759.77
Total Cement Sales	650,198	24,913.21	801,019	26,321.65	840,872	27,733.63

The following table sets forth our domestic cement sales quantities across states and the per cent of total sales for each of the periods indicated.

Particulars	Fiscal 2015		Fiscal 2014		Fiscal 2013	
	Quantity (in MTs)	%	Quantity (in MTs)	%	Quantity (in MTs)	%
Andhra Pradesh	3,28,092	50%	3,36,581	42%	3,02,476	36%
Telangana	1,38,413	21%	1,82,784	23%	1,78,447	21%
Tamil Nadu	70,819	11%	87,369	11%	88,116	10%
Karnataka	68,900	11%	1,15,749	14%	76,869	9%
Maharashtra	36,507	6%	49,124	6%	1,13,599	14%
Others	7,467	1%	29,412	4%	81,365	10%
Total Cement Sales	6,50,198	100%	8,01,019	100%	8,40,872	100%

Quality Control

We have an analytical laboratory for quality control at our manufacturing facility which is controlled by experienced team of professionals. Our laboratory is equipped with X-ray analyser for monitoring of mineral composition of raw materials and the final product. Samples of the final products are also sent to independent quality analysts for inspection to enhance and standardize quality norms.

Competition

Our major competitors include My Home Industries Limited, Ramco Cements Limited, Priyadarshini Cement Limited, Deccan Cements Limited and Sagar Cements Limited amongst others.

Pricing Policy

We determine the sales price of our products based on market conditions. In setting prices, we take into account our costs, including those of raw materials and demand and supply in the domestic market.

Employees

As of October 31, 2015, we employed 292 full-time employees and 222 contracted workmen. The following table provides information about our full-time employees and contracted workmen:

Particulars	Cement Plant and Mines	Corporate Office	Registered Office	Branch Offices
Senior Management (AGM and above)	7	4	1	5
Middle Management (Officers to Sr. Manager)	111	23	1	32
Staff and Workmen	94	8	-	2
Retainers	3	1	-	-
Contracted Workmen	217	3	-	2
Total	432	39	2	41

We provide our employees comprehensive and on-going training. This training is tailored to our evolving business environment and corporate needs with the objective of improving customer services. We have also implemented a performance appraisal system which allows the performance of our employees to be assessed through an objective and transparent process.

Trade Unions

Most of our employees (excluding management) at our Cement Plant are part of an organised trade union.

Insurance

Our production plant is insured against fire, riot, strike and malicious damage risks with various underwriters. Insurance policies also cover selected items of machinery for the risk of machinery breakdown. Our policy is to provide cover on reinstatement value of the assets in their present state. Our policies have limited coverage with regard to product liability. See '*Risk Factor - 23 - Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.*' beginning on page 21 of this Draft Letter of Offer.

We believe that our insurance arrangements are consistent with industry standards for cement manufacturers in India. Our insurance cover is reviewed on a yearly basis.

Intellectual Property Rights

We believe that the trademarks which are of material importance and significant to our business are those using the trade names '*Anjani*', '*APCL*' and '*Anjani Cement*'. We have applied for, and are currently awaiting registration of a number of trademarks and trade names including '*Anjani Cement*' and '*Anjani Super Gold Cement*'.

We have entered into a logo sharing agreement dated March 20, 2015 with our Promoter for use of the logo '*Chettinad Cement*'. Pursuant to the said agreement our Company has been granted a non-exclusive, non-assignable and revocable licence to use and apply the said trademark in conjunction with our trademarks in India without any consideration and free of cost.

Health, Safety and Environment

Mining of limestone and manufacturing of cement is subject to a number of central and state laws and regulations. These include in particular, regulations on technical safety and environment protection, including, among others, restriction of air pollution, discharge of waste products into water and other occupational health and safety regulations. For further details, please see chapters entitled '*Regulations and Policies*' and '*Government and Other Approvals*' on pages 97 and 211 of the Draft Letter of Offer, respectively.

Our cement plant, mines and offices in India are required to comply with several laws governing every aspect of our operations, including compliance with environment regulations. In order to ensure compliance, we have implemented an automated compliance monitoring and assurance system to enable monitoring of our manufacturing process.

Corporate Social Responsibility

As part of our corporate social responsibility initiatives, our Company has been carrying out various social welfare activities such as providing drinking water, financial assistance to poor and needy, medical camps and

laying of external roads and bore-wells at neighbouring villages to the Cement Plant. Our Board of Directors has constituted a Corporate Social Responsibility Committee, and also formed a corporate social responsibility policy to govern such initiatives. For further details regarding Corporate Social Responsibility Committee, please see 'Our Management—Corporate Governance—Corporate Social Responsibility Committee' on page 111 of this Draft Letter of Offer.

Land and Property

Our Company's Registered Office is located at 306 A, The Capital, 3rd Floor, Plot No. C – 70, G – Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051 and our Corporate Office is located at Quena Square, 4th Floor E – 2, 3 and 4, Somajiguda, Hyderabad 500082. Details of our offices are as follows:

Place and Description of Property	Lessor/ Licensor	Date and Instrument/Document executed	Period of the Lease and Area
Registered Office of our Company			
306 A, The Capital 3 rd Floor, Plot No. C – 70 G – Block, Bandra Kurla Complex Bandra (E), Mumbai 400051 Maharashtra, India.	Chettinad Holdings Pvt Ltd	Leave and License Agreement on September 5, 2015	Period from September 1, 2015 to August 31, 2020; 150 Sq. Ft.
Corporate office of our Company			
Quena Square, 4 th Floor E – 2, E- 3 and E- 4 Somajiguda, Hyderabad 500082	Chettinad Holdings Private Limited	Lease deed dated January 22, 2015	Period from January 1, 2015 to December 20, 2020; 3,100 Sq. Ft

Our Company's limestone mines and Cement Plant are situated at Chintalapalem Village, Mellacheruvu Mandal, Nalgonda District, Telangana, on land which is either owned or has been leased. Further, our Company has other land and properties for various purposes including our Company's branches and godowns, which are either owned or leased.

REGULATIONS AND POLICIES

The following is an overview of the relevant regulations and policies in India which are applicable to our business and operations in India. The regulations set out below are not exhaustive and are only intended to provide general information to the Investors and are neither designed nor intended to substitute for professional legal advice.

Factories Act, 1948

The Factories Act, defines a ‘factory’ to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Shops and establishments legislation

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. The Bombay Shops and Establishments Act, 1948, as amended, is applicable to shops and commercial establishments in Maharashtra and there most states have promulgated legislation in this respect.

Environmental laws

The Environment (Protection) Act, 1986 (**EPA**) is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 (**Water Act**) aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (**Air Act**) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 (**Hazardous Wastes Rules**) aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant pollution control board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state pollution control board with the prior approval of the Central Pollution Control Board.

The Public Liability Insurance Act, 1991 (**PLI Act**) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Labour laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company. The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

In respect of each of the facilities, our Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (**CLRA Act**), and the rules framed thereunder which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Trade Union Act, 1926, as amended (**TU Act**), provides for registration of trade unions which render lawful organization of labourers to enable collective bargaining. A minimum of seven members are required for applying for registration of a trade union under the TU Act. The TU Act confers certain privileges and protection to a registered trade union and its members including in certain criminal and civil proceedings. The trade union may act for the individual and/or for collective benefit of workers. Our Company's labourers and employees have formed a trade union which is registered under the TU Act.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (**EPF Act**) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

The Employees' State Insurance Act, 1948 (**ESI Act**) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is required to register such factory or establishment under the ESI Act and maintain prescribed records and registers. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹ 15,000 per month is entitled to be insured under the ESI Act.

Our Company is subject to other laws concerning condition of working, benefit and welfare of our labourers and employees including the Industrial Employment (Standing Orders) Act, 1946, as amended, the Payment of Gratuity Act, 1972, as amended, the Payment of Bonus Act, 1965, as amended, the Minimum Wages Act, 1948, as amended, the Payment of Wages Act, 1936, as amended, the Employee's Compensation Act, 1923, as amended and the Equal Remuneration Act, 1976, as amended.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Shez Chemicals Limited on December 17, 1983 at Hyderabad, Andhra Pradesh as a public limited company under the Companies Act, 1956. A fresh certificate of incorporation, consequent upon change of name of our Company to Shez Cements Limited, was issued on October 17, 1985. Subsequently, pursuant to a special resolution of the Shareholders dated September 30, 1999, the name of our Company was changed to Anjani Portland Cement Limited. A fresh certificate of incorporation, consequent upon change of name of our Company, was issued on October 7, 1999.

Our Company was promoted by Syed Badruddin Shez and Syed Naseeruddin along with two Non-Resident Indians, Imtiaz Ali Faheem and Hyumayun T Quereshi. Our Company made an initial public offering in 1994 and listed its Equity Shares on the BSE Limited and the Hyderabad Stock Exchange. Subsequently, during the year 1999, our Company was acquired by the K.V Vishnu Raju. Our Company's Equity Shares were delisted from the Hyderabad Stock Exchange pursuant to a SEBI order dated January 25, 2013 permitting the exit of the Hyderabad Stock Exchange, as a Stock Exchange.

On March 12, 2014, our Promoter entered into a Share Purchase Agreement (SPA) with the erstwhile promoters of our Company for acquisition of upto 61.62% of the Equity Share Capital. Further to the SPA, our Promoter made an Open Offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to acquire up to 26% of the Equity Share Capital. Pursuant to the Open Offer and the SPA, our Promoter acquired 17.09% and 57.91% of the Equity Share Capital, respectively. After the completion of the Open Offer, Promoter holds 75% of the Equity Share Capital. For further details, please see chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

Corporate profile of our Company

For information on our Company's business profile, activities, services, managerial competence, and customers please see the chapters entitled '*Our Management*', '*Our Business*' and '*Industry Overview*' on pages 105, 84 and 77, respectively of this Draft Letter of Offer.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered and Corporate Office	Details of the address of Registered and Corporate Office
December 27, 1999	From 3 rd Floor, Snehalatha Complex, Greenlands Road, Begumpet, Hyderabad 500016, Andhra Pradesh, India to Sithanilayam, 153 Dwarkapuri Colony, Punjagutta, Hyderabad 500082, Andhra Pradesh, India
June 9, 2015	From Sithanilayam, 153 Dwarkapuri Colony, Punjagutta, Hyderabad 500082, Telangana, India to 306 A, The Capital, 3 rd Floor, Plot No. C – 70, G – Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, Maharashtra, India

The changes in the registered office of our Company were made to ensure greater operational efficiency and to meet growing business requirements.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

- "1. The manufacture and deal in drugs, chemicals, including pharmaceuticals, fertilisers and pesticides.*
- 2. To manufacture and deal in chemicals and oils, of all varieties, by solvent extraction, or otherwise.*

3. To buy, sell, let on hire, exchange, alter, improve, manipulate, manufacture, prepare for market and or otherwise deal with or distribute all kinds of chemicals, chemical products, drugs, pharmaceuticals formulations and oils, and other goods necessary or convenient for carrying on business of the company or likely to be received by the customers or by persons having dealings with the company either wholesale or retail.

4. To carry on all or any of the business as merchants, and manufacturers, of and or dealers in all kinds of chemicals, chemical products, drugs, pharmaceuticals formulations and oils which are required or used and import and export, such raw materials, finished goods and equipment as may be required in connection with the business aforesaid.

5. To buy, manufacture, sell and deal in any manner with plant and machinery for chemicals, chemical products, drugs, pharmaceuticals formulations and oils and other allied industries.

5A. To produce, manufacture, refine, prepare, import, export, purchase, sell and generally to deal in all kinds of Portland Cement (Portland pozzolona cement, Portland slag cement, Portland rapid hardening cement, Portland high alumina, Portland oil well cement, Special cement, masanory cement lime., pozzolona cement, etc.) Cement products of any description.”

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
October 17, 1985*	Change of name of our Company from Shez Chemicals Limited to Shez Cements Limited
September 28, 1990	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each to ₹6,50,00,000 divided into 65,00,000 Equity Shares of ₹10 each
September 30, 1991	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹6,50,00,000 divided into 65,00,000 Equity Shares of ₹10 each to ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each
September 29, 1993	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each to ₹16,00,00,000 divided into 1,51,00,000 Equity Shares of ₹10 each and 9,00,000 14 per cent cumulative redeemable preference shares of ₹10 each
September 28, 1994	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹16,00,00,000 divided into 1,51,00,000 Equity Shares of ₹10 each and 9,00,000 14 per cent cumulative redeemable preference shares of ₹10 each to ₹21,00,00,000 divided into 2,01,00,000 Equity Shares of ₹10 each and 9,00,000** 14 per cent cumulative redeemable preference shares of ₹10 each
September 30, 1999	Change of name of our Company from Shez Cements Limited to Anjani Portland Cement Limited
December 27, 1999	Change in registered office of our Company from 3 rd Floor, Snehalatha Complex, Greenlands Road, Begumpet, Hyderabad 500016, Andhra Pradesh, India to Sithanilayam, 153 Dwarkapuri Colony, Punjagutta, Hyderabad 500082, Andhra Pradesh, India
September 28, 2010	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹21,00,00,000 divided into 2,00,00,000 Equity Shares of ₹10 each and 10,00,000 14 per cent cumulative redeemable preference shares of ₹10 each to ₹31,00,00,000 divided into

	3,00,00,000 Equity Shares of ₹10 each and 10,00,000** 14 per cent cumulative redeemable preference shares of ₹10 each.
October 31, 2014	Change in the registered office of our Company from Sithanilayam, 153 Dwarkapuri Colony, Punjagutta, Hyderabad 500082, Telangana, India to 306 A, The Capital, 3 rd Floor, Plot No. C – 70, G – Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, Maharashtra, India

* As per the fresh certificate of incorporation issued by the RoC.

** Our current Promoter acquired our Company from our erstwhile promoters in 2014. We have been unable to locate certain corporate records of our Company, in respect of various corporate actions undertaken by our Company including increase in authorised capital. Consequently, our Company does not have certain details pertaining to increase in authorised capital and change in the registered office of our Company.

For further details, see section entitled ‘Risk Factors - Some of the forms filed by us with the Registrar of Companies and our records in that respect are not traceable.’ at page 23 of this Draft Letter of Offer.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
1994	Initial Public Offering of our Company
1999	Change of name of our Company from ‘Shez Cements Limited’ to ‘Anjani Portland Cement Limited’
2001	Installation of secondary crusher at the plant.
2003	Introduction of high efficiency cyclones, burners and introduction of screw compressors in place of unit compressors
2004	Calcliner modification done to improve production.
2005	Installed an additional cement mill to increase cement grinding capacity.
2007	Installation of RABH and distribution control system.
2010	<ul style="list-style-type: none"> Started production at the second plant and achieved rated capacity Certified as an ISO 9001:2008 company.
2011	<ul style="list-style-type: none"> Awarded Commendation Certificate for IMC Ramakrishna Bajaj National Quality Awards 2011 in the category of Manufacturing. Launch of Mobile Concrete Solutions –Nirmaan Sanjeevani
2012	Alternate fuels - online feeding system established
2014	Our Promoter acquires majority equity stake in our Company

Awards, Recognitions and Accreditations

We have received the following awards and accreditations: Calendar Year	Particulars
2004	Certificate of appreciation for meritorious performance in implementing the programmes of Environment Protection, pollution control and plantation work – Andhra Pradesh Pollution Control Board
2008	Appreciation certificate for ‘Best Cleaner Production Practices and Waste Minimization Techniques’ – Andhra Pradesh Pollution Control Board
2009	<ul style="list-style-type: none"> Appreciation certificate for ‘Best Cleaner Production Practices and Waste Minimization Techniques’ – Andhra Pradesh Pollution Control Board Certificate of Merit for ‘Fastest Growing Cement Company (Small Category) - 1st rank’ - 7th Construction World Annual Awards 2009 – ASAPB Media Information Group Excellence in corporate social responsibility - Federation of Andhra Pradesh Chambers of Commerce and Industry
2013	<ul style="list-style-type: none"> Certificate of excellence for Smart Innovation – INC - India innovative 100
2015	<ul style="list-style-type: none"> ISO 9001: 2008 for quality management system for manufacture and supply of cement BS OHSAS 18001:2007 for occupational health and safety management

	system for manufacture and supply of cement <ul style="list-style-type: none"> • ISO 14001:2004 for environmental management system for manufacture and supply of cement
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Other Details Regarding our Company

For further details regarding the description of our activities, the growth of our Company, technology, the standing of our Company in relation to the prominent competitors with reference to its products, management, segment, capacity/ facility creation, location of plant, market capacity build-up, marketing and competition please see chapters entitled '*Our Business*' and '*Industry Overview*' on page 84 and 77, respectively. Since the acquisition of our Company by the Promoter, there have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order. For further details regarding our management and its managerial competence please see the chapter entitled '*Our Management*' on page 105 of this Draft Letter of Offer.

Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any

While our Company has acquired certain entities in the past, there have been no acquisition of any entity, business or undertaking nor has undertaken any merger, amalgamation or revaluation of assets, since the acquisition of our Company by the Promoter.

Capital raising activities through equity and debt

Except as mentioned in chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer, our Company has not raised any capital through equity. For further details on the debt facilities of our Company please see chapter entitled '*Financial Indebtedness*' on page 192 of this Draft Letter of Offer.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders. Except for the conversion of certain unsecured loans availed of from our Company's erstwhile promoters, none of our outstanding loans have been converted into Equity Shares. For further details, see the chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

Time and cost overruns

Since the acquisition of our Company by the Promoter, there have been no time and cost overruns in the development or construction of any of our projects.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/ loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Partnership Firms

Our Company is not a partner in any partnership firm.

Our Shareholders

Our Company has 7,798 Shareholders, as on December 25, 2015. For further details regarding our Shareholders please see chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

Strategic or Financial Partners

As on the date of this Draft Letter of Offer, our Company does not have any strategic or financial partners.

Our Holding Company

CCCL is the holding company of our Company. For further details of our holding company please see chapter entitled '*Our Promoter and Promoter Group*' on page 115 of this Draft Letter of Offer.

Subsidiaries

As on the date of this Draft Letter of Offer, our Company does not have any subsidiaries.

Our Associates

As on the date of this Draft Letter of Offer, our Company does not have any associates.

Other Material Contracts

Our Company has not entered into any material contract, not being a contract entered into in the ordinary course of the business or a contract entered into more than two years before the date of this Draft Letter of Offer.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. As on the date of this Draft Letter of Offer, our Board comprises of four Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
1.	<p>V. Subramanian</p> <p><i>Designation:</i> Chairman, Non - Executive, Independent Director</p> <p><i>Address:</i> 5/Door No FC-Block-1 Shakti Nagar New Street Kamala Paradise Porur Chennai, TN 600116</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of 5 years from September 10, 2014 to September 9, 2019</p> <p><i>DIN:</i> 06693099</p>	51	<p>Other Directorships</p> <ul style="list-style-type: none"> • Chettinad Hospitals Private Limited • Chettinad Earth Movers Private Limited • Chettinad Lignite Transport Services Private Limited • Associated Cement Holdings Private Limited • Chettinad Natural Resources Private Limited • Chettinad Enterprises Private Limited • Chettinad Plantations Private Limited • Chettinad Infrastructure and Property Developers Private Limited • Chettinad Micro Business Private Limited • Integrated Property and Power Developers Private Limited <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>
2.	<p>A Subramanian</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> 1E,11th Block, Asvini, Amarisa Apartment, Kalasathamman Koil Street, Ramapuram, Chennai 600089</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> January 19, 2015 to January 18, 2020</p> <p><i>DIN:</i> 06693209</p>	67	<p>Other Directorships</p> <p>NIL</p> <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>
3.	<p>S.B. Nirmalatha</p>	41	<p>Other Directorships</p>

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
	<p>Designation: Non - Executive Director</p> <p>Address: 35 I Main Road, Lake Area Nungambakkam Chennai Tamil Nadu India 600034</p> <p>Occupation: Lawyer</p> <p>Nationality: Indian</p> <p>Term: Appointment by rotation</p> <p>DIN: 0309239,</p>		<p>NIL</p> <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>
4.	<p>Gopal Perumal</p> <p>Designation: Non - Executive, Independent Director</p> <p>Address: Old No. 52, New No. 122, Subramaniya Mudali Street Saidapet Chennai Tamil Nadu India 600015</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from September 10, 2014 to September 9, 2019</p> <p>DIN: 06630431</p>	45	<p>Other Directorships</p> <ul style="list-style-type: none"> Marvel Cements Private Limited Imperial Cement Private Limited Chettinad International Bulk Terminal Private Limited Chettinad Realtors Private Limited <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

V. Subramanian is the Chairman, Non-Executive Independent Director of our Company. He holds a Civil Engineering degree from the Bharathiar University in Tamil Nadu. His expertise in the construction Industry spans over a period of more than twenty years. He was appointed as Independent Director of our Company with effect from May 16, 2014.

A. Subramanian is the Managing Director of our Company. He holds a Master's Degree in Commerce from the Madurai Kamaraj University. He started his career with the CCCL in the year 1967. He has over 40 years of experience in the cement industry and his core competencies include finance, accounts, materials management, project accounting and logistics. He retired as Joint President (Finance and Administration) of CCCL in the year 2012.

S.B. Nirmalatha is the non - executive Director of our Company. She holds a Master's Degree in Law from the University of Madras. She was awarded the research fellow scholarship by the University Grants Commission, New Delhi and completed her doctorate program, PHD in the field of intellectual property rights in the University of Madras. Her expertise lies in the field of intellectual property and corporate matters including trademarks and copyright. She was appointed as a Non – executive Director of our Company with effect from February 10, 2015.

Gopal Perumal is the Non-Executive Independent Director of our Company. He holds Diploma in Mechanical engineering from the Department of Technical Education, Madras and Diploma in Industrial Pollution Control from Annamalai University. He has over two decades of expertise in setting up of heavy industries. He was appointed as Independent Director of our Company with effect from May 16, 2014.

Confirmations

None of our Directors are or were directors of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors are or were directors of any listed company which has been or was delisted from any stock exchange.

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested, by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company. We have not entered into any service contracts with our Directors.

Terms of appointment of Executive Directors

A. Subramanian, Managing Director

A. Subramanian was appointed as our Managing Director, pursuant to a Board resolution dated January 19, 2015 with effect from January 19, 2015 for a period of five years. From August 5, 2015, he draws a remuneration of ₹ 4,00,000 per month which is not to exceed 5% of the net profits of our Company for each of the Financial Year during his tenure as the Managing Director.

Payment or benefit to Directors of our Company

The sitting fees / other remuneration paid to our Directors in Financial Year 2015 are as follows:

1. Remuneration to Executive Directors

Our Company has not paid any remuneration (including sitting fees) to our Executive Director, A. Subramanian in Financial Year 2015.

Sl. No.	Name of the Director	Amount paid(in ₹ lakh)
1.	Geetha Muthiah [#]	37.83
2.	K.V. Vishnu Raju [*]	4.36
3.	P.V.R.L.N. Raju ^{**}	4.04

[#]Geetha Muthiah was appointed as Managing Director w.e.f June 4, 2014 and tendered her resignation w.e.f December 20, 2014.

^{*}K.V. Vishnu Raju resigned from the position of Managing Director and Whole Time Director respectively w.e.f. June 4, 2014. Further, he resigned from the Board of Directors on September 28, 2015.

^{**}P.V.R.L.N. Raju resigned from the position of the Whole Time Director respectively w.e.f June 4, 2014. Further, he resigned from the Board of Directors on September 28, 2015.

2. Remuneration to Non-Executive Directors

Our Company has pursuant to a board resolution dated June 23, 2008, fixed the sitting fees of our Non-Executive Directors at ₹5,000 per meeting of the Board. Our Company has paid the following amounts as sitting fees to our Non-Executive Directors in Financial Year 2015:

Sl. No.	Name of Director	Amount paid (in ₹ lakhs)
1.	V. Subramanian	0.30
2.	Gopal Perumal	0.30
3.	B. Ramesh*	0.30
4.	P.R. Raju**	0.05
5.	P.V. Subba Rao**	0.05
6.	P.S. Ranganath**	0.05
7.	P.A. Rama Raju**	0.05
8.	P.V.R.L.N. Raju***	0.05
9.	K.V. Vishnu Raju****	0.05

*B. Ramesh resigned from the Board of Directors on April 15, 2015

**P.R. Raju, P.V. Subba Rao, P.S. Ranganath and P.A. Rama Raju, resigned from the Board of Directors on May 16, 2014

***K.V. Vishnu Raju resigned from the position of Managing Director and Whole Time Director respectively w.e.f June 4, 2014. Further, he resigned from the Board of Directors on September 28, 2015.

****P.V.R.L.N. Raju resigned from the position of the Whole Time Director respectively w.e.f June 4, 2014. Further, he resigned from the Board of Directors on September 28, 2015.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board.

Shareholding of Directors in our Company

None of our Directors hold any Equity Shares in our Company.

Our Articles of Association do not require our Directors to hold any qualification shares.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

Except as stated in 'Related Party Transactions' on page 147 of this Draft Letter of Offer, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Letter of Offer.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and Promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Except as stated in the chapter entitled "Our Promoter and Promoter Group", none of our Directors have any interest in the promotion of our Company, other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of our Directors is party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
K.V. Vishnu Raju	September 28, 2015	Resignation as Director
P.V.R.L. Narasimha Raju	September 28, 2015	Resignation as Director
A. Subramanian	September 9, 2015	Change in designation from additional Director to Director
S.B. Nirmalatha	September 9, 2015	Change in designation from additional Non-Executive Director to Non-Executive Director
Balaji Ramesh	April 15, 2015	Resignation as Director
S.B. Nirmalatha	February 10, 2015	Appointment as additional non-executive independent Director
A. Subramanian	January 19, 2015	Change in designation from additional Director to managing Director
A. Subramanian	January 19, 2015	Appointment as additional executive Director
Geetha Muthiah	December 20, 2014	Resignation as managing Director
Geetha Muthiah	September 10, 2014	Change in designation from additional Director to Director
Balaji Ramesh	September 10, 2014	Change in designation from additional Non-Executive Director to non – executive Director
Gopal Perumal	September 10, 2014	Change in designation from additional independent Non-Executive Director to independent Non-Executive Director
V. Subramanian	September 10, 2014	Change in designation from additional independent additional Non-Executive Director to independent Non-Executive Director
Geetha Muthiah	June 4, 2014	Change in designation from additional Non-Executive Director to managing Director
K.V. Vishnu Raju	June 4, 2014	Change in designation from managing Director to Non-Executive Director
P.V.R.L. Narasimha Raju	June 4, 2014	Change in designation from executive Director to Non-Executive Director
Geetha Muthiah	May 16, 2014	Appointment as an additional Non-Executive Director
Balaji Ramesh	May 16, 2014	Appointment as an additional Non-Executive Director
Gopal Perumal	May 16, 2014	Appointment as an additional independent, Non-Executive Director
V. Subramanian	May 16, 2014	Appointment as additional independent, Non-Executive Director
Achuta Rama Raju Rudraraju	May 16, 2014	Resignation as Director
Parankusam Srinivas Ranganath	May 16, 2014	Resignation as Director
Venkata Subba Rao Paramatmuni	May 16, 2014	Resignation as Director
Ramachandra Raju Pushpati	May 16, 2014	Resignation as Director

Borrowing Powers of Board

In accordance with the Articles of Association and the provisions of the Companies Act, the authorisation of our Shareholders is required to borrow such sum or sums of money or monies, where the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our paid up share capital and free reserves. Pursuant to the special resolution dated September 10, 2014 our Shareholders have authorised our Board of Directors to borrow amounts not exceeding ₹ 30,000 lakhs.

Corporate Governance

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

The constitution of our Board is in compliance with the Companies Act and the SEBI Listing Regulations with the Stock Exchange and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board of Directors detailed reports on its performance periodically.

Currently, our Board has four Directors. In compliance with the requirements of Regulation 17 of the SEBI Listing Regulations, we have one Executive Director and three Non-Executive Directors. Our Board comprises two Independent Directors, one of whom is a woman Director.

Committees of our Board

The details of committees of the Board are set out below:

AUDIT COMMITTEE

Our Company constituted the Audit Committee in accordance with the Section 177 of the Companies Act, and Clause 49 of the Listing Agreement. Further, the Audit Committee was re-constituted by way of a resolution dated April 29, 2015. The audit committee presently consists of the following Directors of the Board:

1. V. Subramanian, Chairman, Independent, Non – Executive Director
2. Gopal Perumal, Member, Independent, Non – Executive Director
3. A. Subramanian, Member, Managing Director

The scope of the Audit Committee shall include the following:

1. Overview of our Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are true and fair, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of Statutory Auditor and fixation of audit fees.
3. Reviewing with management, the quarterly financial results before submission to the Board for approval.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval.
5. Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
6. Reviewing the adequacy of internal audit function including reporting structure, coverage and frequency of internal audit.
7. Discussion with internal auditors regarding any significant findings and follow up thereon.
8. 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.
9. To review the risk assessment and management measures.
10. Reviewing of financial statements of the subsidiaries and investments made by them.

11. Reviewing of management discussion and analysis of financial condition and results of operations.
12. Reviewing of statements of significant related party transactions.
13. Reviewing of internal audit reports relating to internal control weaknesses.
14. Any other items considered appropriate or necessary to have effective overview of financial reporting.

Nomination and Remuneration Committee

Our Company has re-constituted at the Board meeting held on May 16, 2014. It was later re-named in terms of Section 178 of the Companies Act from the Remuneration Committee as Nomination and Remuneration Committee in the meeting of the Board of Directors held on August 12, 2014. Further, the nomination and remuneration committee was re-constituted by way of a resolution dated April 29, 2015. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

1. Gopal Perumal, Chairman, Independent, Non – Executive Director
2. S.B. Nirmalatha , Member, Non – Independent, Non - Executive Director
3. V. Subramanian, Member, Independent , Non – Executive Director

The terms of reference of the committee are set out below:

- 1) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- 2) Formulate criteria for evaluation of Independent Directors and the Board.
- 3) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy.
- 4) To carry out evaluation of every Director's performance.
- 5) To recommend to the Board the appointment and removal of Directors and senior management.
- 6) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- 7) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 8) To devise a policy on Board diversity.
- 9) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- 10) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders Relationship Committee:

Our Company has re-constituted and renamed, in terms of the Section 178 of the Companies Act, Share Transfer & Investor Grievances Committee as the Stakeholders Relationship Committee in the meeting of the Board of Directors held on May 16, 2014. Further, the Stakeholders Relationship Committee was re-constituted by way of a resolution dated April 29, 2015. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

1. Gopal Perumal, Chairman, Independent, Non - Executive Director
2. V. Subramanian, Member, Independent, Non - Executive Director
3. A. Subramanian, Member, Managing Director

The scope of the committee is set out below:

To consider and resolve the grievances of the security holders of our Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by way of a resolution dated April 29, 2015. The Corporate Social Responsibility Committee presently consists of the following members:

1. A. Subramanian, Chairman, Managing Director
2. V. Subramanian, Member, Independent, Non – Executive Director
3. S.B. Nirmalatha , Member, Non – Independent, Non - Executive Director

The terms of reference of the committee are set out below:

1. To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act;
2. To recommend the amount of expenditure to be incurred on the activities referred to above; and
3. To monitor the Corporate Social Responsibility Policy of our Company from time to time.

Rights Issue Committee

The Rights Issue Committee was constituted by way of a resolution dated April 29, 2015 (**Rights Issue Committee**). The Rights Issue Committee presently consists of:

1. A. Subramanian, Chairman, Managing Director; and
2. V. Subramanian, Member, Independent, Non-Executive Director.

The terms of reference of the committee are set out below:

- 1) To determine the ratio at which the Equity Shares may be offered to the Existing Equity Shareholders;
- 2) To decide the price of the Rights Shares;
- 3) To appoint lead managers, Registrar to the issue, Bankers to the Issue and all other agencies in relation to the proposed Rights Issue and to do all acts, deeds and things in relation to such appointment and to enter into necessary agreements wherever required;
- 4) To get approval of the shareholders pursuant to S.62 of the Companies Act, 2013 if any;
- 5) To fix the Record Date for the offer;
- 6) To deal with SEBI, Bombay Stock Exchange, Reserve Bank of India and any other statutory Authorities, if any, for the proposed Rights Issue;
- 7) Opening of Escrow accounts with the Bankers to receive the application money, allotment money;
- 8) To decide the mode of allotment, approve the letter of allotment and approve the printing of the Share Certificates, signing of the refund orders etc.; and
- 9) To deal with, to act and to do such things that may be required in connection with the Rights Issue.

Debenture Issue Committee

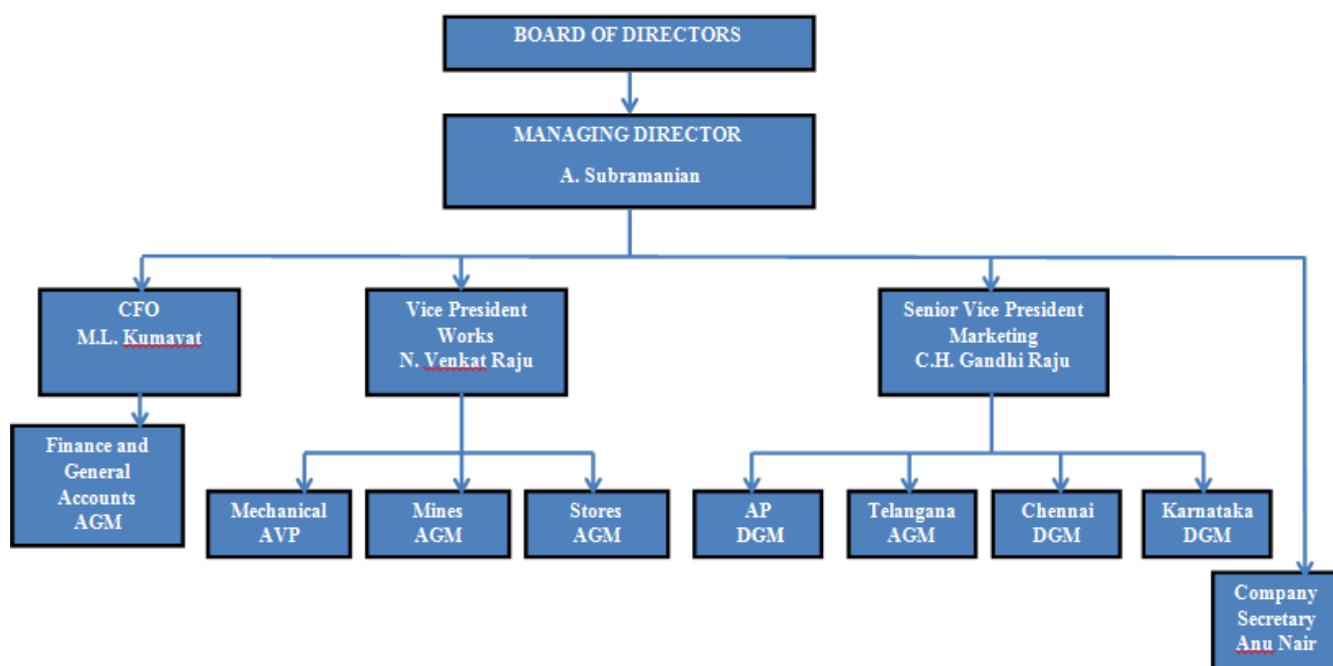
The Debenture Issue Committee was constituted in the meeting of the Board held on October 31, 2014. Further, the Debenture Issue Committee was re-constituted by way of a resolution dated October 27, 2015 and presently consists of the following Directors of the Board:

1. A. Subramanian, Chairman, Managing Director; and
2. V. Subramanian, Member, Independent, Non-Executive Director.

The terms of reference of the committee are set out below:

To consider and approve the detailed terms of issue, allotment and listing of Secured Redeemable Non-Convertible Debentures

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel (other than the Managing Director) of our Company are as follows:

CH. Gandhi Raju is the Senior Vice President, Marketing of our Company. He holds a Master's degree in business administration. He has over 19 years of experience. Prior to joining our Company, he has worked with cement companies including Shri Vishnu Cements Limited. He has been with our Company since 1999 and heads our Company's marketing department. During the Financial Year 2015, he was paid a gross compensation of ₹ 43,36,733.

M.L. Kumavat is the Chief Financial Officer of our Company. He is a member of the Institute of Chartered Accountants of India. He has over 22 years of experience. Further, he has also cleared his Company Secretary Inter level exam from the Institute of Company Secretaries of India. Prior to joining our Company, he has worked with major companies like Chettinad Logistics, Astonfield Renewables and SNC- Lavalin Engineering. He has been with our Company since February 2015. During the Financial Year 2015, he was paid a gross compensation of ₹ 5,39,000.

N. Venkat Raju is the Vice President, Works in our Company. He holds an M.Sc. in chemistry from Andhra University. He has over 30 years of experience. Prior to joining our Company, he was the Deputy General Manager of production for Raasi Cements Limited. He has been with our Company since 2009 and heads our Company's operations in the Cement Plant. During the Financial Year 2015, he was paid a gross compensation of ₹ 41,99,616.

Anu Nair is the Company Secretary and Compliance Officer of our Company. She is a member of the Institute of Company Secretaries of India and has been associated with our Company since June 2014. She has over 7 years of experience. Prior to joining our Company she was associated with Chennai South India Corporation Private Limited. During the Financial Year 2015, she was paid a gross compensation of ₹ 4,86,000.

None of the Key Managerial Personnel are related to each other.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Share in our Company.

Bonus or profit sharing plan of the Key Managerial Personnel

None of the Key Managerial Personnel is party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to each Key Managerial Personnel.

Interests of Key Managerial Personnel

None of the Key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to, as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Except as mentioned below, no loans have been availed by the Key Managerial Personnel from our Company.

Name of the KMP	Nature of Loan	Loan Amount	Amount Outstanding as on October 31, 2015
N Venkat Raju	Advance against salary	11,00,000	4,70,000

Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
M L Kumavat	Chief Financial Officer	February 10, 2015	Appointment
Anu Nair	Company Secretary and Compliance Officer	June 4, 2014	Appointment
M.B. Suneel	Company Secretary	January 1, 2014	Resigned due to personal reasons
R.V.A Narasimha Rao	Chief Financial Officer	September 1, 2012	Resigned due to personal reasons

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel and our Directors within the two preceding years.

Employee stock option plan

As on date of filing of this Draft Letter of Offer, we have not adopted any employee stock option plan.

OUR PROMOTER AND PROMOTER GROUP

Chettinad Cement Corporation Limited is the Promoter of our Company. Our Promoter currently holds 1,37,92,197 Equity Shares, equivalent to 75% of the pre-offer issued, subscribed and paid-up Equity Share Capital.

On March 12, 2014, our Promoter entered into a SPA with the erstwhile promoters of our Company for acquisition of 61.62% of the Equity Share Capital. Further to the SPA, our Promoter made an Open Offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to acquire up to 26% of the Equity Share Capital. Pursuant to the Open Offer and the SPA, our Promoter acquired 17.09% and 57.91% of the Equity Share Capital, respectively. After the completion of the Open Offer, Promoter holds 75% of the Equity Share Capital. For further details, please see chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

Apart from our Promoter no other entity forms part of the Promoter Group and the Group Company.

Chettinad Cement Corporation Limited

Corporate Information

CCCL was incorporated on December 11, 1962 at Madras as a public limited company under the Companies Act, 1956. The certificate of commencement of business was issued on February 7, 1963. The registered office of CCCL is located at Rani Seethai Hall Building, 603, Anna Salai, Chennai – 600 006.

CCCL is in the business of manufacturing of cement. Its first manufacturing unit located at Puliur, Karur District, in Tamil Nadu commenced production in the year 1968. CCCL manufactures various grades of cement such as OPC 43 Grade, OPC 53 Grade, Super Grade, Sulphate Resistant Portland Cement and Portland Slag Cement. As of Fiscal 2015, CCCL had an installed capacity of 11 million TPA. With an experience of over four (4) decades in the cement industry CCCL operates four (4) manufacturing facilities in the Puliur, Karikkali and Ariyalur in Tamil Nadu and Kallur in Karnataka. CCCL has installed captive power plants at all its units to cater to the entire requirement of power for its cement plants and has in all a capacity to generate 165 MW of power from its captive power plants.

CCCL's equity shares were listed on the BSE (traded as a permitted security), the NSE and the Madras Stock Exchange and were subsequently delisted on June 7, 2013.

The natural persons in control of CCCL are M.A.M.R Muthiah and Geetha Muthiah.

Board of Directors

The board of directors of CCCL as on the date of this Draft Letter of Offer is as under:

S. No.	Name of the Director	Designation
1.	MAMR Muthiah	Managing Director
2.	Bhavna Govindbhai Desai	Non-Executive Independent Director
3.	Mohan Krishna Reddy Aryabumi	Non-Executive Independent Director
4.	L Muthukrishnan	Non-Executive Director
5.	R Ramakrishnan	Non-Executive Director
6.	V Chandramoleeswaran	Non-Executive Director
7.	Vikram Ravindra Mamidipudi	Non-Executive Director
8.	R Muthuganesan	Non-Executive Director
9.	Ashwin Natesan	Non-Executive Director
10.	S.K. Prabakar	Nominee Director on behalf of Tamil Nadu Industrial Investment Corporation Limited

For further details in relation to the shareholding of the directors of CCCL in our Company please see chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

Changes in the management and control

There has been no change in the management and control of CCCL in the three years preceding the date of the Draft Letter of Offer.

Share Capital of the Promoter

The authorised capital of CCCL is ₹ 50,000 lakhs divided into 50,00,00,000 equity shares of the face value of ₹ 10 each. The issued share capital of CCCL is ₹ 3,830 lakhs divided into 3,82,95,748 equity shares of the face value of ₹ 10 each. The subscribed and paid up capital of CCCL is ₹ 3,820 lakhs divided into 3,81,98,998 equity shares of the face value of ₹ 10 each.

Interest of Promoter in promotion of our Company

Our Promoter is interested in our Company to the extent it has promoted our Company and to the extent of its shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For further details regarding the shareholding of our Promoter in our Company please see chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

Interest of Promoter in property of our Company

Our Promoter has no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of the Draft Letter of Offer, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

In addition to the disclosure stated in this section, our Promoter is interested in the business with which our Company transacts during the course of its operations to the extent of its shareholding. For further details see the chapter entitled '*History and Certain Corporate Matters*' on page 100 of this Draft Letter of Offer.

Our Promoter undertakes the business of cement manufacturing and supply, which is also an activity undertaken by our Company and hence, there may be a conflict of interest between our Promoter and our Company.

Our Promoter is not interested as a member of a firm or company and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoter or by such firm or Company in connection with the promotion or formation of our Company, except as disclosed in this Draft Letter of Offer.

Related Party Transactions

For further details of related party transactions entered into by our Promoter and Company during the Fiscal 2015, the nature of transactions and the cumulative value of transactions please see '*Related Party Transactions*' on page 147.

Interest of Promoter in Sales and Purchases

Other than as disclosed in '*Related Party Transactions*' on page 147 of this Draft Letter of Offer, there are no sales/purchases between our Company and our Promoter, as on the date of the last financial statements.

Payment of benefits to our Promoter

Neither has there been any payment of benefits to our Promoter during the two years preceding the filing of the Draft Letter of Offer, nor is there any intention to pay or give any benefit to our Promoter.

Except as stated in the '*Our Business – Intellectual Property Rights*' on page 95 of this Draft Letter of Offer, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Letter of Offer or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

Litigation involving our Promoter

For further details of legal and regulatory proceedings involving our Promoter please see chapter entitled '*Outstanding Litigations and Material Developments*' on page 197 of this Draft Letter of Offer.

Confirmations

Our Promoter has not been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against our Promoter.

Our Promoter has not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoter, except as disclosed under chapter entitled '*Outstanding Litigations and Material Developments*' on page 197 of this Draft Letter of Offer.

Our Promoter is not and has never been a promoter or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter is not related to any of the sundry debtors of our Company.

Our Promoter confirm that the details of the permanent account number, bank account numbers, company registration number of our Promoter and the address of the Registrar of Companies where our Promoter is registered will be submitted to the Stock Exchange on which the Equity Shares of our Company is proposed to be listed at the time of filing of this Draft Letter of Offer with the Stock Exchange.

Sick Company

No winding up proceedings have been initiated against our Promoter. Neither our Promoter nor any of our Promoter Group companies have become defunct in the five years preceding the date of the Draft Letter of Offer.

Companies with which our Promoter have disassociated in the last three years

Our Promoter has not disassociated itself from any company or firm during the three years preceding the Draft Letter of Offer.

Change in the management and control of our Company

There has not been any change in the management or control of our Company within five years immediately preceding the date of filing of the Draft Letter of Offer, except for acquisition of control by the Promoter pursuant to the SPA dated March 12, 2014, with the erstwhile promoters of our Company for acquisition of 61.62% of the Equity Share Capital. Further to the SPA, our Promoter made an Open Offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to acquire up to 26.00% of the Equity Share Capital. Pursuant to the Open Offer and the SPA, our Promoter acquired 17.09% and 57.91% of the Equity Share Capital, respectively. After the completion of the Open Offer, our Promoter holds 75.00% of the Equity Share Capital. For further details, please see chapter entitled '*Capital Structure*' on page 49 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions during the last five Financial Years, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' please see '*Financial Statements*' on page 147 of this Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the Financial Year, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see chapter entitled '*Financial Indebtedness*' on page 192 of this Draft Letter of Offer. Our Company has no formal dividend policy. Except as stated below, our Company has not declared any dividends from Fiscal 2011 to 2015.

Particulars	Fiscal				
	2011	2012	2013	2014	2015
Face Value of Equity Share (per share)	10.00	10.00	10.00	10.00	10.00
Interim Dividend on each Equity Share (₹)	NIL	NIL	NIL	NIL	NIL
Final Dividend on each Equity Share (₹)	0.80	1.20	NIL	NIL	NIL
Dividend Rate for each equity share (%)	8.00	12.00	NIL	NIL	NIL

Our Company has not issued any Preference Shares.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT 2013 READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES 2014

To,
The Board of Directors
M/s Anjani Portland Cement Limited
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
Maharashtra, India

Dear Sirs,

We have examined the financial information comprising of Summary Statement of Assets and Liabilities, as restated as at 30th June 2015, 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012, and 31st March 2011, Summary Statement of Profit and Loss, as restated for the three months ended 30th June 2015, years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012, and 31st March 2011 and also the Statement of Cash Flows, as restated for the three months ended 30th June 2015, years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012, and 31st March 2011 (together referred to as 'Restated Summary Statements') of M/s Anjani Portland Cement Limited (the 'Company') annexed to this report and initialled by us for identification purposes, for the purpose of inclusion in the Draft Letter of Offer' (the DLoF). This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of inclusion in the DLoF being issued by the Company in connection with the proposed Rights Issue of equity shares having a face value of Rs.10 each.

This financial information has been prepared in accordance with the requirements of:

- i. Part I of Chapter III to the Companies Act, 2013 (the 'Act');
- ii. Sub clause (i) and (iii) of clause (b) of sub section (1) of Section 26 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rule 2014 (hereinafter referred to as 'the Rules'), and,
- iii. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations") issued by the Securities and Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.

The restated financial information has been extracted by the management from the audited financial statements for the three months ended 30th June 2015 and for the years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012, and 31st March 2011.

We have examined such restated financial information in accordance with the requirements of:

- i. The Guidance Note on the Reports in Company Prospectuses (revised) issued by the Institute of Chartered Accountants of India ('ICAI'); and
- ii. In accordance with the terms of reference received from the Company and engagement letter dated 20th August 2015 requesting us to carry out work to be performed on such Restated Financial Information, proposed to be included in Draft Letter of Offer of the Company in connection with proposed Rights Issue of Equity Shares of the Company.

▪ **Financial Information as per the Restated Summary Statements of the Company:**

1. We have examined the attached restated summary statements. These restated summary statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in 'Statement of reconciliation of restated profits/(Losses) to Profits/(Losses) as per Audited financial statements' in Annexure 1.
2. The restated summary statements of the Company including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company for the year ended 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011, which have been audited by M. Anandam & Co., Chartered Accountants (Firm Registration No. 000125S). We have only verified the impact of retrospective adjustments on account of changes in significant accounting policies and estimates, prior period items and regroupings for the said years. We have not jointly carried out any audit tests or review procedures on the financial statements of the Company for said years and have accordingly relied upon the audited financial statements audited by M. Anandam & Co., Chartered Accountants (Firm Registration No. 000125S). The restated summary statements of the Company also include audited financial statements for three months ended 30th June 2015 and year ended 31st March 2015 which have been audited by us.
3. Based on our examination of these restated summary statements of the Company, we state that:
 - a) The restated summary statements of the Company have to be read in conjunction with the Summary of significant accounting policies and other explanatory information;
 - b) There are no changes in accounting policies adopted by the Company during the three months ended 30th June 2015 and year ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 which would require adjustment in the restated summary statements of the Company;
 - c) The restated profits/(losses) have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the 'Statement of reconciliation of restated profits/(Losses) to Profits/(Losses) as per Audited financial statements', in Annexure 1;
 - d) The prior period items have been adjusted in restated summary statements of the Company in the years to which they relate;
 - e) There are no extra-ordinary or exceptional items which need to be disclosed separately in the restated summary statements of the Company; and
 - f) There are no qualifications in the auditors' reports for the three months ended 30th June 2015 and years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 which would require adjustment in the restated summary statements of the Company.

▪ **Other Financial Information:**

1. We have examined the following 'Other financial information' in respect of the three months ended 30th June 2015 and years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 of the Company, proposed to be included in the DLoF, as prepared by the management and approved by the Board of Directors of the Company and annexed to this report:
 - i. Statement of reconciliation of restated profits/(Losses) to Profits/(Losses) as per Audited financial statements (Annexure 1);
 - ii. Summary of significant accounting policies and other explanatory information (Note 1);
2. In our opinion, the Financial Information as per the 'Restated summary Statements of the Company' and 'Other Financial Information' mentioned above for three months ended 30th June 2015 and years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 have been prepared in accordance with the Act and the relevant provisions of the SEBI ICDR

Regulations.

3. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by M. Anandam & Co., Chartered Accountants (Firm Registration No 000125S) or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.
4. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
5. This report is intended solely for your information and for inclusion in the DLoF in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Ramanatham & Rao
Chartered Accountants
Firm Registration Number: S - 2934

C. Kameshwar Rao
Partner
Membership No.:24363

Place: Secunderabad
Date: 21st December 2015

RESTATED BALANCE SHEET

Rs in Lakhs

Particulars	30th June	As at 31st March				
	2015	2015	2014	2013	2012	2011
III. I.EQUITY AND LIABILITIES						
(4) Shareholders' Funds						
(c) Share Capital	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96
(d) Reserves and Surplus	6,578.31	5,907.18	4,235.92	6,095.65	5,774.56	4,465.60
(5) Non-Current Liabilities						
(e) Long-Term Borrowings	15,327.06	17,533.05	7,170.34	15,870.77	16,953.87	18,171.87
(f) Deferred Tax Liabilities (Net)	338.48	181.27	455.47	1,335.04	1,183.11	950.18
(g) Other Long Term Liabilities	394.83	238.19	175.29	212.76	143.31	111.81
(h) Long Term Provisions	218.30	218.30	196.13	107.83	71.61	39.65
(6) Current Liabilities						
(e) Short-Term Borrowings	1,029.18	1,573.40	7,416.03	5,081.92	3,678.49	3,644.68
(f) Trade Payables	297.59	700.21	3,779.38	1,913.17	1,817.43	980.29
(g) Other Current Liabilities	3,602.91	3,069.88	7,512.58	5,551.93	4,868.24	4,030.28
(h) Short-Term Provisions	148.50	137.52	25.98	209.78	684.85	285.88
Total	29,774.12	31,397.96	32,806.09	38,217.81	37,014.43	34,519.20
IV. ASSETS						
(3) Non-Current Assets						
(d) Fixed Assets						
(iii) Tangible Assets	19,448.35	20,444.58	21,309.24	23,022.08	22,827.46	23,389.16
(iv) Capital Work-In-Progress	86.59	65.69	25.62	28.08	923.25	40.82
(e) Long Term Loans and Advances	529.96	554.12	558.45	393.79	422.95	1,118.69
(f) Non Current Investments				1,885.34	1,646.95	1,646.95
(4) Current Assets						
(g) Current Investments	2.83	2.83	4.49	-	-	-

Particulars		30th June	As at 31st March				
		2015	2015	2014	2013	2012	2011
(h)	Inventories	2,545.00	3,741.27	3,037.74	3,986.19	2,956.38	3,378.21
(i)	Trade Receivables	2,154.07	1,531.67	1,564.37	2,357.63	2,094.97	1,487.48
(j)	Cash and Cash Equivalents	490.05	309.48	491.44	382.42	360.28	227.49
(k)	Short-Term Loans and Advances	4,517.27	4,748.32	5,804.74	6,162.27	5,782.19	3,230.40
(l)	Other Current Assets	-	-	10.00	-	-	-
Total		29,774.12	31,397.96	32,806.09	38,217.81	37,014.43	34,519.20

RESTATED STATEMENT OF PROFITS AND LOSSES

Rs in Lakhs

Particulars	30th June	For the year Ended 31st March				
	2015	2015	2014	2013	2012	2011
REVENUE						
III. Revenue from operations	8,775.27	25,966.68	28,062.91	28,803.99	29,609.24	17,549.93
IV. Other Income	16.56	113.40	182.02	90.29	50.38	32.52
Total Revenue (I +II)	8,791.83	26,080.08	28,244.93	28,894.27	29,659.61	17,582.45
EXPENSES						
Cost of Materials consumed	1,066.76	3,610.84	4,139.62	4,274.83	3,832.13	3,418.62
Purchase of Stock-in-Trade	-	-	59.54	107.08	10.41	-
Changes in inventories of finished goods and work-in-progress	475.03	525.72	401.84	(875.76)	809.03	(1,667.37)
Employee benefits expense	448.68	1,501.77	1,446.87	1,329.06	1,245.75	924.37
Finance Costs	486.36	2,779.87	3,538.06	3,445.68	3,333.59	2,540.20
Depreciation	996.23	1,059.37	1,492.07	1,437.19	1,406.11	1,310.48
Other Expenses	4,493.33	15,205.44	19,906.24	18,703.19	17,224.22	10,966.76
Total Expenses	7,966.39	24,683.01	30,984.24	28,421.27	27,861.24	17,493.06
Profit/(Loss) before tax	825.44	1,397.07	(2,739.31)	473.00	1,798.37	89.39
Tax expense:						
Current tax (Refer Annexure 1)	176.17	36.04	-	94.65	359.85	17.82
Less : MAT Credit Entitlement	176.17	36.04	-	94.65	359.85	17.82
Net Current tax	-	-	-	-	-	-
Additional Current Tax	(2.90)	-	-	-	-	6.92
Deferred tax	157.20	(274.19)	(879.58)	151.91	232.93	22.93
Profit/(Loss) After Tax	671.14	1,671.26	(1,859.73)	321.09	1,565.44	59.54
Earnings per equity share:						
(1) Basic	3.65	9.09	(10.11)	1.75	8.51	0.32
(2) Diluted	3.65	9.09	(10.11)	1.75	8.51	0.32

RESTATED STATEMENT OF CASH FLOWS

Rs in Lakhs

Particulars	30th June	For the year ended 31st March				
E. CASH FLOW FROM OPERATING ACTIVITIES:	2015	2015	2014	2013	2012	2011
Net Profit/(Loss) before Tax	825.44	1,397.07	(2,739.31)	473.00	1,798.37	89.39
Adjustment for :						
Depreciation	996.23	1,059.37	1,492.07	1,437.19	1,406.11	1,310.48
Interest and Finance charges	486.36	2,779.87	3,538.06	3,445.68	3,333.59	2,540.20
Loss/(profit) in Sale of Fixed Asset	-	60.88	(95.28)	-	-	0.11
Loss/(Gain) on account of exchange difference	-	-	4.01	-	-	-
Bad Debts Written off	161.67	189.68	76.19	118.01	-	-
Obsolete Stock written off	-	-	420.47	-	-	-
Impairment Loss	-	-	360.67	-	-	-
Advances Written off	-	126.46	-	-	-	-
Diminution in value of current Investments	-	2.80	1.39	1.32	-	-
Operating Profit Before Working Capital Changes	2,469.70	5,616.13	3,058.27	5,475.20	6,538.07	3,940.18
Changes in Working Capital						
(Increase)/Decrease in Inventories	1,196.27	(703.53)	343.04	(1,029.81)	421.83	(2,144.67)
(Increase)/Decrease in Trade Receivables	(784.07)	(156.98)	717.07	(380.67)	(607.49)	(371.20)
(Increase)/Decrease in Loans and Advances	482.11	898.08	228.85	(207.59)	(1,593.45)	(752.83)
Increase/(Decrease) in Current Liabilities	(378.14)	(4,529.39)	3,134.92	877.04	1,286.88	654.75
Cash Generated from Operations	2,985.87	1,124.31	7,482.15	4,734.17	6,045.83	1,326.23
Direct taxes paid	-	(20.00)	(83.02)	(410.27)	(149.80)	(160.33)
Net Cash Flow from Operating Activities	2,985.87	1,104.31	7,399.13	4,323.90	5,896.03	1,165.90
F. CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Fixed Assets including Capital Work in Progress	(20.90)	(353.18)	(500.69)	(746.53)	(1,726.83)	(2,953.32)
Sale Proceeds from Fixed Assets	-	67.53	423.18	8.52	2.34	
Sale proceeds of Investments	-	-	1,965.00	(238.39)	-	
Purchase of Current Investments (REC bonds)	-	(1.15)	(5.88)			
Net Cash Flow from Investing Activities	(20.90)	(286.80)	1,881.61	(976.40)	(1,724.49)	(2,953.32)

Particulars	30 th June	For the year ended 31 st March				
G. CASH FLOW FROM FINANCING ACTIVITIES:						
Repayment of Hire Purchase Loans	-	(5.32)	(3.89)	(0.24)	(0.24)	(22.77)
Proceeds From Long Term Borrowing (Net)	(3.68)	(1,414.12)	(1,712.75)	(1,673.86)	(1,124.96)	(109.29)
Dividend Paid	-	(0.28)	(0.22)	(220.68)	(147.12)	
Corporate Dividend Tax paid	-	-	(35.80)			
Proceeds From Issue of Non Convertible Debentures	-	6,000.00	-			
Inter Corporate Deposit Received / (Repaid)	-	(2,050.00)	2,050.00			
Increase / (Decrease) in Cash Credit Utilisation	(544.22)	(3,792.63)	284.11	1,403.43	33.81	1,741.31
(Repayment) / Proceeds from Unsecured Loans	(1,515.59)	2,579.88	(6,233.85)	627.61	526.42	2,698.84
Interest Paid	(720.93)	(2,305.30)	(3,519.09)	(3,468.95)	(3,331.59)	(2,540.20)
Amount Transferred to Investor Education Protection Fund	-	(5.70)	-	-		
	(2,784.42)	(993.47)	(9,171.49)	(3,332.69)	(4,043.67)	1,767.89
H. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:	180.55	(175.96)	109.25	14.81	127.87	(19.53)
Cash and Cash Equivalents at the beginning of the year	275.01	450.97	341.73	326.92	199.05	218.58
Cash and Cash Equivalents at the end of the year	455.56	275.01	450.97	341.73	326.92	199.05
Cash and Cash Equivalents :						
Cash and Cash Equivalents as above	455.56	275.01	450.97	341.73	326.92	199.05
Balances in Statutory Restricted Accounts	34.49	34.49	40.47	40.69	33.36	28.44
Cash and Cash Equivalents (Note 16)	490.05	309.50	491.44	382.42	360.28	227.49

Annexure-1						
(Rs in lakhs)						
Statement of reconciliation of restated profits/(Losses) to Profits/(Losses) as per Audited financial statements						
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Profit as per audited statement of Profit & Loss account	671.14	1671.26	(1934.84)	309.11	1580.45	57.61
Restated Adjustments						
Depreciation	-	-	(1.16)	(3.39)	(22.84)	(35.70)
Excess Payments recovered	-	-	-	13.20	-	17.11
Other Income	-	-	(30.31)	-	-	-
Current Tax	-	-	106.22	1.13	0.77	9.49
Deferred Tax	-	-	0.36	1.05	7.06	11.03
Profit for the period as restated	671.14	1671.26	(1859.73)	321.09	1565.44	59.54
Significant adjustments relating to previous years:						
1) Depreciation						
Consequent to the enactment of the Companies Act, 2013 , the company has charged depreciation based on the useful life of the assets as prescribed in Schedule II of the companies Act, 2013 and the effect of the same of the change is given to respective previous years amounting to Rs 63.10 lacs and amount of Rs 1.41 lacs pertaining prior to 2010-11 has been adjusted in opening reserves & surplus.						
2) Excess Payments recovered & Other Income						
Excess Payments made during the year 2010-11 and 2012-13 was recovered in 2013-2014 which was shown under Other Income was restated to the respective years.						
3) Current Tax						
Short/excess provisions of taxes pertaining to earlier years, based on intimations/orders received/returns filed, is accounted for during the year ended 31 March 2014, 2013,2012 and 2011 have been appropriately adjusted to the respective years to which they relate to. Adjustment related to financial years prior to 2010-11, have been adjusted against the opening balance of reserves and surplus as on 1 st Apr 2011.						
4) Deferred Tax						
Deferred Tax Expenditure on Depreciation has been provided in respective years on account of change in useful life of the assets as prescribed in Schedule II of the companies Act 2013.						

Annexure-2		
Reconciliation of Surplus as on 31-03-2010	(Rs in Lakhs)	
Particulars	Amount	Amount
Surplus as per Audited Financials as on 31-03-2010		4,415.62
Less : Transitional adjustment on account of Schedule II of Companies Act 2013 *	0.98	
Less: Adjustment for earlier years income tax demands	117.61	118.59
Surplus as per restated financials as on 31-03-2010		4,297.03

Annexure-3						
Dividend Proposed & Tax There on						
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Opening Balance	34.49	40.47	40.69	33.36	28.44	14.36
Dividend Proposed	-	-	-	-	220.68	147.12
Dividend Paid	-	5.98	0.22	(7.33)	215.76	133.04
Closing Balance (Un Claimed Dividend)	34.49	34.49	40.47	40.69	33.36	28.44

Note – 1: Significant Accounting Policies:

1. Basis of Preparation:

The Restated Summary Statement of Assets and Liabilities of the Company as on June 30, 2015, 31st March, 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the three months period ended June 30, 2015 and years ended 31st March, 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011 and the annexures thereto (collectively, the “Restated Financial Information”) have been extracted by the management from the audited Financial Statements of the Company for the three months ended June 30, 2015 and years ended 31st March 2015, 31st March 2014, 31st March 2013, 31st March 2012 and 31st March 2011.

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Revenue Recognition:

Income from sale of goods is recognized at the point of dispatch to customers except in the case of consignment agents where the revenue is recognized only after sale is effected by the consignment agent. Sale value includes Excise Duty and freight wherever applicable.

3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / installed / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities/creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets up to the time they are completed.

4. Depreciation:

Depreciation is provided on the straight line method based on the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

5. Investments:

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature.

Current investments are valued at the cost or market value whichever is lower.

6. **Borrowing Costs:**

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

7. **Accounting for Leases:**

Rentals in respect of leased premises are charged to statement of profit and loss.

8. **Inventories:**

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.

9. **Employee Benefits:**

▪ **Defined Contribution Plan**

Retirement benefits in the form of Provident Fund are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds become due.

▪ **Defined Benefit Plan**

Compensated absences

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the Balance Sheet date. Actuarial gains / losses are immediately recognized in the Profit & Loss Account.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The company has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end.

Superannuation

Retirement benefits in the form of Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of Profit and Loss of the year.

10. **Taxes on Income:**

a) **Current Tax:**

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provisions of the Income Tax Act, 1961.

b) **Deferred Tax:**

Deferred tax is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of being reversed in the subsequent period/s, subject to the consideration of prudence.

11. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

13. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

14. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use, the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

Note (Rs.in Lakhs)	-	2	:	Share	Capital,	as	restated
Particulars		30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
1) <u>AUTHORIZED CAPITAL</u>		-					
1000000 14% Cumulative Redeemable Preference Shares of Rs.10/- each		100.00	100.00	100.00	100.00	100.00	100.00
30000000 Equity Shares of Rs.10 each		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Total		3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00
2) <u>ISSUED CAPITAL</u>							
18394463 Equity Shares of Rs.10 each fully issued		1,839.45	1,839.45	1,839.45	1,839.45	1,839.45	1,839.45

<u>SUBSCRIBED & PAID</u>						
<u>UP CAPITAL</u>						
18389597 Equity Shares of Rs.10 each fully paid	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96
Total	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96

2.1. The details of shareholders holding more than 5% shares in the company												
Name of the Shareholder	30th June 2015		31st March 2015		31st March 2014		31st March 2013		31st March 2012		31st March 2011	
	% of share holding	Number of Shares	% of share holding	Number of Shares	% of share holding	Number of Shares	% of share holding	Number of Shares	% of share holding	Number of Shares	% of share holding	Number of Shares
Chettinad Cement Corporation Limited, Holding Company	75.00	13,792,197	75.00	13,792,197	-	-	-	-	-	-	-	-
K V Vishnu Raju			2.24	411,585	39.31	7,228,916	39.31	7,228,916	39.31	7,228,916	39.23	7,214,816
K Ramavathy	-	-	-	-	6.51	1,196,600	6.51	1,196,600	6.51	1,196,600	6.51	1,196,600

2.2. Reconciliation of the equity shares outstanding at the beginning of the year and at the end of the reporting period						
Particulars	30th June 2015	As on 31.03.2015	As on 31.03.2014	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011
Equity shares at the beginning of the year	18,389,597	18,389,597	18,389,597	18,389,597	18,389,597	18,389,597
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares brought back during the year	-	-	-	-	-	-
Equity shares at the end of the year	18,389,597	18,389,597	18,389,597	18,389,597	18,389,597	18,389,597
2.3. The company has only one class of equity shares having face value of Rs.10 each. Each shareholder of Equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.						
In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.						
Note - 3 : Reserve & Surplus, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Capital Reserve	20.00	20.00	20.00	20.00	20.00	20.00
General Reserve						
Opening balance	500.00	500.00	500.00	500.00	260.00	260.00
Add : Current Year Transfer					240.00	-
Total	500.00	500.00	500.00	500.00	500.00	260.00
Debenture Redemption Reserve						
Opening balance	500.00	-	-	-	-	-
Add: Transfer from Surplus during the year	0	500.00	-	-	-	-
Closing balance	500.00	500.00	-	-	-	-
Surplus						
Opening balance (Refer Annexure - 2)	4,887.18	3,715.92	5,575.65	5,254.56	4,185.60	4,297.03
Add : Net profit/(loss) transferred from Statement of Profit & Loss	671.14	1,671.26	(1,859.73)	321.09	1,565.44	59.54
Total	5,558.31	5,387.18	3,715.92	5,575.65	5,751.03	4,356.58
Less Appropriations:						
Dividend	-	-	-	-	(220.68)	(147.12)
Corporate dividend tax	-	-	-	-	(35.80)	(23.86)
Transfer to General Reserve	-	-	-	-	(240.00)	-
Transfer to Debenture Redemption Reserve	-	(500.00)	-	-	-	-
Total	5,558.31	4,887.18	3,715.92	5,575.65	5,254.56	4,185.60
Total	6,578.31	5,907.18	4,235.92	6,095.65	5,774.56	4,465.60

Note - 4 : Long Term Borrowings, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Secured Loans (Refer Annexure 4)						
Term Loans from Banks	4,875.00	5,250.00	5,280.00	7,417.36	8,956.52	10,622.52
Non Convertible Debentures (NCD's)	6,000.00	6,000.00	-	-	-	-
Vehicle Loans		-	5.32	9.21	9.45	8.68
Unsecured Loans						
Inter Corporate Deposit	3,500.00	5,339.21	-	-	-	-
Public Deposits		-	-	438.49	308.43	250.51
From Others	952.06	943.84	1,885.02	8,005.71	7,679.46	7,290.16
Total	15,327.06	17,533.05	7,170.34	15,870.77	16,953.87	18,171.87
Note - 5 : Deferred Tax Liabilities (Net), as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Deferred Tax Asset						
Unabsorbed Depreciation	2,451.52	2,474.42	2,111.51	1,119.29	1,003.42	1,003.42
Employee Benefits	156.73	163.76	94.26	51.77	31.63	18.84
	2,608.24	2,638.18	2,205.77	1,171.06	1,035.05	1,022.26
Deferred Tax Liability						
Depreciation(Refer Annexure 1)	2,946.72	2,819.45	2,661.24	2,506.10	2,218.16	1,972.44
Deferred Tax liabilities (Net)	338.48	181.27	455.47	1,335.04	1,183.11	950.18
Note - 6 : Other Long Term Liabilities, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Creditors For Capital Goods	-	-	175.29	212.76	143.31	111.81
Interest accrued but not due on NCD's	394.83	238.19	-	-	-	-
Total	394.83	238.19	175.29	212.76	143.31	111.81
Note - 7 : Long Term Provisions, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Provision for Employee Benefits						
Gratuity	211.93	211.93	101.83	55.74	51.00	9.60
Leave Encashment	6.37	6.37	57.70	26.86	20.61	30.05
Superannuation	-	-	36.60	25.23	-	-
Total	218.30	218.30	196.13	107.83	71.61	39.65

Note - 8 : Short Term Borrowings, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Secured (Refer Annexure 4)						
From Banks						
Cash Credit Facilities	29.18	573.40	5,366.03	5,081.92	3,678.49	3,644.68
Working Capital Demand Loan	1,000.00	1,000.00	-		-	-
Unsecured						
From Related Party						
Inter Corporate Deposit	-	-	2,050.00	-	-	-
Total	1,029.18	1,573.40	7,416.03	5,081.92	3,678.49	3,644.68
Note - 9 : Other Current Liabilities, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Current maturities of long term debts - Secured	1,125.00	753.68	2,137.80	1,713.20	1,991.94	1,450.90
Current maturities of long term debts - Unsecured	-	23.81	1,502.76	1,177.42	1,011.40	932.20
Advance from Customers	748.14	1,052.82	1,326.86	669.83	667.14	633.19
Others						
Expenses Payable	810.74	686.68	616.54	366.19	386.04	309.08
Statutory Dues	100.34	90.50	125.12	162.67	66.57	73.16
Duties & Taxes Payable	768.22	424.90	1,486.46	1,218.93	643.24	540.87
Current Account Credit Balance	-	-	56.11	-	-	-
Interest Accrued Due on Long term debts	-	-	147.63	113.12	-	-
Interest Accrued & Not Due	-	-	7.20	22.71	15.07	16.36
Unclaimed Dividend	34.49	34.49	40.47	40.69	33.36	28.44
Salaries & Wages Payable	0.69	-	65.63	67.17	53.49	46.08
Creditors For Capital Goods		3.00	-	-	-	-
Net of Provision for Tax (Advance Tax Paid)	15.28	-	-	-	-	-
Total	3,602.91	3,069.88	7,512.58	5,551.93	4,868.24	4,030.28
Note - 10 : Short Term Provisions, as restated					(Rs.in Lakhs)	
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Provision For Employee Benefits:						
Gratuity	31.43	2.14	6.10	4.00	-	-
Leave Encashment	49.57	67.88	7.68	4.12	2.61	5.62

Superannuation	67.50	67.50	12.20	8.41	-	-
Proposed Dividend	-	-	-	-	220.68	147.12
Corporate Dividend Tax	-	-	-	35.80	35.80	23.87
Provision for Income Tax (Net of Advance Tax Paid)	-	-	-	157.46	425.77	109.28
Total	148.50	137.52	25.98	209.78	684.85	285.88

Note - 11 : Fixed Assets - Tangible Assets, as restated (Rs in Lakhs)

Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2015	Additions	Deductions / Disposals	As at 30.06.2015	As at 31.03.2015	Adjustments (Refer Note 11.1)	For the Period	On Deletions	As at 30.06.2015	As at 30.06.2015	As on 31.03.201 5
Land	1,146.11	-	-	1,146.11	-	-	-	-	-	1,146.11	1,146.11
Buildings	2,633.16	-	-	2,633.16	573.62	-	17.61	-	591.23	2,041.93	2,059.53
Plant & Equipment	25,286.43	-	-	25,286.43	8,146.00	-	966.19	-	9,112.19	16,174.24	17,140.43
Vehicles	172.90	-	-	172.90	132.60	-	1.67	-	134.27	38.63	40.30
Office Equipment	268.71	-	-	268.71	224.21	-	9.76	-	233.97	34.74	44.50
Furniture & Fixtures	39.35	-	-	39.35	25.64	-	1.00	-	26.65	12.70	13.71
Total	29,546.66	-	-	29,546.66	9,102.08	-	996.23	-	10,098.31	19,448.35	20,444.58

Note - 11 : Fixed Assets - Tangible Assets, as restated

Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2014	Additions	Deductions / Disposals	As at 31.03.2015	As at 31.03.2014	Adjustments (Refer Note 11.1)	For the Period	On Deletions	As at 31.03.2015	As at 31.03.2015	As on 31.03.201 4
Land	839.05	307.06	-	1,146.11	-	-	-	-	-	1,146.11	839.05
Buildings	2,632.12	1.04	-	2,633.16	502.92	-	70.70	-	573.62	2,059.53	2,129.19
Plant & Equipment	25,286.43	-	-	25,286.43	7,262.80	-	883.20	-	8,146.00	17,140.43	18,023.63
Vehicles	248.56	0.55	76.21	172.90	144.74	-	24.72	36.86	132.60	40.30	103.82
Office Equipment	333.86	4.43	69.58	268.71	216.72	-	63.33	55.84	224.21	44.50	117.14
Furniture & Fixtures	139.20	0.05	99.90	39.35	42.79	-	17.42	34.57	25.64	13.71	96.41
Total	29,479.22	313.13	245.69	29,546.66	8,169.98	-	1,059.37	127.27	9,102.08	20,444.58	21,309.24

Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2013	Additions	Deductions / Disposals	As at 31.03.2014	As at 31.03.2013	Adjustments (Refer Note 11.1)	For the Period	On Deletions	As at 31.03.2014	As at 31.03.2014	As on 31.03.201 3
Land	1,063.08	75.21	299.24	839.05	-		-	-	-	839.05	1,063.08
Buildings	2,504.55	127.57	-	2,632.12	430.76	-	72.16	-	502.92	2,129.19	2,073.79
Plant & Equipment	25,470.86	276.40	460.83	25,286.43	5,982.14	-	1,349.94	69.27	7,262.80	18,023.63	19,488.72
Vehicles	287.92	17.57	56.93	248.56	142.36	-	26.22	23.84	144.74	103.82	145.56
Office Equipment	327.50	6.40	0.03	333.86	181.98	-	34.74	-	216.72	117.14	145.51
Furniture & Fixtures	139.20	-	-	139.20	33.78	-	9.01	-	42.79	96.41	105.42
Total	29,793.10	503.15	817.03	29,479.22	6,771.02	-	1,492.07	93.11	8,169.98	21,309.24	23,022.08
Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2012	Additions	Deductions / Disposals	As at 31.03.2013	As at 31.03.2012	Adjustments (Refer Note 11.1)	For the Period	On Deletions	As at 31.03.2013	As at 31.03.2013	As on 31.03.2012
Land	871.75	191.33	-	1,063.08	-		-	-	-	1,063.08	871.75
Buildings	2,269.88	234.67	-	2,504.55	354.13	-	76.63	-	430.76	2,073.79	1,915.75
Plant & Equipment	24,285.77	1,185.09	-	25,470.86	4,693.91	-	1,288.23	-	5,982.14	19,488.72	19,591.86
Vehicles	293.15	11.76	16.99	287.92	122.25	-	27.22	7.11	142.36	145.56	170.90
Office Equipment	309.03	18.47	-	327.50	145.85	-	36.13	-	181.98	145.51	163.17
Furniture & Fixtures	138.83	0.37	-	139.20	24.80	-	8.98	-	33.78	105.42	114.03
Total	28,168.40	1,641.69	16.99	29,793.10	5,340.94	-	1,437.19	7.11	6,771.02	23,022.08	22,827.46
Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2011	Additions	Deductions / Disposals	As at 31.03.2012	As at 31.03.2011	Adjustments (Refer Note 11.1)	For the Period	On Deletions	As at 31.03.2012	As at 31.03.2012	As on 31.03.2011

Land	714.30	157.45	-	871.75	-	-	-	-	871.75	714.30	
Buildings	2,126.49	143.39	-	2,269.88	291.64	-	62.49	-	354.13	1,915.75	1,834.85
Plant & Equipment	23,861.07	424.70	-	24,286	3,433.94	-	1,259.96	-	4,693.91	19,591.86	20,427.12
Vehicles	224.08	71.41	2.34	293.15	99.73	-	24.86	2.34	122.25	170.90	124.35
Office Equipment	265.27	43.76	-	309.03	95.73	-	50.12	-	145.85	163.17	169.54
Furniture & Fixtures	135.12	3.71	-	138.83	16.12	-	8.68	-	24.80	114.03	119.00
Total	27,326.32	844.42	2.34	28,168.40	3,937.16	-	1,406.11	2.34	5,340.94	22,827.46	23,389.16

Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2010	Additions	Deductions / Disposals	As at 31.03.2011	As at 31.03.2010	Adjustments (Refer Note 11.1)	For the Period	On Deletions	As at 31.03.2011	As at 31.03.2011	As on 31.03.2010
Land	358.44	355.86	-	714.30	-	-	-	-	-	714.30	358.44
Buildings	2,058.40	68.09	-	2,126.49	229.83	1.01	60.80	-	291.64	1,834.85	1,828.57
Plant & Equipment	21,562.85	2,298.22	-	23,861.07	2,275.82	-	1,158.12	-	3,433.94	20,427.12	19,287.02
Vehicles	220.08	12.20	8.20	224.08	65.72	-	35.83	1.82	99.73	124.35	154.36
Office Equipment	137.46	127.81	-	265.27	45.83	-	49.90	-	95.73	169.54	91.63
Furniture & Fixtures	52.05	83.07	-	135.12	9.89	0.40	5.83	-	16.12	119.00	42.16
Total	24,389.27	2,945.25	8.20	27,326.32	2,627.09	1.41	1,310.48	1.82	3,937.16	23,389.16	21,762.18

Note - 12 : Long Term Loans and Advances, as restated						(Rs. in Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Unsecured, Considered Good :						
Capital Advances	87.95	110.43	170.05	61.36	71.95	1,088.62
Deposits with Government Department	438.29	438.29	364.83	321.44	339.36	3.87
Employee Advances	3.72	5.40	17.33	9.10	8.75	18.56
Other Deposits		-	6.24	1.89	2.88	7.64
Total	529.96	554.12	558.45	393.79	422.95	1,118.69
Note - 13 a : Current Investments, as restated						(Rs. in Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Investments in Bonds						
52 No's -Renewable energy Certificates - Solar	1.82	1.82	4.49	-	-	-
67 No's - Renewable energy Certificates - Non Solar	1.01	1.01	-	-	-	-
Total	2.83	2.83	4.49	-	-	-
Note - 13 b : Non Current Investments, as restated						(Rs. in Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Long term - Unquoted						
Investments in Subsidiary Companies						
Vennar Ceramics Ltd 4966070 Equity Shares face value of Rs.10/- each	-	-	-	446.95	446.95	446.95
Vennar Ceramics Ltd 2383900 Equity Shares face value of Rs.10/- each	-	-	-	238.39	-	-
Hitech Print Systems Ltd 1500000 Equity Share face value of Rs.10/- each	-	-	-	1,200.00	1,200.00	1,200.00
Total	-	-	-	1,885.34	1,646.95	1,646.95
Note - 14 : Inventories, as restated						(Rs. in Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March

						2011
Raw Materials	224.41	170.33	135.20	60.08	26.74	78.62
Packing Material	92.34	101.95	23.19	57.84	33.48	39.56
Stores & Spares	493.91	743.46	768.24	1,439.61	1,207.16	713.48
Coal & Fuel	992.78	1,508.94	368.80	284.51	420.61	469.13
Work-In-Progress	618.16	865.71	1,539.67	1,835.40	889.43	1,654.17
Finished Goods	123.40	350.88	202.64	308.75	378.96	423.25
Total	2,545.00	3,741.27	3,037.74	3,986.19	2,956.38	3,378.21
Note - 15 : Trade Receivables, as restated						(Rs. in Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Outstanding for a period exceeding six months from the date they are due for payment						
- Unsecured, Considered Doubtful	186.74	25.07	-	-	-	-
Less: Provision for Doubtful Debts	186.74	25.07	-	-	-	-
- Unsecured, Considered Good	54.75	216.42	97.98	83.11	78.89	91.24
Others						
- Secured, Considered Good :	390.23	390.23	418.73	2,274.52	82.35	109.59
- Unsecured, Considered Good :	1,709.09	925.02	1,047.66	-	1,933.73	1,286.65
Total	2,154.07	1,531.67	1,564.37	2,357.63	2,094.97	1,487.48
Note - 16 : Cash & Cash Equivalents, as restated						(Rs. in Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Cash at Bank	446.36	265.65	170.31	99.34	152.47	165.52
Earmarked Balances*	34.49	34.49	40.47	40.69	33.36	28.44
Deposit Accounts**	-	-	252.76	199.89	161.90	27.89
Cash on hand	9.20	9.34	27.90	42.50	12.55	5.64
Total	490.05	309.48	491.44	382.42	360.28	227.49
* Earmarked balances represents unclaimed Dividend. During the year 2014-2015 company has transferred Rs. 5.70 lacs to Investor Education Protection Fund						
Note - 17 : Short Term Loans and Advances, as restated						(Rs. In Lakhs)
Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Loans & Advances to related parties						
Unsecured, Considered Good :		2.30	1,128.68	838.62	1,545.25	406.51
Others						
CENVAT receivable	41.58	60.71	114.44	70.28	41.58	23.84
Deposits With	427.76	429.39	304.55	659.15	231.64	453.95

Government Departments						
Incentives Receivable	2,164.49	2,404.75	2,674.08	2,268.96	1,666.86	948.15
Advances – Suppliers	467.45	594.08	262.21	987.31	1,090.47	663.59
Deposits & Other Advances	74.77	96.27	172.49	190.32	228.58	210.17
Advances to employees and others	10.27	4.78	5.33	36.41	35.02	48.39
Advance Tax Paid (Net of Provision for Tax)	-	7.57	37.82	-	-	-
Income tax Paid Under Protest	295.35	295.35	295.35	195.93	122.22	15.00
Customs Duty Paid under Protest	14.51	14.51	7.22	-	-	-
MAT Credit Entitlement	1,021.08	838.61	802.57	915.30	820.58	460.80
Total	4,517.27	4,748.32	5,804.74	6,162.27	5,782.19	3,230.40

Note - 18: Other Current Assets, as restated

(Rs in Lakhs)

Particulars	30th June 2015	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Assets Held for Sale	-	-	10.00	-	-	-
Total	-	-	10.00	-	-	-

Note - 19 : Revenue from Operations, as restated

(Rs in Lakhs)

Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Sale of Products – Gross	10,114.01	30,214.88	31,899.07	32,811.12	33,062.32	20,179.99
Other Operating Revenue	1.62	107.28	479.06	384.37	567.59	579.23
Total	10,115.63	30,322.16	32,378.13	33,195.49	33,629.91	20,759.22
Less : Excise Duty	1,340.36	4,355.48	4,315.22	4,391.50	4,020.67	3,209.29
Total	8,775.27	25,966.68	28,062.91	28,803.99	29,609.24	17,549.93

Details of products sold

1. Cement	10111.64	29,147.33	30,480.98	32,040.35	32,505.86	20,179.99
2. Clinker	2.37	1,067.55	1,418.09	770.77	556.46	-
Total	10,114.01	30,214.88	31,899.07	32,811.12	33,062.32	20,179.99

Note - 20 : Other Income, as restated

(Rs in Lakhs)

Particulars	For the	For the year	For the year	For the year	For the year	For the
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	period ended 30th June 2015	ended 31st March 2015	ended 31st March 2014	ended 31st March 2013	ended 31st March 2012	year ended 31st March 2011
Interest on Deposits	16.3	70.01	71.86	50.94	30.71	22.29
Other Income (Refer Annexure 1)	0.26	31.34	14.88	39.35	19.67	10.23
Profit on Sale of Investments		-	79.66	-	-	-
Profit on Sale of Assets		12.05	15.62	-	-	-
Total	16.56	113.40	182.02	90.29	50.38	32.52

Note - 21 : Cost of Materials Consumed, as restated

(Rs in Lakhs)

Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Raw Materials						
i) Limestone	436.10	1,515.36	1,622.07	1,713.19	1,551.19	1,165.10
ii) Laterite	-	23.30	1.66	32.25	9.64	46.39
iii) Gypsum	156.22	550.35	599.17	559.96	335.53	395.41
iv) Iron Ore	4.48	30.05	65.18	30.46	16.75	32.86
v) Fly Ash	128.37	380.72	433.78	506.11	573.30	502.13
vi) Clinker	-	-	-	-	-	281.54
Packing Materials	341.59	1,111.06	1,417.76	1,432.86	1,345.72	995.20
Total	1,066.76	3,610.84	4,139.62	4,274.83	3,832.13	3,418.62

Note - 22 : Changes in inventories of finished goods and work-in-progress, as restated

(Rs in Lakhs)

Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Inventories (Opening)						
Finished Goods	350.88	202.64	308.75	378.96	423.25	67.90
Work-in-progress	865.71	1,539.67	1,835.40	889.43	1,654.17	342.15
Sub Total (A)	1,216.59	1,742.31	2,144.15	1,268.39	2,077.42	410.05
Inventories (Closing)						
Finished Goods	123.40	350.88	202.64	308.75	378.96	423.25
Work-in-progress	618.16	865.71	1,539.67	1,835.40	889.43	1,654.17
Sub Total (B)	741.56	1,216.59	1,742.31	2,144.15	1,268.39	2,077.42
Changes in Inventories (A-B)	475.03	525.72	401.84	(875.76)	809.03	(1,667.37)

Note - 23 : Employee benefits expense, as restated

(Rs in Lakhs)

Particulars	For the period	For the year ended 31st	For the year ended 31st	For the year ended 31st	For the year ended 31st	For the year ended
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	ended 30th June 2015	March 2015	March 2014	March 2013	March 2012	31st March 2011
Salaries & Wages	370.64	1,149.68	1,202.51	1,114.89	907.14	707.97
Contribution to Provident Fund & Other funds	64.54	242.63	124.43	91.74	146.04	82.39
Employees welfare expenses	13.24	62.75	72.70	62.77	86.82	91.09
Directors' Remuneration (Refer Annexure -1)	0.26	46.71	47.23	59.66	105.76	42.92
Total	448.68	1,501.77	1,446.87	1,329.06	1,245.75	924.37
Note - 24 : Finance Costs, as restated						(Rs in Lakhs)
Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest expense	486.36	2,639.86	3,281.33	3,316.68	3,260.08	2,504.78
Other Borrowing Costs	-	140.01	256.73	129.00	73.51	35.42
Total	486.36	2,779.87	3,538.06	3,445.68	3,333.59	2,540.20
Note - 25 : Other Expenses, as restated						(Rs in Lakhs)
Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Manufacturing Expenses						
Power & Fuel	2,081.87	8,080.54	10,295.27	9,880.53	8,903.46	5,968.75
Stores & Spares	423.80	747.54	827.12	493.21	382.40	338.95
Obsolete Stocks written off	-	-	420.47	-	-	-
Direct Manufacturing Expenses	52.10	230.39	349.25	339.66	310.65	323.92
Repairs & Maintenance						
Plant & Machinery	85.06	141.76	205.38	234.75	187.18	122.18
Buildings	1.49	5.08	10.82	11.92	9.68	5.34
Others	8.75	19.36	46.52	42.42	48.95	45.93
Sub Total (A)	2,653.07	9,224.67	12,154.83	11,002.49	9,842.31	6,805.06
Selling & Distribution Expenses						
Freight Charges	337.91	1,556.80	1,425.47	1,759.64	1,406.13	701.32
Freight on Consignment Sales	207.13	1,186.44	2,403.00	2,784.25	3,119.15	1,377.22
Product Promotion expenses	8.76	22.58	93.78	271.05	343.96	262.61
Trade Discounts	1,002.94	2,243.88	2,640.55	2,088.62	1,832.54	1,191.29
Bad debts Written off	-	164.61	76.19	118.01	-	-
Provision for Doubtful	161.67	25.07	-	-	-	-

Debts						
Sub Total (B)	1,718.41	5,199.38	6,638.99	7,021.57	6,701.79	3,532.44
Administrative Expenses						
Insurance	7.84	42.00	32.80	36.13	38.37	37.37
Rent	11.65	69.66	88.43	85.29	79.65	69.56
Rates & Taxes	2.42	17.06	11.02	23.07	18.24	19.40
Traveling & Conveyance Expenses	33.69	128.99	150.25	154.28	162.86	138.40
Printing & Stationery	1.34	6.54	10.77	9.77	14.13	16.95
Communication Expenses	2.72	12.39	15.85	16.85	17.21	16.08
Office Maintenance	40.84	171.52	208.27	173.56	170.98	139.66
Auditors Remuneration	2.81	11.43	10.49	7.73	8.59	6.51
Legal & Professional Charges	16.93	87.88	162.73	136.24	116.03	125.35
Diminution in value of current Investment	-	2.80	1.39	1.32	-	-
Secretarial Expenses	1.01	9.38	6.10	9.47	10.83	9.93
Foreign exchange Loss	-	-	4.01	-	-	-
Advances Written off	-	126.46	-	-	-	-
Bank Charges	0.60	22.35	49.64	25.42	43.24	49.94
Impairment of Assets	-	-	360.67	-	-	-
Loss on sale of fixed assets	-	72.93	-	-	-	0.11
Sub Total (C)	121.85	781.39	1,112.42	679.13	680.12	629.26
Total (A) + (B) + (C)	4,493.33	15,205.44	19,906.24	18,703.19	17,224.22	10,966.76
Note - 26 : Payments to Auditors						(Rs in Lakhs)
Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Audit Fees	1.00	4.00	4.00	4.00	4.00	4.00
Tax Audit fee	0.38	1.50	1.50	1.50	1.50	1.00
Transfer Pricing Audit Fee	0.38	1.50	-	-	-	-
For Certification	0.40	1.60	1.60	1.60	2.60	1.00
Cost Audit Fee	0.44	1.75	1.75	-	0.49	0.51
Out of Pocket Expenses	0.22	1.08	1.64	0.63	1.00	0.62
Total	2.81	11.43	10.49	7.73	9.59	7.13
Note - 27 : Expenditure in Foreign Currency on account of						(Rs in Lakhs)
	For the period	For the year ended 31st	For the year ended 31st	For the year ended 31st	For the year ended 31st	For the year ended

Particulars	ended 30th June 2015	March 2015	March 2014	March 2013	March 2012	31st March 2011
Packing Material	-	-	40.20	-	-	-
Coal	-	-	136.02	271.95	-	-
Capital Goods				-	43.42	-
Total	-	-	176.22	271.95	43.42	-
Note -28 : Earning Per Share (EPS)						(Rs in Lakhs)
Particulars	For the period ended 30th June 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Profit/(Loss) for the Year after tax	671.14	1,671.26	(1,859.73)	321.09	1,565.44	59.54
Number of Equity Shares	18,389,597	18,389,597	18,389,597	18,389,597	18,389,597	18,389,597
Earnings Per Share (Basic and Diluted)	3.65	9.09	(10.11)	1.75	8.51	0.32
Face Value of each Equity Share	10.00	10.00	10.00	10.00	10.00	10.00

Note - 29 : Related Party Disclosure :			
A.	Relationship		
a)	Holding Company		
	Chettinad Cement Corporation Limited (From 16-05-2014)		
b)	Key Management Personnel		
i)	GeethaMuthiah, Managing Director (From 04-06-2014 to 20-12- 2014)		
ii)	A. Subramanian, Managing Director (From 19-01- 2015)		
iii)	K.V. Vishnu Raju, Managing Director (Up to 04-06-2014)		
iv)	P.V.R.L. NarasimhaRaju, Executive Director ((Up to 04-06-2014)		
c)	Relatives of Key Management Personnel		
i)	K. Ramavathy (Mother of K.V.VishnuRaju)		
ii)	K.S.N.Raju (Father of K.V.VishnuRaju)		
d)	Enterprises owned or significantly influenced by Key Management Personnel (KMP)		
1.	Chettinad Holdings Private Limited	13.	South India Corporation (Travancore) Pvt. Ltd.
2.	Chettinad Logistics Privates Limited	14.	Chettinad Structural and Engineering Ltd.
3.	South India Corporation Private Limited	15.	South India Corporation (Travancore) Pvt Ltd
4.	SaiAditya foods & Retail Pvt Ltd	16.	Chettinad Lignite Transport Services Pvt Ltd
5.	Anjani Projects & Constructions Ltd (From 1st Apr to 10th Nov 2014)	17.	Chettinad Realtors (P) Ltd
6.	Anjani Vishnu Holdings Limited (Name was changed from Anjani Projects & Constructions Ltd on 11th Nov 2014)	18.	Chennai Computer And Software Services (P) Ltd

7.	Anjani Cement (Karnatak) Ltd	21.	Chettinad Inland Water Transport Services (P) Ltd
8.	Raasi Enterprises Ltd		Chettinad Educational Institutions
9.	Vennar Ceramics Ltd		Chettinad Morimura Semiconductor Material Private Limited
10.	Hitech Print Systems Limited		
11.	Sri Vishnu Educational Society		
12.	Padmashri B.V Raju Institute of Technology		

B. The following transactions are carried out with related parties in the course of business					(Rs in Lakhs)	
Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary	Associate	Enterprises Significantly Influenced by KMP	Total
Purchases						
01-04-2015 to 30-06-2015	-	-	-	-	-	-
2014-2015	-	-	-	-	2,704.36	2,704.36
2013-2014	-	-	18.45	118.25	146.25	282.95
2012-2013			16.74	-	161.87	178.61
2011-2012			842.35			842.35
2010-2011			7.08			7.08
Sales	-	-	-	-	-	-
01-04-2015 to 30-06-2015	-	-	-	-	39.07	39.07
2014-2015	-	-	-	-	126.12	126.12
2013-2014	-	-	1.67	54.05	171.54	227.26
2012-2013			4.21	48.18	121.03	173.42
2011-2012			75.08	-	169.01	244.09
2010-2011			90.08			90.08
Remuneration						
01-04-2015 to 30-06-2015						
2014-2015	45.51	-	-	-	-	45.51
2013-2014	16.92	-	-	-	-	16.92
2012-2013	72.86					72.86
2011-2012	105.76					105.76
2010-2011	65.09					65.09
Office Rent						-
01-04-2015 to 30-06-2015	-	-	-	-	2.27	2.27
2014-2015	20.71	25.29	-	-	13.05	59.05
2013-2014	27.61	34.39	-	-	6.12	68.12
2012-2013	24.57	30.13	-	-	6.12	60.82
2011-2012	22.68	28.22	-	-	4.32	55.22
2010-2011	22.68	28.24	-	-	4.32	55.24
Interest	-					-
01-04-2015 to 30-06-2015	-	-	-	-	-	
2014-2015	-	10.16	-	-	534.11	544.27
2013-2014	-	56.97	-	-	-	56.97
2012-2013	-	37.08	-	-	-	37.08
2011-2012	-	15.54	-	-	-	15.54
2010-2011	-	6.84	-	-	-	6.84

Services	-					-
01-04-2015 to 30-06-2015	-	-	-	-	-	
2014-2015		-	-	-	286.09	286.09
2013-2014	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-
2011-2012	-	-	-	-	-	-
2010-2011						-
Loans Taken	-					-
01-04-2015 to 30-06-2015						
2014-2015					15700	15700
2013-2014	465.00	32.60			2,050.00	2,547.60
2012-2013	131.00	111.35				242.35
2011-2012	75.00	117.50				192.50
2010-2011	80.00	30.00				110.00
Loans Repaid	-					-
01-04-2015 to 30-06-2015						
2014-2015	62.56	215.45			17,750.00	18,028.01
2013-2014	428.00	176.50			-	604.50
2012-2013	82.00	7.00				89.00
2011-2012	79.36	-				79.36
2010-2011	73.00	-				73.00
Investments	-					-
01-04-2015 to 30-06-2015						
2014-2015						-
2013-2014					1,965.00	1,965.00
2012-2013					238.39	238.39
2011-2012						-
2010-2011						-
Advances Received	-					
01-04-2015 to 30-06-2015						-
2014-2015					1,064.37	1,064.37
2013-2014						-
2012-2013						-
2011-2012						-
2010-2011						-
Advances Given	-					-
01-04-2015 to 30-06-2015						-
2014-2015					2.15	2.15
2013-2014						-
2012-2013					125.00	125.00
2011-2012						-
2010-2011						-
Sale of Assets	-					-
2014-2015					40.50	40.50
2013-2014					340.63	340.63
2012-2013						-
2011-2012						-
2010-2011						-
30.1 Contingent Liabilities						
Claims against the Company not acknowledged as debt:						

Particulars	For the period ended 30th June 2015	For the period ended 31st March 2015	For the period ended 31st March 2014	For the period ended 31st March 2013	For the period ended 31st March 2012	For the period ended 31st March 2011
Disputed Liability in respect of Income Tax Demands	295.35	295.35	295.35	83.02	173.11	95.43
Disputed Liability in respect of CENVAT Credit*	180.32	180.32	180.32	180.32	-	-
Disputed Liability in respect of FSA charges and Penal Charges to APCPDCL	138.18	239.46	450.11	68.79	68.79	68.79
Disputed Liability in respect of Customs relating to Coal**	130.46	130.46	9.16	-	-	-
Disputed Liability in respect of Service Tax***	3.36	3.36	3.36	-	-	-
Corporate Guarantee given to erstwhile Subsidiary and Associate Companies	-	-	4,448.00	3486.37	3844.65	1,678.82
Bank Guarantees issued by the company	131.79	131.79	81.16	124.31	21.37	10.42
Total	879.46	980.74	5467.46	3942.81	4107.92	1853.46
* does not include penalty amount of ₹180.32 lakhs ** does not include penalty amount of ₹103.70 lakhs *** does not include penalty amount of ₹2.19 lakhs						
30.2 Commitments						(Rs in Lakhs)
Particulars	For the period ended 30th June 2015	For the period ended 31st March 2015	For the period ended 31st March 2014	For the period ended 31st March 2013	For the period ended 31st March 2012	For the period ended 31st March 2011
Estimated amount of contracts remaining to be executed on account of capital and not provided for	120.25	282.36	387.32	250.31	-	-

Note - 31 : Value of Imported and Indigenous Raw Materials and Consumables Stores											(Rs in Lakhs)	
Partic ulars	Raw Material											
	30th June 2015		2014-15		2013-14		2012-13		2011-12		2010-11	
	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.
Import ed	-	-	-	-	0.96%	40.11	-	-	-	-	-	-
Indigen ous	10 0%	779. 24	100%	3724. 73	99.04 %	4139.97	100%	2982.4 0	100 %	2444. 94	100%	2478 .61
	Consumable stores											
	30th June 2015		2014-15		2013-14		2012-13		2011-12		2010-11	
	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.
Import ed	-	-	-	-	-	-	-	-	-	-	-	-
Indigen ous	10 0%	174. 25	100%	722.7 6	100%	576.22	100%	725.67	100 %	876.0 8	100%	425. 33

Note 32: The company operates in single business segment of Cement only, hence segment reporting is not applicable as per AS 17.

Note 33: We have recorded all known liabilities in the financial statements. The Company has not received any intimations from suppliers regarding their status under the micro, small and medium enterprises development act, 2006 and hence disclosures, if any relating to amounts unpaid as at the yearend together with interest paid or payable as required under the said Act have not been given.

Note 34 : Employee Benefits:

i)	Defined Contribution Plan :						(Rs.in lakhs)
	Particulars	For the year ended 30th June, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Company's Contribution to Provident Fund	10.08	76.53	76.08	64.40	56.20	46.47
	Company's Contribution to Superannuation Fund	-	-	48.80	33.64	30.48	22.98
	Total	10.08	76.53	124.88	98.04	86.68	69.45
ii)	Defined Benefit Plan						

Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2015 and recognized in the financial statements in respect of Employee Benefit Schemes:

I. Actuarial Assumptions

S l. N o	Particulars	For the year ended 30th June , 2015		For the year ended 31st March, 2015		For the year ended 31st March, 2014		For the year ended 31st March, 2013		For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
1.	Discount Rate	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %	8.00 %
2.	Salary Escalation	8.00 %	8.00 %	8.00 %	8.00 %	4.00 %	4.00 %	4.00 %	4.00 %	4.00 %	4.00 %	4.00 %	4.00 %

II. Components of Employer Expenses

S l. N o	Particulars	For the year ended 30th June , 2015		For the year ended 31st March, 2015		For the year ended 31st March, 2014		For the year ended 31st March, 2013		For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1.	Current Service Cost	30.98	50.37	11.19	2.64	9.57	10.25	8.13	2.31	6.50	3.71	6.50	-
2.	Interest Cost	-	-	10.73	5.23	7.55	2.48	6.86	1.86	3.31	2.85	3.15	-
3.	Employee Contributions	-	-	-	-	-	-	-	-	-	-	-	-
4.	Expected Return on planned assets	-	-	1.02	-	-	-	(3.02)	-	(3.02)	-	(2.92)	-
5.	Net Actuarial (Gains) / Losses	-	-	66.31	1.00	22.67	21.67	12.12	3.59	36.08	(19.02)	5.15	35.67
6.	Past service Cost	-	-	55.53	-	-	-	-	19.04	-	-	-	-
7.	Settlement / Curtailment (Gain)	-	-	-	-	-	-	-	-	-	-	-	-
8.	Total Expenses	30.98	50.37	144.78	8.87	39.79	34.40	24.09	26.80	42.88	(12.45)	11.88	35.67

The Gratuity expenses have been recognized in “Contribution to Provident and other funds” and Leave Encashment in “Salaries and wages” under Note 23.

III. Net Assets / (Liability) recognized in the Balance Sheet.													
(Rs in Lakhs)													
Sl. No	Particulars	For the year ended 30th June, 2015		For the year ended 31st March, 2015		For the year ended 31st March, 2014		For the year ended 31st March, 2013		For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1.	Present value of Defined Benefit obligation as at the end of the year	222.41	74.25	222.41	74.25	134.18	65.38	94.39	30.98	85.76	23.21	42.5	35.67
2.	Fair value of plan as at the end of the year	8.34	-	8.34	-	26.24	-	34.65	-	34.75	-	32.9	-
3.	Funded Status (surplus / (Deficit))	(214.07)	(74.25)	(214.07)	(74.25)	(107.94)	(65.38)	(59.74)	(30.98)	(51.00)	(23.21)	(9.60)	(35.67)
4.	Net Assets / (Liability) recognized in the balance sheet	(214.07)	(74.25)	(214.07)	(74.25)	(107.94)	(65.38)	(59.74)	(30.98)	51.00	(23.21)	9.60	(35.67)
IV. Change in obligation during the year													
(Rs in Lakhs)													
Sl. No	Particulars	For the year ended 30th June, 2015		For the year ended 31st March, 2015		For the year ended 31st March, 2014		For the year ended 31st March, 2013		For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment

1.	Present Value of obligation at the end of the year	222.41	74.25	78.65	65.38	85.81	30.98	85.76	23.22	41.39	35.67	39.44	-
2.	Current Service Cost	30.98	50.37	11.19	2.64	18.45	10.25	8.13	2.31	6.50	3.71	7.61	-
3.	Interest Cost	-	-	10.73	5.23	7.55	2.48	6.86	1.86	3.31	2.85	3.16	-
4.	Settlement / Curtailment (Gain)	-	-	-	-	-	-	-	-	-	(19.02)	-	-
5.	Past Service Cost*	-	-	55.53	-	-	-	-	19.04	-	-	-	-
6.	Employee Contributions	-	-	-	-	-	-	-	-	-	-	-	-
7.	Actuarial (Gain) / Losses on obligation	-	-	85.23	1.00	(22.67)	(21.67)	(12.12)	3.64	36.08	-	(5.15)	35.67
8.	Benefits paid	-	-	(18.92)	-	(10.19)	-	(3.12)	(19.09)	(1.52)	-	(3.67)	-
9.	Present Value of obligation at the end of the year	253.39	124.62	222.41	74.25	78.95	22.04	85.51	30.98	85.76	23.22	41.39	35.67

V. Change in Fair value of the assets

(Rs in Lakhs)

S l. N o	Particulars	For the year ended 30th June, 2015		For the year ended 31st March, 2015		For the year ended 31st March, 2014		For the year ended 31st March, 2013		For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1.	Fair value of the plan assets at the beginning	8.34	-	26.24	-	34.65	-	34.75	-	33.26	-	32.9	-

	ng of the year												
2.	Expected return on planned assets	-	-	1.02		1.78	-	3.02	-	3.01	-	2.92	-
3.	Contributions	-	-	-	-	-	-	-	-	-	-	-	-
4.	Benefits paid	-	-	(18.92)	-	(10.19)	-	(3.12)	-	(1.52)	-	(2.56)	-
5.	Actuarial Gain / (Loss) on plan assets	-	-	Nil	-	Nil	-	Nil	-	Nil	-	Nil	-
6.	Fair value of the plan assets at the end of the year	8.34	-	8.34	-	26.24	-	34.65	-	34.75	-	33.26	-

AUDITORS' REPORT ON THE RESTATED CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH THE RIGHTS ISSUE OF ANJANI PORTLAND CEMENT LIMITED FOR EACH OF THE YEARS ENDED 31ST MARCH 2013, 31ST MARCH 2012 AND 31ST MARCH 2011

To,
The Board of Directors
M/s Anjani Portland Cement Limited
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
Maharashtra, India

Dear Sirs,

1. We have examined the restated consolidated financial information comprising of the Restated Consolidated Summary Statement of assets and liabilities as at 31st March 2013, 31st March 2012 and 31st March 2011, the Restated Consolidated Summary Statement of Profit and Loss and also the Restated Consolidated Summary Statement of Cash Flows for the financial years ended 31st March 2013, 31st March 2012 and 31st March 2011, (collectively the "Restated Consolidated Summary Statements") of Anjani Portland Cement Limited (the "Company") and its wholly owned subsidiary, Hitech Print Systems Limited and associate Vennar Ceramics Limited (wholly owned subsidiary up to 01st April 2012) (collectively hereinafter referred to as the "Group"), annexed to this report for the purposes of inclusion in the Draft Letter of Offer (the DLoF) prepared by the management of the Company in connection with its proposed Rights Issue. Such consolidated financial information, which has been approved by the Board of Directors of the Company has been prepared in accordance with the requirements of:
 - a) Part I of Chapter III to the Companies Act, 2013 (the 'Act');
 - b) Sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and
 - c) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations") issued by the Securities and Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated consolidated financial information taking into consideration:
 - a) The terms of reference received from the Company *vide* their letter dated 20th August 2015, requesting us to carry out work on such financial information, proposed to be included in the DLoF of the Company in connection with its proposed Rights Issue ; and
 - b) Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.
3. The restated consolidated financial information of the Group has been compiled by the management from the audited consolidated balance sheets of the Group as at 31st March 2013, 31st March 2012 and 31st March 2011 and the related audited consolidated statement of profit and loss and cash flow statements for the financial years ended on 31st March 2013, 31st March 2012 and 31st March 2011 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on May 13, 2013, May 28, 2012 and August 08, 2011 respectively.
4. We did not audit the financial statements and other financial information of the Consolidated Financial Statements of Anjani Portland Cement Limited for the year ended 31st March 2013, 31st March 2012 and 31st March 2011. These financial statements and other financial information have been audited by other auditors M. Anandam & Co., Chartered Accountants, whose reports have been furnished to us by the Management of the Group and accordingly reliance has been placed on the financial statements of the company and Group audited by them for the said years.

5. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:
 - a) We have examined the restated consolidated summary statement of assets and liabilities of the Group as at 31st March 2013, 31st March 2012 and 31st March 2011 to restated consolidated financial information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure 1 to the restated consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company and its subsidiary for the relevant financial years.
 - b) We have examined the related restated consolidated summary statement of profits and losses and cash flows of the Group for the years ended on 31st March 2013, 31st March 2012 and 31st March 2011. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure 1 to the restated consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company and its subsidiary for the relevant financial years.

Other Financial Information

6. We have examined the restated consolidated financial information of the Group listed below, as at each of the years ended on 31st March 2013, 31st March 2012 and 31st March 2011 which, as approved by the Board of Directors and annexed to this report, is proposed to be included in the DLoF:
 - (i) Restated Consolidated Statement of Significant Accounting Policies, enclosed as Note 1;
 - (ii) Statement of reconciliation of restated profits to profits as per audited financial statements Annexure 1;
7. Based on our examination, we further report that:
 - a) The restated consolidated financial information have to be read in conjunction with the Restated Consolidated Statement of Significant Accounting Policies and Restated Consolidated Statement of Notes on Financial Statements;
 - b) There are no changes in accounting policies adopted by the Group during years ended on 31st March 2013 , 31st March 2012 and 31st March 2011 which would require adjustment in the Restated Consolidated Summary Statements
 - c) Adjustments for the material amounts relating to the previous years in the respective financial years to which they relate have been adjusted in the attached Restated Consolidated Summary Statements.
 - d) There are no extraordinary and exceptional items which need to be disclosed separately in the Restated Consolidated Summary Statements;
 - e) There are no qualification in the auditors' report on the financial statements of the Company for each of the financials years ended on 31st March, 2013, 31st March 2012 and 31st March 2011 respectively which require any adjustments to the Restated Consolidated Summary Statements; and
 - f) The restated consolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the Statement of Notes to Restated Consolidated Summary Statements of the Company.
8. We report that the restated consolidated financial information of the Group as at 31st March 2013, 31st March 2012 and 31st March 2011 have been prepared by the Group in accordance with the requirements of the Accounting Standard (AS)- 21 "Consolidated Financial Statements" notified Pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

9. In our opinion, the restated consolidated financial information of the Group as attached to this report, read with the Restated Consolidated Statement of Significant Accounting Policies and Summary Statement of Notes on Financial Statements contained in the aforesaid Annexures and after making adjustments and re-groupings as considered appropriate and disclosed, has been prepared in accordance with sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations issued by SEBI. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
10. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by other firm of Chartered Accountants, nor should it be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. This report is intended solely for your information and for inclusion in the DLoF in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Ramanatham & Rao
Chartered Accountants
Firm Registration Number: S - 2934

C. Kameshwar Rao
Partner
Membership No.:24363

Place: Secunderabad
Date: 21st December 2015

RESTATED CONSOLIDATED BALANCE SHEET FOR 3 YEARS ENDING MARCH 31ST 2013				
(Rs in Lakhs)				
Particulars	Note	31st March 2013	31st March 2012	31st March 2011
III. EQUITY AND LIABILITIES				
(4) Shareholders' Funds				
(c) Share Capital	2	1,838.96	1,838.96	1,838.96
(d) Reserves and Surplus	3	6,545.75	6,100.50	4,655.75
(5) Non-Current Liabilities				
(e) Long-Term Borrowings	4	16,318.41	19,810.45	19,973.36
(f) Deferred Tax Liabilities (Net)	5	1,431.93	1,319.57	1,097.23
(g) Other Long Term Liabilities	6	213.72	144.27	111.81
(h) Long Term Provisions	7	109.46	74.11	39.65
(6) Current Liabilities				
(e) Short-Term Borrowings	8	5,904.07	4,912.11	4,347.69
(f) Trade Payables		2,562.87	2,104.59	1,586.23
(g) Other Current Liabilities	9	6,148.32	5,552.99	4,032.28
(h) Short-Term Provisions	10	210.12	684.99	296.00
Total		41,283.60	42,542.54	37,978.96
IV. ASSETS				
(3) Non-Current Assets				
(e) Fixed Assets				
(iv) Tangible Assets	11	24,478.48	24,240.24	25,464.16
(v) Intangible Assets		3.80	5.07	-
(vi) Capital Work-In-Progress		34.95	3,330.42	253.79
(f) Long Term Loans and Advances	12	435.94	568.54	1,118.69
(g) Goodwill on Consideration		344.73	295.09	295.09
(h) Non Current Investments		737.10	-	-
(4) Current Assets				
(g) Current Investments		-	-	-
(h) Inventories	13	4,739.51	3,582.97	4,196.55
(i) Trade Receivables	14	3,319.99	3,136.33	2,371.27
(j) Cash and Cash Equivalents	15	444.11	616.95	297.55
(k) Short-Term Loans and Advances	16	6,741.82	6,766.94	3,981.87
(l) Other Current Assets	17	3.16	-	-
Total		41,283.60	42,542.54	37,978.96

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR 3 YEAES ENDING 31ST MARCH 2013				
				Rs.In Lakhs
Particulars	Note	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
REVENUE				
III. Revenue from operations	18	32,609.60	32,926.78	20,524.68
IV. Other Income	19	94.29	278.08	41.11
Total Revenue (I +II)		32,703.89	33,204.85	20,565.79
EXPENSES				
Cost of Materials consumed	20	6,452.93	5,595.80	5,187.57
Purchase of Stock-in-Trade		107.08	101.44	-
Changes in inventories of finished goods and work-in-progress	21	(895.60)	827.48	(1,721.70)
Employee benefits expense	22	1,585.67	1,463.60	1,127.16
Finance Costs	23	3,676.03	3,591.49	2,759.21
Depreciation	11	1,670.59	1,690.76	1,588.96
Other Expenses	24	19,534.64	17,980.41	11,510.58
Total Expenses		32,131.33	31,250.99	20,451.78
Profit/(Loss) before tax		572.56	1,953.87	114.01
Tax expense:				
Current tax		154.60	401.50	24.44
Less : MAT Credit Entitlement		94.65	359.85	17.82
Net Current tax		59.95	41.65	6.62
Tax for the earlier years		(5.46)	-	2.69
Deferred tax		124.58	210.99	31.27
Share of Net profit of Associate		51.76	-	-
Profit/(Loss) After Tax		445.25	1,701.22	73.43
Earnings per equity share:				
(3) Basic		2.42	9.25	0.40
(4) Diluted		2.42	9.25	0.40

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

				Rs in Lakhs
Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012	Year Ended 31st March 2011	
E. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax	572.56	1,953.87	114.01	
Adjustment for :				
Depreciation	1,670.59	1,690.76	1,588.96	
Interest and Finance charges	3,676.03	3,591.49	2,759.21	
Loss/Profit on sale of Assets	2.46	(244.37)	1.33	
Profit on account of Exchange Difference	-	-	-	
Bad Bebts Written off	118.64	-	-	
Operating Profit Before Working Capital Changes	6,040.28	6,991.75	4,463.50	
Changes in Working Capital				
(Increase)/Decrease in Inventories	(1,156.54)	613.58	(2,531.77)	

(Increase)/Decrease in Trade Receivables	(65.02)	(765.06)	(239.48)
(Increase)/Decrease in Loans and Advances and other Assets	157.71	(2,856.74)	(849.85)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	549.78	2,428.06	913.64
Cash Generated from Operations	5,526.21	6,411.58	1,756.05
Direct taxes paid	(410.27)	(185.44)	(179.10)
Net Cash Flow from Operating Activities	5,115.94	6,226.14	1,576.95
F. CASH FLOW FROM INVESTING ACTIVITIES:			
Inflow/(Outflow)			
Net Purchase of Fixed Assets	(1,225.51)	(3,542.18)	(3,297.28)
Work In progress			
Proceeds from sale of Fixed Assets	13.29	244.37	9.56
Purchase of investments in Associate			
Increase in investment in Associate	(735.00)		
Net Cash Flow from Investing Activities	(1,947.22)	(3,297.81)	(3,287.72)
G. CASH FLOW FROM FINANCING ACTIVITIES:			
Inflow / (Outflow)			
Proceeds / (Repayment) of Vehicle Loans	(1.43)	1.40	(20.86)
Proceeds from Long Term Borrowing	237.62	908.85	90.97
Repayment of Long Term Borrowing	(1,900.61)	-	-
Increase / (Decrease) in Cash Credit Utilisation	1,591.96	(35.58)	1,931.19
(Repayment) / Proceeds from Unsecured Loans	627.60	283.71	2,698.84
Dividend Paid	(220.68)	(147.12)	(214.44)
Dividend Tax Paid	-	(23.87)	-
Interest and Finance charges paid	(3,676.03)	(3,591.49)	(2,759.21)
Net increase in Statutory Restricted Accounts Balances	(7.33)	(4.82)	-
Net Cash Flow from Financing Activities	(3,348.89)	(2,608.92)	1,726.49
H. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:	(180.18)	319.42	15.72
Cash and Cash Equivalents at the Commencement of the year	583.61	264.20	248.49
Cash and Cash Equivalents at the close of the year	403.43	583.61	264.20
CASH AND CASH EQUIVALENTS :			
Cash and Cash Equivalents as above	403.43	583.61	264.20
Balances in Statutory Restricted Accounts	40.69	33.36	33.36
Cash and Cash Equivalents (Note 17)	444.12	616.97	297.56

Annexure-1			
Statement of reconciliation of restated profits/(Losses) to Profits/(Losses) as per Audited financial statements			
Particulars	31st March 2013	31st March 2012	31st March 2011
Profit as per audited statement of Profit & Loss account	433.26	1716.23	71.50
Restated Adjustments			
Depreciation	(3.39)	(22.84)	(35.70)
Directors' Remuneration	13.20	-	17.11
Other Income	-	-	-

Current Tax	1.13	0.77	9.49
Deferred Tax	1.05	7.06	11.03
Profit for the period as restated	445.25	1701.22	73.43
Significant adjustments relating to previous years:			
1) Depreciation			
Consequent to the enactment of the Companies Act, 2013 , the company has charged depreciation based on the useful life of the assets as prescribed in Schedule II of the companies Act 2013 and the effect of the same of the change is given to respective previous years amounting to Rs 61.93 lacs and amount of Rs 1.41 lacs pertaining prior to 2010-11 has been adjusted in opening reserves & surplus.			
2) Directors Remuneration & Other Income			
Excess Payments made in 2010-11 and 2012-13 was recovered in 2013-2014 . The same was restated to the respective years.			
3) Current Tax			
Short/excess provisions of taxes pertaining to earlier years, based on intimations/orders received/returns filed, is accounted for during the year ended 31 March 2013, 2012 and 2011 have been appropriately adjusted to the respective years to which they relate to. Adjustment related to financial years prior to 2010-11, have been adjusted against the opening balance of reserves and surplus as on 1 st Apr 2011.			
4) Deferred Tax			
Deferred Tax Expenditure on Depreciation has been provided in respective years on account of change in useful life of the assets as prescribed in Schedule II of the companies Act 2013.			
Annexure-2			
Reconciliation of Surplus as on 31-03-2010		(Rs in Lakhs)	
Particulars	Amount	Amount	
Surplus as per Audited Financials as on 31-03-2010		4,591.89	
Less : Transitional adjustment on account of Schedule II of Companies Act 2013 *	0.98		
Less: Adjustment for earlier years income tax demands	117.61	118.59	
Surplus as per restated financials as on 31-03-2010		4,473.30	

Note 1: Significant Accounting Policies

1. Basis of Preparation:

The Restated Summary Statement of Assets and Liabilities of the Company as on 31st March, 2013, 31st March 2012 and 31st March 2011 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the years ended March 31, 2013, 2012 and 2011 and the annexures thereto (collectively, the “Restated consolidated Financial Information”) have been extracted by the management from the Financial Statements of the Company for the years ended March 31, 2013, 2012 and 2011.

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

2. Principles of Consolidation

During the year 2012-13 the status of subsidiary company M/s Vennar Ceramics Limited is changed from Subsidiary to Associate due to change in equity of the said subsidiary company.

The consolidated financial statements relate to Anjani Portland Cement Limited (‘the Company’) and its subsidiary company and Associate.

The consolidated financial statements have been prepared on the following basis:

The Financial Statements of the Company and its subsidiary company are combined on line-by-line basis by adding together the book values of like items of Assets, Liabilities, income and Expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”

Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - “Accounting for Investments in Associates in Consolidated Financial Statements”.

The Company accounts for its share in change in net assets of the associates, post acquisition, through its Statement of Profit and Loss to the extent such change is attributable to the associates’ Profit or Loss through its reserves for the balance, based on available information.

The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.
4. **Other significant accounting policies**

These are set out under “Significant Accounting Policies” as given in the Company’s standalone financial statements.

Note - 2 : Share Capital as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
<u>1) AUTHORIZED CAPITAL</u>			
1000000 14% Cumulative Redeemable Preference Shares of Rs.10/- each	100.0	100.0	100.0
30000000 Equity Shares of Rs.10 each	3,000.00	3,000.00	3,000.00
Total	3,100.00	3,100.00	3,100.00
<u>2) ISSUED CAPITAL</u>			
Equity Shares of Rs.10 each fully issued	1,839.45	1,839.45	1,839.45
<u>SUBSCRIBED & PAID UP CAPITAL</u>			
Equity Shares of Rs.10 each fully paid	1838.9597	1838.9597	1838.9597
Total	1,838.96	1,838.96	1,838.96
Note - 3 : Reserve & Surplus, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Capital Reserve	20.00	20.00	20.00
General Reserve			
Opening balance	500.00	260.00	260.00
Add : Current Year Transfer	-	240.00	-
Total	500.00	500.00	260.00
Surplus			
Opening balance (Refer Annexure -2)	5,580.50	4,375.75	4,473.30
Add : Net profit/(loss) transferred from Statement of	445.25	1,701.22	73.43

Profit & Loss			
Total	6,025.75	6,076.98	4,546.73
Less Appropriations:			
Dividend	-	(220.68)	(147.12)
Corporate dividend tax	-	(35.80)	(23.86)
Transfer to General Reserve	-	(240.00)	-
Total	6,025.75	5,580.50	4,375.75
Total	6,545.75	6,100.50	4,655.75
Note - 4 : Long Term Borrowings, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Secured Loans			
Term Loans from Banks	7,865.00	11,812.47	11,651.35
Non Convertible Debentures	-	-	-
Vehicle Loans	9.21	10.08	8.68
Unsecured Loans			
Inter Corporate Deposit			
From Related Party	-	-	-
Public Deposits	438.49	308.43	250.51
From Others	8,005.71	7,679.46	8,062.82
Total	16,318.41	19,810.45	19,973.36
Note - 5 : Deferred Tax Liabilities (Net), as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Deferred Tax Asset			
Unabsorbed Depreciation	1,119.29	1,003.42	1,003.42
Employee Benefits	52.41	31.63	18.84
	1,171.70	1,035.05	1,022.26
Deferred Tax Liability			
Depreciation	2,603.62	2,354.62	2,119.49
Deferred Tax liabilities (Net)	1,431.93	1,319.57	1,097.23
5.1 Deferred Tax Liability of Rs 2119.49 lacs is net off reversal of Rs 0.44 lacs on account of change in useful life of the assets as prescribed in Schedule II of the companies Act 2013.			
Note - 6 : Other Long Term Liabilities, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Creditors For Capital Goods	213.72	144.27	111.81
Interest accrued but not due on NCD's	-	-	-
Total	213.72	144.27	111.81
Note - 7 : Long Term Provisions, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Provision for Employee Benefits			
Gratuity	57.37	51.76	9.60
Leave Encashment	26.86	22.35	30.05
Superannuation	25.23	-	-
Total	109.46	74.11	39.65
Note - 8 : Short Term Borrowings, as restated			
Particulars	31st March 2013	31st March 2012	31st March

			2011
Secured			
From Banks			
Cash Credit Facilities	5,904.07	4,312.11	4,347.69
Working Capital Demand Loan	-	-	-
Unsecured			
From Related Party	-	340.00	-
From Other Parties	-	260.00	-
Total	5,904.07	4,912.11	4,347.69
Note - 9 : Other Current Liabilities, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Current maturities of long term debts - Secured	2,023.59	2,263.26	1,450.90
Current maturities of long term debts - Unsecured	1,177.42	1,011.40	932.20
Advance from Customers	681.30	678.09	635.18
Others	-	-	-
Expenses Payable	598.23	775.43	309.09
Statutory Dues	175.67	68.29	73.16
Duties & Taxes Payable	1,218.93	643.24	540.87
Current Account Credit Balance	-	-	-
Interest Accrued Due on Long term debts	128.23	-	-
Interest Accrued & Not Due	22.71	15.07	16.36
Unclaimed Dividend*	40.69	33.36	28.44
Salaries & Wages Payable	81.54	64.85	46.08
Total	6,148.32	5,552.99	4,032.28
Note - 10 : Short Term Provisions, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Provision For Employee Benefits:			
Gratuity	4.00	-	-
Leave Encashment	4.46	2.75	5.62
Superannuation	8.41	-	-
	-	-	-
Proposed Dividend	-	220.68	147.12
Corporate Dividend Tax	35.80	35.80	23.87
Provision for Income Tax (Net of Advance Tax Paid)	157.46	425.77	119.40
Total	210.12	684.99	296.00

Note 11: Fixed Assets as restated											
CONSOLIDATED FIXED ASSET SCHEDULE FOR THREE YEARS ENDING 31ST MARCH 2013											
Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2012	Additions	Deductions / Disposals	As at 31.03.2013	As at 31.03.2012	Adjustments (Refer Annexure-1)	For the Period	On Deletions	As at 31.03.2013	As at 31.03.2013	As on 31.03.2012
Land	1,205.42	191.33	154.74	1,242.01	-		-	-	-	1,242.01	1,205.42
Buildings	2,552.60	249.45	82.45	2,719.60	438.62	-	83.47	32.20	489.89	2,229.71	2,113.98
Plant & Equipment	27,272.56	1,652.97	-	28,925.53	6,840.09	-	1,506.15	-	8,346.23	20,579.30	20,432.47
Vehicles	345.44	15.63	34.48	326.59	132.93	-	31.10	17.37	146.66	179.93	212.51
Office Equipment	354.22	19.92	-	374.14	154.69	-	35.36	-	190.05	184.09	199.53
Furniture & Fixtures	155.53	0.37	-	155.90	79.32	-	13.25	-	92.57	63.34	76.21
Total	31,885.78	2,129.67	271.67	33,743.78	7,645.64	-	1,669.32	49.57	9,265.39	24,478.39	24,240.13
Previous Year	32,044.72	922.66	1,081.60	31,885.78	6,580.67	-	1,689.48	624.51	7,645.64	24,240.13	25,464.05
Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2011	Additions	Deductions / Disposals	As at 31.03.2012	As at 31.03.2011	Adjustments (Refer Annexure-1)	For the Period	On Deletions	As at 31.03.2012	As at 31.03.2012	As on 31.03.2011
Land	1,010.86	194.56	-	1,205.42	-	-	-	-	-	1,205.42	1,010.86
Buildings	2,407.96	144.64	-	2,552.60	366.83	-	71.79	-	438.62	2,113.98	2,041.13
Plant & Equipment	27,871.98	462.26	1,061.68	27,273	5,923.42	-	1,525.17	608.50	6,840.09	20,432.47	21,948.56
Vehicles	277.97	73.12	5.65	345.44	115.22	-	27.63	9.92	132.93	212.51	162.75
Office Equipment	319.66	44.37	9.81	354.22	124.77	-	34.37	4.46	154.69	199.53	194.88
Furniture & Fixtures	156.28	3.71	4.46	155.53	50.43	-	30.52	1.63	79.32	76.21	105.85
Total	32,044.72	922.66	1,081.60	31,885.78	6,580.67	-	1,689.48	624.51	7,645.64	24,240.13	25,464.05
Previous Year	28,760.88	3,297.12	13.28	32,044.72	4,994.52	1.41	1,588.95	4.21	6,580.67	25,464.05	23,766.36

Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2010	Additions	Deductions / Disposals	As at 31.03.2011	As at 31.03.2010	Adjustments (Refer Annexure-1)	For the Period	On Deletions	As at 31.03.2011	As at 31.03.2011	As on 31.03.2010
Land	479.99	530.87	-	1,010.86	-		-	-	-	1,010.86	479.99
Buildings	2,322.73	85.23	-	2,407.96	296.35	1.01	69.47	-	366.83	2,041.13	2,026.38
Plant & Equipment	25,418.48	2,453.50	-	27,871.98	4,504.22	-	1,419.20	-	5,923.42	21,948.56	20,914.26
Vehicles	274.89	16.36	13.28	277.97	92.29		27.14	4.21	115.22	162.75	182.60
Office Equipment	191.57	128.09	-	319.66	80.54		44.24	-	124.77	194.88	111.03
Furniture & Fixtures	73.21	83.07	-	156.28	21.13	0.40	28.90	-	50.43	105.85	52.09
Total	28,760.88	3,297.12	13.28	32,044.72	4,994.52	1.41	1,588.95	4.21	6,580.67	25,464.05	23,766.36
Previous Year	13,491.20	17,110.52	1,840.84	28,760.88	4,361.31	-	633.22	-	4,994.52	23,766.36	9,370.18

Note - 12 : Long Term Loans and Advances as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Unsecured, Considered Good :			
Capital Advances	61.36	71.95	1,088.62
Deposits with Government Department	359.39	484.95	3.87
Employee Advances	9.10	8.75	18.56
Other Deposits	6.09	2.88	7.64
Total	435.94	568.54	1,118.69
Note - 13 : Inventories, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Raw Materials	708.29	563.43	602.77
Packing Material	57.84	33.48	39.56
Stores & Spares	1,466.39	1,238.04	930.73
Coal & Fuel	284.51	420.61	469.13
Work-In-Progress	1,835.40	889.43	1,654.17
Finished Goods	387.08	437.98	500.19
Total	4,739.51	3,582.97	4,196.55
Note - 14 : Trade Receivables, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Outstanding for a period exceeding six months from the date they are due for payment			
-Unsecured, Considered Doubtful	-	-	-
Less: Provision for Doubtful Debts	-	-	-
-Unsecured, Considered Good	192.17	1,002.91	188.95
Others	-	-	-
- Secured, Considered Good :	2,274.52	82.35	109.59
- Unsecured, Considered Good :	853.30	2,051.07	2,072.73
Total	3,319.99	3,136.33	2,371.27
Note - 15 : Cash & Cash Equivalents, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Cash at Bank	110.60	406.41	185.03
Earmarked Balances*	40.69	33.36	28.44
Deposit Accounts**	229.85	161.90	77.66
Cash on hand	62.97	15.28	6.42
Total	444.11	616.95	297.55
* Earmarked balances represents unclaimed.			
** Represents margin money deposits against BG's & LC's			
Note - 16 : Short Term Loans and Advances, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Loans & Advances to related parties			
Unsecured, Considered Good :	838.62	1,046.86	756.51
Others	-	-	-
CENVAT receivable	154.08	41.58	23.84
Deposits With Government Departments	805.88	330.43	582.09
Incentives Receivable	2,268.96	1,666.86	948.15
Advances – Suppliers	1,264.62	2,065.13	777.01
Deposits & Other Advances	209.16	231.20	370.08
Advances to employees and others	36.41	36.97	48.39

Advance Tax Paid (Net of Provision for Tax)	52.87	398.86	-
Income tax Paid Under Protest	195.93	122.22	15.00
MAT Credit Entitlement	915.30	826.83	460.80
Total	6,741.82	6,766.94	3,981.87
Note - 17 : Other Current Assets, as restated			
Particulars	31st March 2013	31st March 2012	31st March 2011
Prepaid Expenses	3.16	-	-
Total	3.16	-	-

Note - 18 : Revenue from Operations, as restated			
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Sale of Products - Gross	36,511.67	36,296.51	23,268.43
Other Operating Revenue	528.14	567.59	579.23
Total	37,039.81	36,864.10	23,847.66
Less : Excise Duty	4,430.22	3,937.33	3,322.98
Total	32,609.60	32,926.78	20,524.68
Details of products sold			
1. Cement	32,040.35	32,505.86	20,179.99
2. Clinker	770.77	556.46	-
3. Printing	3,700.55	3,152.80	2,799.73
3. Power	-	81.39	288.71
Total	36,511.67	36,296.51	23,268.43

Note - 19 : Other Income, as restated			(Rs in Lakhs)
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest on Deposits	54.94	33.70	24.21
Other Income	39.35	244.38	16.90
Total	94.29	278.08	41.11

Note - 20 : Cost of Materials Consumed, as restated			(Rs in Lakhs)
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Raw Materials Consumed	4,938.98	4,180.48	4,115.22
Packing Materials	1,513.95	1,415.32	1,072.36
Total	6,452.93	5,595.80	5,187.57

Note - 21 : Changes in inventories of finished goods and work-in-progress, as restated			
(Rs in Lakhs)			
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Inventories (Opening)			
Finished Goods	437.45	500.19	90.51
Work-in-progress	889.43	1,654.17	342.15
Sub Total (A)	1,326.88	2,154.36	432.66
Inventories (Closing)			
Finished Goods	387.08	437.45	500.19
Work-in-progress	1,835.40	889.43	1,654.17
Sub Total (B)	2,222.48	1,326.88	2,154.36
Changes in Inventories (A-B)	(895.60)	827.48	(1,721.70)

Note - 22 : Employee benefits expense, as restated			(Rs in Lakhs)
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Salaries & Wages	1,327.48	1,075.13	868.84
Contribution to Provident Fund & Other funds	110.00	170.23	104.44
Employees welfare expenses	88.53	112.48	110.96
Directors' Remuneration	59.66	105.76	42.92
Total	1,585.67	1,463.60	1,127.16
Note - 23 : Finance Costs, as restated			(Rs in Lakhs)
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest expense	3,525.33	3,517.98	2,723.79
Other Borrowing Costs	150.70	73.51	35.42
Total	3,676.03	3,591.49	2,759.21
Note - 24 : Other Expenses, as restated			(Rs in Lakhs)
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Manufacturing Expenses			
Power & Fuel	9,984.89	8,972.31	6,021.11
Stores & Spares	663.95	547.43	484.03
Obsolete Stocks written off	-	-	-
Direct Manufacturing Expenses	509.52	424.12	453.89
Scanning charges	53.16	112.20	-
Rebate/Compensation	-	34.23	-
Repairs & Maintenance	-	-	-
Plant & Machinery	294.79	226.26	151.93
Buildings	11.92	9.68	6.50
Others	42.42	48.95	53.62
Sub Total (A)	11,560.65	10,375.17	7,171.07
Selling & Distribution Expenses			
Freight Charges	1,858.67	1,481.63	758.50
Freight on Consignment Sales	2,784.25	3,119.15	1,377.22
Product Promotion expenses	294.73	360.97	267.19
Trade Discounts	2,088.62	1,832.54	1,201.37
Bad debts Written off	118.01	-	-
Provision for Doubtful Debts	0.63	-	-
Sub Total (B)	7,144.91	6,794.29	3,604.28
Administrative Expenses			
Insurance	41.31	47.08	44.51
Rent	102.56	100.57	69.56
Rates & Taxes	25.17	20.23	46.06
Traveling & Conveyance Expenses	186.81	186.83	163.56
Printing & Stationery	9.77	7.43	11.34
Communication Expenses	28.95	28.57	27.40
Office Maintenance	201.96	195.60	161.94
Auditors Remuneration	12.96	14.66	9.98
Legal & Professional Charges	152.38	146.03	134.64
Diminution in value of current Investment	1.32	-	-
Secretarial Expenses	9.47	10.83	9.93
Foreign exchange Loss	-	-	-
Advances Written off	-	-	-
Bank Charges	45.35	47.14	53.93
Impairment of Assets	-	-	-

Loss on sale of fixed assets	2.46	0.04	1.33
Taxes Paid(Service Tax, Excise,VAT)	8.61	5.95	1.05
Sub Total (C)	829.07	810.94	735.23
Total (A) + (B) + (C)	19,534.64	17,980.41	11,510.58

Note - 25 : Earnings Per Share as restated	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Profit for the Year after tax	445.25	1701.22	73.43
Number of Equity Shares	18389597	18389597	18389597
Earnings Per Share (Basic and Diluted)	2.42	9.25	0.40
Face Value of each Equity Share	10	10	10

Note - 26 : Payments to Auditors as restated	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Audit Fees	6.50	6.55	6.55
Tax Audit fee	2.50	2.00	1.50
For Certification	3.16	3.60	1.00
Out of Pocket Expenses	0.80	2.51	0.93
Total	12.96	14.66	9.98

Note - 27 : Expenditure in Foreign Currency as restated	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Raw Materials	Nil	11.28	Nil
Coal	271.95	Nil	Nil
Capital Goods	323.78	58.72	Nil
Stores & Consumables	2.50	0.29	Nil
Total	598.23	70.29	Nil

Note - 28 : Related Party Disclosure as restated			
A) Relationship			
a) Associate			
Vennar Ceramics Limited (w.e.f 1st Apr 2012)			
b) Key Management Personnel			
i. Sri. K.V. Vishnu Raju			
ii. Sri P.V.R.L.NarsimhaRaju			
iii. Sri S.V.S.Shetty			
c) Relatives of Key Management Personnel			
i. Smt. K. Ramavathy			
ii. Sri. K.S.N.Raju			
d) Enterprises owned or significantly influenced by Key Management Personnel			
i. SaiAditya foods & Retail Pvt Ltd			
ii. Anjani Projects & Constructions Ltd			
iii. Sri Vishnu Educational Society			
iv. Anjani Cement (Karnatak) Ltd			
v. RaasiEnterprises Ltd			
B) The following transactions are carried out with related parties in the course of business			
(Rs in Lakhs)			

Particulars	Associate Company	Key managerial Persons	Relatives of Key managerial Persons	Enterprises of Key managerial Persons	Total
Sales					
2012-2013	48.18	-	-	121.03	169.21
2011-2012	-	-	-	210.73	210.73
2010-2011	-	-	-	119.11	119.11
Purchases other than traded goods					-
2012-2013	-	-	-	161.87	161.87
2011-2012	-	-	-	-	-
2010-2011	-	-	-	6.12	6.12
Remuneration					-
2012-2013	-	72.86	-	-	72.86
2011-2012	-	105.76	-	-	105.76
2010-2011	-	65.09	-	-	65.09
Office Rent					-
2012-2013	-	24.48	30.13	6.12	60.73
2011-2012	-	31.01	38.59	4.32	73.92
2010-2011	-	31.02	36.57	4.32	71.91
Interest					-
2012-2013	-	-	37.08	-	37.08
2011-2012	-	-	16.17	-	16.17
2010-2011	-	-	7.59	-	7.59
Loans Taken					-
2012-2013	-	131.00	111.35	-	242.35
2011-2012	-	75.00	117.50	-	192.50
2010-2011	-	80.00	30.00	-	110.00
Loans Repaid					-
2012-2013	-	82.00	7.00	-	89.00
2011-2012	-	79.36	-	350.00	429.36
2010-2011	-	73.00	-	-	73.00
Investment					-
2012-2013	238.39	-	-	-	238.39
2011-2012	-	-	-	-	-
2010-2011	-	-	-	-	-
Advance Given					-
2012-2013	125.00	-	-	-	125.00
2011-2012	-	-	-	-	-
2010-2011	-	-	-	-	-

Note - 29 : Contingent Liabilities as restated

Claims against the Company not acknowledged as debt:			(Rs in Lakhs)
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Disputed Liability in respect of Tax demands	83.02	173.11	95.43
Disputed Liability in respect of CENVAT Credit*	180.32	Nil	Nil
Disputed Liability in respect of Sales Tax demands	60.14	91.82	91.82
Disputed Liability in respect of FSA charges and penal charges payable to APCPDCL	68.79	68.79	68.79
Capital Commitments	263.06	Nil	Nil
Corporate Guarantee to Associate Company	3,486.37	3,844.65	1,678.82
Bank Guarantees issued by the company	124.31	40.69	58.32

* does not include penalty amount of ₹180.32 lakhs

DRAFT LETTER OF OFFER*December 30, 2015**For Eligible Equity Shareholders of our Company Only*

Note - 30 : Value of Imported and Indigenous Raw Materials and Consumables Stores as restated											(Rs in Lakhs)	
Particulars	Raw Material						Consumable stores					
	2012-13		2011-12		2010-11		2012-13		2011-12		2010-11	
	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.
Imported	-	-	0.28	11.28	0.28	11.28	0.27	2.50	0.03	0.29	0.03	0.29
Indigenous	10	5079.4	99.72	4,059.6	99.72	4,059.6	99.73	910.6	99.97	1,038.0	99.97	1,038.0
	0	1		7		7		3		4		4
Total	10	5079.4	100.0	4,070.9	100.0	4,070.9	100.0	913.1	100.0	1,038.3	100.0	1,038.3
	0	1	0	5	0	5	0	3	0	3	0	3

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter entitled “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition and results of operations.

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Anjani Portland Cement Limited, our Company.

Unless otherwise indicated, financial information included herein are based on our Restated Standalone Financial Statements for the quarter ended June 30, 2015, Fiscals 2011, 2012, 2013, 2014 and 2015 and our Restated Consolidated Financial Statements for Fiscals 2011, 2012 and 2013 included in this Draft Letter of Offer beginning on pages 123 and 159, respectively. Our Company did not have any subsidiaries after Fiscal 2013, and accordingly Restated Consolidated Financial Statements have only been prepared for Fiscals 2011, 2012 and 2013.

OVERVIEW OF OUR BUSINESS

Our Company is part of the Chettinad group which is one of the prominent business houses in South India with diverse businesses including cement manufacturing, transportation, logistics and supply chain management and construction.

Our Company is one of the more prominent small-sized cement manufacturing companies in South India. Our Company commenced its cement manufacturing operations in 1999 with an installed production capacity of 1,98,000 TPA, with one production plant. As on October 31, 2015, we operate two production lines in our Cement Plant with an installed production capacity of 11,60,000 TPA. Our Company manufactures both OPC and PPC. This classification of cement is based on its composition which ultimately determines the usage. Within OPC there are different grades of cement based on the minimum compressive strength gained by the cement-sand mortar mix in 28 days’ time. We manufacture 53 grade and 43 grade in OPC. Further, on September 24, 2015, we introduced a new product i.e. rapid hardening portland cement.

The principal raw materials used by our Company for cement manufacturing process are limestone, gypsum, iron ore, laterite and fly ash.

Our installed cement manufacturing capacity and production details for Fiscals 2013, 2014 and 2015 have been set out below.

(Figures in TPA)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Installed capacity	11,60,000	11,60,000	11,60,000
Actual Production			
OPC 53	3,46,375	3,76,926	3,36,071
OPC 43	1,09,947	1,31,646	1,14,052
PPC	1,99,574	2,92,533	3,87,870
Total Production	6,55,896	8,01,105	8,37,993

Our Company operates an integrated cement manufacturing facility in Nalgonda District, Telangana, which is located approximately 220 kilometres from Hyderabad. Telangana, and in particular, Nalgonda District is a repository of high-quality limestone which is an essential raw material for the manufacture of cement. As of date, we operate two limestone mines situated in Chintalapalem village, in Nalgonda District, with reserves (including probable reserves) of approximately 43 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 53 million tonnes.

Our manufacturing facility uses a significantly automated production process installed using SIEMENS PCS7-CEMAT distribution control system with round-the-clock monitoring, sampling and analysis of cement production through its stages from mining to packing.

Our manufacturing facility comprises of two (2) lines.

Line 1

Line 1 was set up in 1999 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 4,00,000 TPA.

Line 2

Line 2 was set up in 2010 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 7,60,000 TPA.

Both lines are equipped with RABH technology to minimize pollution and to ensure a dust free environment at our manufacturing facility. RABH is a state-of-the-art technology with high dust collection efficiency for respirable dust. It is preferred system for high temperature operations.

Our manufacturing facility has been granted various accreditations including ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001: 2007.

Our Company's total revenue as restated in Fiscal 2015, Fiscal 2014 and Fiscal 2013 was ₹ 26,080.08 lakhs, ₹ 28,244.93 lakhs and ₹ 28,894.27 lakhs, respectively. Our Company's profit after tax as restated in Fiscal 2015, Fiscal 2014 and Fiscal 2013 was ₹ 1,671.26 lakhs, ₹ (1,859.73) lakhs and ₹ 321.09 lakhs, respectively. Our total revenue as restated in the three months ended June 30, 2015, was ₹ 8,791.83 lakhs.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF THE OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled '*Risk Factors*' on page 14 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Demand for cement

Our Company is heavily reliant on demand for cement from industries such as housing and construction industry and other infrastructure related projects particularly in Telangana, Andhra Pradesh and the eastern region of India. Demand in the eastern region has been largely driven by infrastructure and housing development and implementation of several industrial projects in the mineral resource-rich states such as Odisha, Jharkhand and Chhattisgarh. Odisha, in particular, is one of the major consumers of cement in the eastern part of India. In addition, the eastern region is already witnessing an inbound flow of cement and the price of cement in this region has grown at a CAGR of 6% over the past five (5) years i.e. between Fiscal 2011 to Fiscal 2015 (Source: '*Crisil - Cement – Annual Review 2015*').

Competition and prices

The competition from domestic cement producers, many of whom are expanding capacities, may lower the market price of cement in future. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share at our expense in markets in which we are focused. Further, any consolidation amongst our competitors could have an impact on the level of competition.

Power and fuel cost

Power costs, together with fuel costs for coal and fuel oil, generally comprise the largest portion of our Company's total expenditures. Our Company has since Fiscal 2010 started using alternate sources of energy like industrial wastes instead of coal. During Fiscal 2015, our Company used alternate fuel sources to substitute coal to an extent of 20.15% of our total fuel requirement. Nevertheless, coal still remains our primary source of fuel. Fluctuations in the prices of fuel oil, coal and power, therefore, have, and will continue to have, a significant direct impact on our results of operations.

Taxation

The Government of India may from time to time implement new policies using economic or administrative means to regulate the cement industry. Cement in India is a highly taxed commodity with various taxes and levies comprising a significant portion of the end-user price. The key levies on cement are excise duty and sales tax or value added tax.

Other factors

Besides the four broad factors, as mentioned above and except as otherwise stated in this Draft Letter of Offer, the following factors could cause actual results to differ materially from the expectations:

1. Changes in fiscal, economic or political conditions in India;
2. Company's ability to successfully implement its strategy and its growth and expansion plans;
3. Increasing competition in the construction industry;
4. Increase in labour costs, raw materials prices, prices of plant and machineries and insurance premia;
5. Changes in the value of the Indian rupee and other currencies;
6. Regulatory changes pertaining to the industry in which our Company operates and its ability to respond to them; and
7. Our Company's ability to obtain financing on favourable terms.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in the Restated Financial Statements.

Revenue recognition

Income from sale of goods is recognized at the point of dispatch to customers except in the case of consignment agents where the revenue is recognized only after sale is effected by the consignment agent. Sale value includes excise duty and freight wherever applicable.

Fixed assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / installed / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities/creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets up to the time they are completed.

Depreciation

Depreciation is provided on the straight line method based on the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Investments

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature.

Current investments are valued at the cost or market value, whichever is lower.

Borrowing costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that our Company incurs in connection with borrowing of funds.

Accounting for leases

Rentals in respect of leased premises are charged to profit and loss account.

Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.

Employee benefits

Defined contribution plan

Retirement benefits in the form of provident fund are defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contribution to the respective funds become due.

Defined benefit plan

Compensated absences

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the balance sheet date. Actuarial gains / losses are immediately recognized in the profit and loss account.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each Financial Year. Our Company has taken a group gratuity cum insurance policy with LIC, for future payment of gratuity to the employees. Our Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end.

Superannuation

Retirement benefits in the form of superannuation fund are defined contribution scheme and the contribution is charged to the profit and loss account of the year.

Taxes on income

Current tax

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of being reversed in the subsequent period/s, subject to the consideration of prudence.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account

Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed when our Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent assets are neither recognized nor disclosed in the financial statements.

Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

RESULTS OF OPERATIONS

The following table shows a breakdown of our results of operations and each item as a percentage of total income for the periods indicated:

(₹ in lakhs)

Particulars	Fiscal 2015		Fiscal 2014		Fiscal 2013		Fiscal 2012	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
REVENUE								
Revenue from sale of products	25,859.40	99.15	27,583.85	97.66	28,419.62	98.36	29,041.65	97.92
Other operating income	107.28	0.41	479.06	1.70	384.37	1.33	567.59	1.91
Total revenue from operations	25,966.68	99.57	28,062.91	99.36	28,803.99	99.69	29,609.24	99.83
Other income	113.40	0.43	182.02	0.64	90.29	0.31	50.38	0.17
Total revenue (A)	26,080.08	100.00	28,244.93	100	28,894.27	100.00	29,659.61	100
EXPENSES								
Cost of materials consumed	3,610.84	13.85	4,139.62	14.66	4,274.83	14.79	3,832.13	12.92
Purchase of stock-in-trade	Nil	Nil	59.54	0.21	107.08	0.37	10.41	0.04

Changes in inventories of finished goods and work-in-progress	525.72	2.02	401.84	1.42	(875.76)	-3.03	809.03	2.73
Employee benefits expense	1,501.77	5.76	1,446.87	5.12	1,329.06	4.60	1,245.75	4.20
Other expenses								
a) Power and fuel	8,080.54	30.98	10,295.27	36.45	9,880.53	34.20	8,903.46	30.02
b) Selling and distribution expenses	5,199.38	19.94	6,638.99	23.51	7,021.57	24.30	6,701.79	22.60
c) Others	1,925.52	7.38	2,971.98	10.52	1,801.09	6.23	1,618.97	5.46
Total Expenses (B)	20,843.77	79.92	25,954.11	91.89	23,538.40	81.46	23,121.54	77.96
Earnings Before Interest, Depreciation and Amortisation (A) -(B)	5,236.31	20.08	2,290.82	8.11	5,355.88	18.54	6,538.07	22.04
Finance costs	2,779.87	10.66	3,538.06	12.53%	3,445.68	11.93	3,333.59	11.24
Depreciation	1,059.37	4.06	1,492.07	5.28%	1,437.19	4.97	1,406.11	4.74
Profit/(Loss) before tax	1,397.07	5.36	(2,739.31)	-9.70	473.01	1.64	1,798.37	6.06
Tax expense:								
Current tax	36.04	0.14	Nil	Nil	94.65	0.33	359.85	1.21
Less : MAT credit entitlement	(36.04)	(0.14)	Nil	Nil	(94.65)	(0.33)	(359.85)	(1.21)
Net Current tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deferred tax	(274.19)	(1.05)	(879.58)	(3.11)	151.91	0.53	232.93	0.79
Profit/(Loss) After Tax	1,671.26	6.41	(1,859.73)	(6.58)	321.09	1.11	1,565.43	5.28

Principal components of our statement of profit and loss account

Revenue

Our total revenue for the Fiscals 2015, 2014 and 2013 was ₹ 26,080.08 lakhs, ₹ 28,244.93 lakhs and ₹ 28,894.27 lakhs, respectively. Further, our total revenue for the three months ended June 30, 2015, was ₹ 8,791.83 lakhs.

Our revenue comprises:

1. Revenue from operations

Our revenue from operations comprises revenue from the sale of products and other operating revenue. Our revenue from sale of products primarily comprises revenue from the sale of cement primarily to our dealers. In addition, revenue from the sale of clinker forms an insignificant part of our revenue. We seldom sell clinker that our Company manufactures. Our other operating revenues primarily comprise sale of scrap and sales tax incentive received from the state industries department. In addition, in Fiscals 2014 and 2013, our Company received management fees from our erstwhile group company Vennar Ceramics Limited. During Fiscal 2014, our Company divested its entire shareholding in Vennar Ceramics Limited.

2. Other revenue

Other revenue comprises of interest on deposits, profit on sale of investments and profit on the sale of assets.

Expenses

Our total expenses for Fiscal 2015, 2014 and 2013 were ₹ 24,683.01 lakhs, ₹ 30,984.24 lakhs and ₹ 28,421.27 lakhs, respectively. Further, our total expenses for the three months ended June 30, 2015, were ₹ 7,966.39 lakhs. Our expenses primarily comprise cost of materials consumed, power and fuel expenses, employee benefit expenses, finance costs, depreciation and other expenses. Expenses that are primarily fixed in nature include insurance, rent, repair and maintenance and taxes.

Cost of materials consumed

The cost of materials consumed in the manufacture of cement primarily comprises cost of raw materials such as limestone, laterite, gypsum, iron ore, fly ash and packing materials.

Employee benefit expenses

Employee benefit expense consists of salaries and wages, contributions to provident fund and other funds and employee welfare expenses and Director remuneration.

Finance cost

Finance cost comprises interest expense and other borrowing costs. Interest expense, generally, comprises interest on term loans, non-convertible debentures, unsecured loans and working capital loans. Other borrowing costs relate to fees charged by banks for various transactions, including those related to the issuance of demand drafts, processing fees and cash management.

Depreciation

Depreciation and amortization expense comprise depreciation of our buildings, plant and machinery, computers, software, furniture and fixtures, office equipment and vehicles.

Other expenses

Other expenses comprise manufacturing expenses, selling and distribution and administrative expenses. Manufacturing expenses comprise power and fuel expenses, stores and spares, obsolete stocks written-off, direct manufacturing expenses, repairs and maintenance of plant and machinery and buildings. Selling and distribution expenses include freight charges, freight on consignment sales, product promotion expenses and trade discounts. Administrative expenses include insurance, rent, rates and taxes, travelling and conveyance expenses, communication expenses and office maintenance expenses.

Tax expenses

Current tax

We are liable to pay taxes under the Minimum Alternate Tax (**MAT**) (as defined under Section 115JB of the Income Tax Act) primarily because of certain unabsorbed depreciation and carried forward losses. MAT is a tax on book profits that was introduced by the Government commencing from Fiscal 1997. MAT is applicable only if the tax payable under the MAT provisions is greater than the tax on taxable income calculated at the normal rates. The provision for tax is, therefore, calculated at the effective rate of 20.96% for Fiscal 2015.

Deferred tax

Deferred tax arises from timing differences between book profits and taxable (accounting) profits that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using tax rates and laws that have been enacted or substantively enacted as on the date of the balance sheet. We provide for deferred tax liability on such timing differences, subject to prudent considerations in respect of deferred tax assets. The significant timing differences include the difference in depreciation charged to the statement of profit and loss and the depreciation claimed under the Income Tax Act, the items of expenditure covered under section 43B of the Income Tax Act and the unabsorbed depreciation and carried forward losses.

Fiscal 2015 compared to Fiscal 2014

Revenue

Revenue from sale of products

Our revenue from sale of products decreased by 6.25% from ₹ 27,583.85 lakhs in Fiscal 2014 to ₹ 25,859.40 lakhs in Fiscal 2015 due to reduction in the quantity of cement sold from 8,01,019 MT in Fiscal 2014 to 6,50,198 MT in Fiscal 2015.

Other operating income

Our other operating income decreased by 77.61% from ₹ 479.06 lakhs in Fiscal 2014 to ₹ 107.28 lakhs in Fiscal 2015 primarily due to the reduction in sales tax incentives and discontinuation of management services fee from the erstwhile group company of our Company viz. Vennar Ceramics Limited.

Other income

Our other income decreased by 37.70% from ₹ 182.02 lakhs in Fiscal 2014 to ₹ 113.40 lakhs in Fiscal 2015 due to the profit on sale of investment in subsidiary/associate in Fiscal 2014.

Expenditure

Cost of materials consumed

Our expenditure on material consumed decreased by 12.77% from ₹ 4,139.62 lakhs in Fiscal 2014 to ₹ 3,610.84 lakhs Fiscal 2015 on account of lower production levels due to reduced demand for cement in Fiscal 2015.

Purchase of stock in trade

Our expenditure on the purchase of stock in trade decreased from ₹ 59.54 lakhs in Fiscal 2014 to 'Nil' in Fiscal 2015. While in Fiscal 2014, our Company purchased cement of ₹ 59.54 lakhs from one of the grinding units in Goa and sold the same under 'Anjani' brand name was however discontinued during Fiscal 2015.

Employee benefit expenses

Our employee benefit expenses increased by 3.79% from ₹ 1,446.87 lakhs in Fiscal 2014 to ₹ 1,501.77 lakhs in Fiscal 2015 primarily on account of increase in salaries in Fiscal 2015.

Other expenses

The cost of power and fuel decreased by 21.51% from ₹ 10,295.27 lakhs in Fiscal 2014 to ₹ 8,080.54 lakhs in Fiscal 2015, on account of improved operational efficiency including reduction in the consumption of power and coal. Further, during the Fiscal 2014, our Company was required to pay a one-time additional levy of fuel surcharge. In addition, our selling and distribution expenses reduced by 21.68% from ₹ 6,638.99 lakhs in Fiscal 2014 to ₹ 5,199.38 in Fiscal 2015 primarily due to reduced sales turnover of cement.

Finance cost

Finance cost decreased by 21.43% from ₹ 3,538.06 lakhs in Fiscal 2014 to ₹ 2,779.87 lakhs in Fiscal 2015 primarily due to a restructuring of our then existing financing arrangements through a fresh term loan from HDFC Bank Limited and issue of NCDs.

Depreciation

Our depreciation expenses decreased by 29% from ₹ 1,492.07 lakhs in Fiscal 2014 to ₹ 1,059.37 lakhs in Fiscal 2015 due to change in the estimation of the useful life of plant and machinery from 18 years to 25 years. The change in estimation is based on our management's assessment.

Profit before tax

Our profit before tax increased from ₹ (2,739.31) lakhs in Fiscal 2014 to ₹ 1,397.07 lakhs in Fiscal 2015 primarily due to decrease in fuel and finance costs.

Tax expenses

During the Fiscal 2014, there were no tax expenses and in Fiscal 2015 the tax expenses were at ₹ 36.04 lakhs due to higher profits of our Company.

Profit / (Loss) after tax (Net Profit)

Our Net Profit increased significantly from ₹ (1,859.73) lakhs in Fiscal 2014 to ₹ 1,671.26 lakhs in Fiscal 2015 primarily due to increase in the selling price of cement from ₹ 3,286 per tonne in Fiscal 2014 to ₹ 3,832 per tonne in Fiscal 2015.

Fiscal 2014 compared to Fiscal 2013

Revenue

Revenue from sale of products

Our revenue from sale of products decreased by 2.94% from ₹ 28,419.62 lakhs in Fiscal 2013 to ₹ 27,583.85 lakhs in Fiscal 2014 due to a reduction in the quantity of cement sold from 8,40,872 MT in Fiscal 2013 to 8,01,019 MT in Fiscal 2014.

Other operating income

Our other operating income increased by 24.64% from 384.37 lakhs in Fiscal 2013 to ₹ 479.06 lakhs in Fiscal 2014 primarily due to an increase in management fee received from Vennar Ceramics Limited, our Company's erstwhile subsidiary, and an increase in sales tax incentive.

Other income

Our other income increased from ₹ 90.29 lakhs in Fiscal 2013 to ₹ 182.02 lakhs in Fiscal 2014 due to the profit on sale of investment in subsidiary/associate in Fiscal 2014.

Expenditure

Cost of materials consumed

Our expenditure on materials consumed decreased by 3.16% from ₹ 4,274.83 lakhs in Fiscal 2013 to ₹ 4,139.62 lakhs primarily on account of decrease in production levels in Fiscal 2014 compared to Fiscal 2013.

Purchase of stock in trade

Our expenditure on the purchase of stock in trade decreased by 44.40% from ₹ 107.08 lakhs in Fiscal 2013 to ₹ 59.54 lakhs in Fiscal 2014 due to reduction in the quantity of cement purchased from one of the grinding units in Goa which was then sold under the 'Anjani' brand name.

Employee benefit expenses

Our employee benefit expenses increased by 8.86% from ₹ 1,329.06 lakhs in Fiscal 2013 to ₹ 1,446.87 lakhs in Fiscal 2014 primarily on account of increase in salaries in Fiscal 2014.

Other expenses

The cost of power and fuel increased by 4.20% from ₹ 9,880.53 lakhs in Fiscal 2013 to ₹ 10,295.27 lakhs in Fiscal 2014, due to an increase in the electricity tariff i.e., the per unit cost of electricity, and an increase in the price of coal. In addition, our selling and distribution expenses reduced by 5.45% from ₹ 7,021.57 lakhs in Fiscal 2013 to ₹ 6,638.99 lakhs in Fiscal 2014 primarily on account of reduction in freight cost due to reduced sales turnover. Further, other expenses increased by 65.01% from ₹ 1,801.09 lakhs in Fiscal 2013 to ₹ 2,971.98 lakhs in Fiscal 2014 primarily on account of write off of obsolete stores and spares and impairment of assets in Fiscal 2014.

Finance cost

Our finance cost increased marginally from ₹ 3,445.68 lakhs in Fiscal 2013 to ₹ 3,538.06 lakhs in Fiscal 2014 due to increase in discounting charges of domestic letters of credit.

Depreciation

Our depreciation expenses increased marginally from ₹ 1,437.19 lakhs in Fiscal 2013 to ₹ 1,492.07 lakhs Fiscal 2014 due to additions in fixed assets in Fiscal 2014.

Profit / (Loss) before tax

Our profit before tax decreased from ₹ 473.01 lakhs in Fiscal 2013 to ₹ (2,739.31) lakhs in Fiscal 2014 primarily due to increase in fuel and finance costs.

Tax expenses

Since our Company incurred a loss before tax of ₹ (2,739.31) we did not incur any tax expenditure in Fiscal 2014.

Profit / (Loss) after tax (Net Profit)

We incurred a net loss of (1,671.26 lakhs) in Fiscal 2014 as compared to a profit of ₹ 321.09 lakhs in Fiscal 2013 on account of:

1. an increase in the cost of production; and
2. decrease in the net realisation from the sale of cement due to reduction in the selling price of cement from ₹ 3,298 per tonne in Fiscal 2013 to ₹ 3,286 per tonne in Fiscal 2014.

Fiscal 2013 compared to Fiscal 2012

Revenue

Revenue from sale of products

Our revenue from sale of products decreased by 2.14% from ₹ 29,041.65 lakhs in Fiscal 2012 to ₹ 28,419.62 lakhs in Fiscal 2013 due to a reduction in the selling price of cement from ₹ 3,598 per tonne in Fiscal 2012 to ₹ 3,298 per tonne in Fiscal 2013. The fall in the selling price was due to adverse market conditions.

Other operating income

Our other operating income decreased by 32.28% from ₹ 567.59 lakhs in Fiscal 2012 to ₹ 384.37 lakhs in Fiscal 2013 primarily due to a decrease in sales tax incentive and lower sales of scrap.

Expenditure

Cost of materials consumed

Our expenditure on materials consumed increased by 11.55% from ₹ 3,832.13 lakhs in Fiscal 2012 to ₹ 4,274.83 lakhs in Fiscal 2013 primarily on account of an increase in production levels in Fiscal 2013 compared to Fiscal 2012.

Purchase of stock in trade

Our expenditure on purchase of stock in trade increased by 928.63% from ₹ 10.41 lakhs Fiscal 2012 to ₹ 107.08 lakhs in Fiscal 2013 due to increase in the quantity of cement purchased from one of the grinding units in Goa which was then sold under the 'Anjani' brand name.

Employee benefit expenses

Our employee benefit expenses increased by 6.69% from ₹ 1,245.75 lakhs in Fiscal 2012 to ₹ 1,329.06 lakhs in Fiscal 2013 on account of increase in salaries in Fiscal 2013.

Other expenses

The cost of power and fuel increased by 10.97% from ₹ 8,903.46 lakhs in Fiscal 2012 to ₹ 9,880.53 lakhs in Fiscal 2013, due to an increase in the electricity tariff i.e., the per unit cost of electricity, increase in consumption of electricity and increase in the consumption of coal. In addition, our selling and distribution expenses increased by 4.77% from ₹ 6701.79 lakhs in Fiscal 2012 to 7021.57 lakhs in Fiscal 2013 due to higher discounts on the per bag sale of cement and write-off of certain bad debts Fiscal 2013. Further, other expenses increased by 11.25% from ₹ 1,618.97 lakhs in Fiscal 2012 to ₹ 1,801.09 lakhs in Fiscal 2013 primarily on account of higher production levels in Fiscal 2013.

Finance cost

Our finance cost increased marginally from ₹ 3,333.59 lakhs in Fiscal 2012 to ₹ 3,445.68 lakhs in Fiscal 2013 due to an increase in utilization of working capital limits in Fiscal 2013 as compared to Fiscal 2012.

Depreciation

Our depreciation expenses increased marginally from ₹ 1,406.11 lakhs in Fiscal 2012 to ₹ 1,437.19 lakhs in Fiscal 2013 due to certain additions in fixed assets in Fiscal 2013.

Profit before tax

Our profit before tax decreased by 73.70% from ₹ 1,798.37 lakhs in Fiscal 2012 to ₹ 473.01 lakhs in Fiscal 2013 primarily due to increase in fuel and finance costs and reduction in sale price realisation.

Tax expenses

Our tax expense reduced from ₹ 359.85 lakhs in Fiscal 2012 to ₹ 94.65 lakhs in Fiscal 2013 due to reduction in profits of our Company in Fiscal 2013.

Profit / (Loss) after tax (Net Profit)

Our Net Profit decreased from ₹ 1,565.44 lakhs in Fiscal 2012 to ₹ 321.09 lakhs in Fiscal 2013 on account of:

1. an increase in the cost of production; and
2. decrease in the net realisation from the sale of cement due to reduction in the selling price of cement from ₹ 3,598 per tonne in Fiscal 2012 to ₹ 3,298 per tonne in Fiscal 2013.

Restatement adjustments and material re-groupings

The following table sets forth certain information on the material restatement adjustments reflected in our audited restated financial statements for Fiscal 2013 and 2014 and 2015:

(in ₹ lakhs)

Particulars	Three months ended June 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net profit as per audited financial statements (A)	671.14	1,671.26	(1,934.84)	309.11
Adjustments to net profit as per audited financial statements				
(a) Depreciation	Nil	Nil	(1.16)	(3.39)
(b) Excess payments recovered	Nil	Nil	Nil	13.20
(c) Other income	Nil	Nil	(30.31)	Nil
(d) Current tax	Nil	Nil	106.22	1.13
(e) Deferred tax	Nil	Nil	0.36	1.05
Total of adjustments (B)	Nil	Nil	75.11	11.99
Restated profit (A + B)	671.14	1,671.26	(1,859.73)	321.09

For further information on the restatement adjustments specified above, please 'Financial Statements - Annexure I' at page 128 of this Draft Letter of Offer.

Liquidity and capital resources

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

(in ₹ lakhs)

Particulars	For the three months ended June 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net cash from/(used in) operating activities	2,985.87	1,104.31	7,399.13	4,323.90
Net cash from/(used in) investing activities	(20.90)	(286.80)	1,881.61	(976.40)
Net cash from financing activities	(2784.42)	(993.47)	(9,171.49)	(3,332.69)
Net increase/(decrease) in cash and cash equivalents	180.55	(175.96)	109.25	14.81

Operating activities

Operating activities comprises of profit for the year before interest and finance charges, changes in working capital and further adjustment for noncash items which are in profit and loss account.

There was a decrease in net cash flow from operating activities in Fiscal 2015 compared to Fiscal 2014, even though there was an increase in profitability in Fiscal 2015 the reduction in current liabilities leads to overall reduction in net cash flow from operating activities.

There was an increase in net cash flow from operating activities in Fiscal 2014 compared to Fiscal 2013, even though there was a decrease in profitability in Fiscal 2014 the increase in current liabilities leads to overall increase in net cash flow from operating activities.

There was a decrease in net cash flow from operating activities in Fiscal 2013 compared to Fiscal 2012 primarily on account of decreased profitability in Fiscal 2013 compared to Fiscal 2012.

Investing activities

Investing activities comprises of purchase/sale of fixed assets, and any sale or purchase of investments.

There was a decrease in net cash flow from investing activities in Fiscal 2015 compared to Fiscal 2014, The decrease was primarily on account of sale proceeds received towards dis investment of subsidiaries in Fiscal 2014 and Sale proceeds received towards sale of fixed assets in Fiscal 2014 and the same was not in Fiscal 2015.

There was an increase in net cash flow from investing activities in Fiscal 2014 compared to Fiscal 2013, the increase was primarily on account of sale proceeds received towards disinvestment of subsidiaries and Sales proceeds received towards sale of fixed assets in Fiscal 2014.

There was an increase in net cash flow from investing activities in Fiscal 2013 compared to Fiscal 2012 primarily on account of less outflow towards fixed assets in Fiscal 2013 compared to Fiscal 2012.

Financing activities

Financing activities comprises of interest and finance charges, inflow or outflow of loans and dividend paid by our Company.

There was a decrease in outflow from financing activities in Fiscal 2015 compared to Fiscal 2014, primarily on account of decrease in interest and finance charges and reduction in cash credit utilization in Fiscal 2015 compared to Fiscal 2014. The reason for higher outflow in Fiscal 2014 is on account of repayments of unsecured loans.

There was an increase in outflow from financing activities in Fiscal 2014 compared to Fiscal 2013 primarily on account of repayments of unsecured loans.

There was a decrease in outflow from financing activities in Fiscal 2013 compared to Fiscal 2012. The decrease in outflow was, to a certain extent, compensated by higher utilization of cash credit in Fiscal 2013.

Indebtedness

As on October 31, 2015, we had availed of loans aggregating ₹ 14,100.00 lakhs of which ₹ 13,071.47 lakhs were outstanding. Of the said amounts, loans aggregating ₹ 12,971.47 lakhs were secured and the remainder of ₹ 100.00 lakhs were unsecured. For further information, please see the chapter entitled '*Financial Indebtedness*' on page 192 of this Draft Letter of Offer.

Contractual obligations and commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of June 30, 2015:

Particulars	For the three months ended June 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Estimated amount of contracts remaining to be executed on account of capital and not provided for	120.25	282.36	387.32	250.31

Contingent liabilities and off-balance sheet arrangements

The following table sets forth certain information relating to our contingent liabilities:

Particulars	As on June 30, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Disputed liability in respect of income tax demands	295.35	295.35	295.35	83.02
Disputed liability in respect of CENVAT credit*	180.32	180.32	180.32	180.32
Disputed liability in respect of FSA charges and Penal Charges to APCPDCL	138.18	239.46	450.11	68.79
Disputed liability in respect of customs relating to coal**	130.46	130.46	9.16	-
Disputed liability in respect of service tax***	3.36	3.36	3.36	-
Corporate guarantee given to erstwhile subsidiary and associate companies	-	-	4,448.00	3,486.37
Bank guarantee	131.79	131.79	81.16	124.31
Total	879.46	980.74	5,467.46	3,942.81

* does not include penalty amount of ₹180.32 lakhs

** does not include penalty amount of ₹103.70 lakhs

*** does not include penalty amount of ₹2.19 lakhs

Except as disclosed above or in our restated consolidated financial statements included in this Draft Letter of Offer, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to Investors. We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related party transactions

Our Company enters into various transactions with related parties. These transactions include purchase and sale of goods and services. For further details of the related party transactions, please see the chapter entitled 'Financial Statements' on page 120 of this Draft Letter of Offer.

Interest service coverage ratio

The interest service coverage ratio, which we define as earnings before interest and tax (EBIT) divided by interest cost) for Fiscal 2013, Fiscal 2014 and Fiscal 2015 was 1.14, 0.23 and 1.50, respectively.

Changes in accounting policies

Our Company has not changed its accounting policies in the last five Financial Years.

Qualifications and matters of emphasis

Our Financial Statements do not contain any qualifications, reservations and matters of emphasis by our statutory auditors in their audit reports relating to the respective periods.

Quantitative and qualitative disclosures about market risk

Interest rate risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to an extent by debt, and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on

the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Credit risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Commodity price risk

We are exposed to the price risk associated while purchasing coal which is an essential component of our power and fuel cost. Though we have a fuel supply agreement with Singareni Collieries Company Limited for 5 years, it does not generally suffice the coal supply requirements of our Company. Therefore fluctuations in the price and availability of coal may adversely affect our business and results of operations. For further information, please see the section entitled '*Risk Factors*' on page 14 of this Draft Letter of Offer.

Exchange rate risk

Changes in currency exchange rates may indirectly influence our results of operations. Our Company uses coal that is procured from the international markets, specifically South Africa, Australia and Indonesia, by importers of coal in India. Since our purchase is in Indian Rupees. Consequently, any depreciation of the Indian Rupee against the U.S. Dollar and other foreign currencies may increase the cost of the imported coal, which may adversely affect our results of operations by increasing the cost of raw materials.

Unusual or infrequent events or transactions

Except as described in this Draft Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as '*unusual*' or '*infrequent*'.

Known trends or uncertainties

Other than as described in this Draft Letter of Offer, particularly in the sections entitled '*Risk Factors*' and chapter entitled '*Management Discussion and Analysis of Financial Conditions and Results of Operations*' on pages 14 and 174 of this Draft Letter of Offer, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future relationship between cost and income

Other than as described elsewhere in the sections entitled '*Risk Factors*', and chapters entitled '*Our Business*' and '*Management Discussion and Analysis of Financial Conditions and Results of Operations*' on pages 14, 84, and 174 of this Draft Letter of Offer, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of business

Our Company's business is not seasonal.

Significant dependence on a single or few customers or suppliers

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically we are not dependent on single or a few customers. In Fiscal 2013, 2014 and 2015, sales to our top five customers each year, represented 4.89%, 0.89% and 3.89%, respectively, of our total revenue in such periods, while sales to our largest customer represented 1.52%, 0.19% and 0.87%, respectively, of our total revenue in such periods.

Competitive condition

We operate in a competitive environment. Please refer to the sections entitled '*Risk Factors*', and chapters entitled '*Industry Overview*' and '*Our Business – Competition*' on pages 14, 77, and 94 of this Draft Letter of Offer, respectively.

Significant developments after June 30, 2015 that may affect our future results of operations

No circumstances have arisen since the date of the last Restated Financial Statements as disclosed in this Draft Letter of Offer which materially and adversely affects or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Restated Financial Statements as disclosed in this Draft Letter of Offer.

There is no development subsequent to June 30, 2015 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company. For further details, please see the chapter entitled '*Capital Structure*' on page 49.

WORKING RESULTS

In accordance with Circular No.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, our working results on a standalone basis for the period from July 1, 2015 till, October 31, 2015 are set out in the table below:

(₹ in lakhs)

Particulars	Amount
Sales/ Turnover	11,865.62
Other Income	23.74
Total Income	11,889.36
Estimated gross profit/ (loss) (excluding depreciation/amortization and taxes)	2,349.96
Provision for depreciation/amortization	566.16
Provision for taxes (current tax and deferred tax)	783.77
Estimated Net Profit/ (Loss)	1,000.03

MARKET PRICE INFORMATION

Our Company is listed and its Equity Shares are traded on the BSE.

Stock Market Data of the Equity Shares

The high and low closing prices recorded on BSE during the last three (3) years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below.

Financial Year	High			Low			Average Price for the year (₹)
	Date	Price (₹)	Volume	Date	Price (₹)	Volume	
2013	April 4, 2012	36.70	4,547	March 28, 2013	19.55	6,159	28.13
2014	March 14, 2014	60.70	1,49,439	July 26, 2013	13.05	1,135	36.88
2015	February 19, 2015	146.10	34,184	August 6, 2014	45.00	129	95.50

(Source: www.bseindia.com)

Prices for the last six (6) months

The high and low prices and volume of Equity Shares traded on the respective dates during the last six (6) months, on the BSE, are stated as under:

Month, Year	High			Low			Average Price for the month (₹)
	Date	Price (₹)	Volume	Date	Price (₹)	Volume	
November, 2015	November 30, 2015	232.90	40,096	November 9, 2015	170.00	8,375	201.45
October, 2015	October 28, 2015	209.00	82,263	October 1, 2015	139.00	3,103	174.00
September, 2015	September 24, 2015	150.10	796	September 4, 2015	116.50	2,251	133.30
August, 2015	August 5, 2015	201.70	47,132	August 25, 2015	125.50	3,636	163.60
July, 2015	July 28, 2015	181.90	7491	July 1, 2015	105.00	8,343	143.45
June, 2015	June 1, 2015	148.40	27,445	June 29, 2015	101.10	4,404	249.50

(Source: www.bseindia.com)

The Board of Directors of our Company has approved the Issue at their meeting held on April 29, 2015. The high and low prices of our Company's shares as quoted on the BSE on April 30, 2014, the day on which the trading happened immediately following the date of the Board Meeting is as follows:

Date	Volume (Nos.)	High (₹)	Low (₹)
April 30, 2015	3,543	112.90	100.00

(Source: www.bseindia.com)

Volume of Shares traded in the last six (6) months

The volume of Equity Shares traded in the scrip of our Company during the last six (6) months, on the BSE, is as follows:

Month	Volume (in number of shares)
November, 2015	1,65,707
October, 2015	2,37,069
September, 2015	64,573
August, 2015	1,95,844
July, 2015	2,84,558
June, 2015	94,561

(Source: www.bseindia.com)

FINANCIAL INDEBTEDNESS

Secured and Unsecured Indebtedness

As on October 31, 2015 we had availed of loans aggregating ₹ 14,100.00 lakhs of which ₹ 13,071.47 lakhs were outstanding. Of the said amounts, loans aggregating ₹ 12,971.47 lakhs were secured and the remainder of ₹ 100.00 lakhs were unsecured.

Secured Indebtedness

As on October 31, 2015 the aggregate secured outstanding indebtedness of our Company is ₹ 12,971.47 lakhs. Set out below are the details of the secured indebtedness:

Particulars	Amount (₹ in lakhs)
Term Loan	6,000.00
Working Capital Limits (fund based limits)	971.47
Non-Convertible Debentures	6,000.00
Total	12,971.47

Term Loan

Set out below are brief details of our term loan facilities.

Name of Lender	Nature of borrowing	Amount sanctioned (in ₹ lakhs)	Amount outstanding as on October 31, 2015 (in ₹ lakhs)	Rate of Interest	Tenure	Repayment	Security
HDFC Bank	Term Loan	6,000	6,000	10.15% per annum (HDFC Bank Base Rate + 80 bps)	5 years including a moratorium of 12 months from August 2014	Repayable in 16 consecutive instalments from the end of the quarter starting after the moratorium of 12 months	First pari passu charge on all movable plant and machinery both present and future consisting of machinery, furniture and others and all plant and machinery which may at any time hereafter belong to us or at our disposal now or at any time. Continuing Corporate

Name of Lender	Nature of borrowing	Amount sanctioned (in ₹ lakhs)	Amount outstanding as on October 31, 2015 (in ₹ lakhs)	Rate of Interest	Tenure	Repayment	Security
							Guarantee from the Promoter

Restrictive Covenants

Under the term loan agreement dated September 2, 2014 our Company is bound by various terms and conditions. Some of the more prominent covenants are set out below.

1. Our Company must maintain the following:
 - a. Minimum tangible net worth of ₹4,500 lakhs and quasi tangible net worth (which includes unsecured loan/group ICD received by our Company as part of the tangible net worth and deduct investment / loan given to group entities) greater than ₹10,000 lakhs.
 - b. The total outside liability / quasi tangible net worth ratio at less than 2.
 - c. Minimum Debt Service Coverage Ratio of 1.1.
2. Further, our Company must not:
 - a. Permit any change in its ownership or control whereby effective beneficial ownership or control may change, without the prior written consent of the bank.
 - b. Effect any material change in the management of the business without prior written consent of the bank
 - c. Make any amendments in its Memorandum and Articles without prior consent of the bank.
 - d. Create, assume or incur any further indebtedness of a long term nature whether for borrowed money or otherwise, except with the prior written consent of the bank.
 - e. Declare any dividend if any instalment towards principal or interest remains unpaid on its due date.
3. Terms of prepayment:
 - a. Prepayment allowed from internal sources after 2 years from the loan availed date.
 - b. Prepayment allowed from other sources after 2 years from the loan availed date.
4. On an event of default, the bank can appoint its nominee as receiver without having resort to a proceeding in a Court, to take possession of the properties of our Company held or to be held by the bank as security for the loan or any other security document executed or to be executed by our Company in favour of the bank.

Working Capital Limits

Our Company has entered into a working capital loan agreement, dated September 2, 2014, with HDFC Bank Limited. As on October 31, 2015, our Company has an aggregate sanctioned limit of ₹3,000 lakhs comprising a fund based limit up to ₹2,000 lakhs, a non-fund based limit up to ₹1,000 lakhs, to meet our working capital requirements. The amounts outstanding as on October 31, 2015, is ₹ 971.47 lakhs and ₹ 121.79 lakhs under the fund based facility and non-fund based facility, respectively.

Set out below are the brief details of our working capital facilities.

Nature of borrowing	Amount sanctioned (in ₹ lakhs except where set out)	Amount outstanding as on October 31, 2015 (in ₹ lakhs)	Rate of Interest/ commission	Tenure	Repayment	Security
Fund based Limit						
Cash credit and working capital demand loan facility	2,000	971.47	10.35% (HDFC Bank Base Rate + 100 bps)	Upto 180 days	Cash Credit - On Demand	First pari passu charge on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise whatsoever being movable properties currently or at any time thereafter and all book debts, outstanding monies receivable, claims and bills which are due or which may at any time during the continuance of the security become due and owing to our Company in the course of business.
Non-Fund based Limit						
Letter of Credit or Buyers Credit	1,000	Nil	As per the prevailing rates	Upto 180 days	-	First pari passu charge on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise whatsoever being movable properties currently or at any time thereafter and all book debts, outstanding monies receivable, claims and bills which are due or which may at any time during the continuance of the security become due and owing to our Company in the course of business.

Bank Guarantee	500*	121.79	As per the prevailing rates	Maximum 12 months	-	First pari passu charge on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise whatsoever being movable properties currently or at any time thereafter and all book debts, outstanding monies receivable, claims and bills which are due or which may at any time during the continuance of the security become due and owing to our Company in the course of business.
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* Within the total non-fund based limit of ₹1,000 lakhs

Restrictive Covenants

Under the working capital loan agreement, our Company is bound by various terms and conditions. Some of the restrictive covenants are set out below:

Our Company must not:

1. Permit any change in its ownership or control which may change our effective beneficial ownership or control, without prior written consent of the bank.
2. Make any amendments to the Memorandum of Association and Articles of Association, without prior written consent of the bank.
3. Assume guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm or corporation except transactions in the ordinary course of business.

Corporate guarantee issued by our Promoter in favour of HDFC Bank Limited

Pursuant to the term loan agreement, dated September 2, 2014, our Company has availed a term loan facility amounting to ₹ 6,000 lakhs from HDFC Bank Limited and *vide* a working capital loan agreement, dated September 2, 2014, our Company has availed a facility comprising of loans not exceeding ₹ 3,000 lakhs for working capital purposes. Our Promoter has entered into a corporate guarantee undertaking to guarantee HDFC Bank Limited performance of all of our Company's obligations under the financing documents. Further, our Promoter has undertaken to immediately pay the outstanding amounts in the event our Company does not pay any amount due under or in connection with the financing documents. Under the agreement, the obligations of our Promoter by way of guarantee, indemnity, payment of default interest or otherwise shall not exceed ₹ 9,000. The obligations are valid till our Company receives a discharge in writing by the HDFC Bank Limited.

Non-Convertible Debentures

On November 14, 2014, our Company allotted '10.50% Anjani Portland Limited 14-Nov-2017' (**Series A NCDs**) and '10.50% Anjani Portland Limited 14-Apr-2018' (**Series B NCDs**) Rated, Taxable, Secured, Guaranteed, Listed, Redeemable, Non-Convertible Debentures (**NCD**) in the form of separately transferable redeemable principal parts of face value of 10,00,000 each at par for cash aggregating ₹ 6,000 lakhs on a private placement basis.

The NCDs are rated AA (*pronounced double A*) by Credit Analysis & Research Limited (**CARE**). Presently, the Series A NCDs is with a term of 3 years at a coupon rate of 10.50% p.a. and Series B NCDs with a term of 3 years and 5 months at a coupon rate of 10.50% p.a. The coupon rates are due and payable on an annual basis and the principal amounts of the NCDs are due at the end of the tenure of the Series A NCDs i.e. November 14, 2017 and Series B NCDs i.e. April 14, 2018.

The NCDs are listed on the BSE. As on October 31, 2015, the amount of interest accrued but not due on the Series A NCDs and Series B NCDs is ₹ 302.92 lakhs and ₹ 302.92 lakhs, respectively.

The funds raised were used to repay existing outstanding loans of our Company. The security for the NCDs is first *pari passu* charge on all movable fixed assets (excluding land) of our Company with minimum security cover of 1.15 times of the outstanding amount, which is to be maintained during the tenor of the NCDs. Further, our Promoter has entered into a corporate guarantee undertaking to guarantee IDBI Debenture Trusteeship Services Limited, being the debenture trustee, performance of all obligations of our Company in respect of the NCDs, including the payment of all amounts due to the debenture holders.

Covenants

Some of the restrictive covenants of the NCDs are set out below:

1. The majority of the debenture holders (i.e. 75%) will have the right to recall the outstanding amount on the NCDs:
 - a. In the event shareholding of our Promoter in our Company falls below 51%; and
 - b. If the Credit Rating of the NCD is downgraded to A by CARE.
2. If our Company or the guarantor is in default under the terms and conditions of any issuances / obligations under other facilities and receives such notice of event of default from lender/Investor, then it shall also constitute an event of default under the issue.

Unsecured Indebtedness

Long Term Loan (ICD)

Our Company has entered into a loan agreement with Chettinad Coal Washeries Private Limited on July 21, 2014 pursuant to which an existing Inter Corporate Deposit of ₹5,000 lakhs was converted into a terms loan of ₹5,000 lakhs bearing an interest rate of 11% p.a. The said loan is for a period of 5 years commencing from August 1, 2014. Subsequently, an amendment to the loan agreement dated April 15, 2015 wherein it was *inter alia* agreed that the said loan can be repaid by our Company at any time before end of the period of 5 years and that no pre-payment or pre-closure charges will be due. As on October 31, 2015 the outstanding amount due under the loan agreement is ₹ 100 lakhs.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

1. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoter.

*Our Rights Issue Committee, in its meeting held on December 22, 2015, determined that outstanding legal proceedings involving our Company, Directors and Promoter: (a) where the amount involved, to the extent quantifiable, is more than 1% of the profit before depreciation, amortization, finance cost and tax of our Company as per the audited restated financial statements of Fiscal 2015; or (b) whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation (**Material Litigation**).*

2. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

*Our Rights Issue Committee in its meeting held on December 22, 2015, determined that outstanding dues to creditors in excess of 1% of our Company's total expenses before depreciation, amortization, finance cost and tax as per the audited restated financial statements of Fiscal 2015 shall be considered as material dues (**Material Dues**). Details of outstanding dues to creditors including small scale undertakings, as of June 30, 2015, have been disclosed on our website at www.anjanicement.com*

All terms defined in a particular litigation are for that particular litigation only. In this chapter, the next of date of hearing of all matters has been provided, where such date has been notified to our Company, absent which the status of the matter has been simply disclosed as pending.

A. Litigation involving our Company

(i) Litigation against our Company

(a) Criminal Complaints

Nil

(b) Actions initiated by Statutory / Regulatory Authorities

1. Our Company entered into an agreement with A.P. Transmission Corporation Limited (**AP Transco**), pursuant to which AP Transco agreed to supply of electricity to our Company on a continuous basis. On June 7, 2005, the Government of Andhra Pradesh, *vide* G.O. Ms. No. 58, Energy (Power-III), of even date, divided AP Transco into four Distribution Companies (**Discoms**), and transferred and vested the rights and obligations and contracts relating to procurement and bulk supply of electricity or trading of electricity to which AP Transco is a party.

On June 5, 2010, the A.P. Electricity Regulatory Commission (**APERC**) initiated proceedings against determining and approving the Fuel Surcharge Adjustment (**FSA**) for the Financial Year 2008 along with the demand of ₹ 43.50 lakhs raised on our Company by the Discoms for the period April 2008 – October 2008. Our Company, along with other parties were similarly affected, filed separate writ petitions (Ref: W.P. No. 2181 of 2011) in the Andhra Pradesh High Court *inter alia* challenging the proceedings initiated by APERC. The Hon'ble High Court *vide* its order dated July 29, 2011 allowed the writ petitions by setting aside the order passed by APERC and, the demands by the Discoms. However, the Discoms were given liberty to file applications afresh claiming FSA from the consumers and, if any such applications are filed, APERC has been directed to consider and decide the same in accordance with law. Thereafter, the Discoms

- claimed afresh the FSAs which on appeal was upheld by the APERC vide its order dated January 17, 2010. However, in the said order APERC stated that the FSA order will not be given effect to until further orders, in the matter of W.A. No. 941 of 2011 pending in the Andhra Pradesh High Court, are passed.
2. Our Company filed an Ordinary Suit No. 591 of 2001 in the Hon'ble Chief Judge of City Civil Court at Hyderabad in December 2001 against the Transmission Corporation of A.P. Ltd (**Respondent 1**), the Central Power Distribution Co. Ltd. (**Respondent 2**) and others. The said suit has been filed *inter alia* challenging that the demand of ₹92,93,334/- and interest for minimum charges levied under the APSEB terms and conditions of supply are contrary to the provisions of the relevant sections of Indian Electricity Act, 1910. Our Company has also sought a mandatory injunction. The City Civil Court vide its order dated March 29, 2005 *inter alia* rejected the reliefs prayed by our Company and also assigned a sum of ₹1,00,002/- to be paid by our Company to the Respondents towards cost of the suit. Subsequently, our Company preferred an appeal (Ref: CCCA No. 167 of 2005) dated August 22, 2005 against the aforementioned order in the Andhra Pradesh High Court. The matter is pending.
 3. Our Company filed an Writ Petition No. 2764 of 2005 in the High Court of Judicature of Andhra Pradesh at Hyderabad on February 16, 2005 against the A.P. Electricity Regulatory Commission (**Respondent 1**), the Transmission Corporation of A.P. Ltd (**Respondent 2**) and others, *inter alia* challenging the demand of Respondent 1 to pay the enhanced wheeling charges at 6.4% in kind and at Rs.045/KW in cash, as against the existing wheeling charge of 15% payable under the Power Wheeling and Purchase Agreement between Transmission Corporation of A.P. dated June 10, 1999. The matter is pending.
 4. Our Company filed an Writ Petition No. 39419 of 2012 in the High Court of Judicature of Andhra Pradesh at Hyderabad against A.P. Electricity Regulatory Commission (**APERC**), the Central Power Distribution Co. Ltd., Superintending Engineer (Operations) and the Senior Account Officer, (collectively, the **Respondents**) *inter alia* challenging the demand towards fuel surcharge adjustment for the for the Fiscals 2011 and 2012 and coercive step to disconnect electricity supply. The Andhra Pradesh High Court vide an interim order dated December 24, 2012 granted interim stay on the demand of the Respondents. The matter is pending.
 5. Our Company had received summons dated March 5, 2015 to appear for hearing under Section 14B of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and an order for payment of interest under Section 7Q of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (**EPF Act**) for belated remittances made during 2008 and 2014 aggregating ₹ 10,246. Our Company also received further summons and order dated March 12, 2015 to appear for hearing under Section 14B of the EPF Act and an order for payment of interest under Section 7Q of the EPF Act for belated remittances made during the 2000-2003 aggregating ₹ 4,48,999. Subsequently, our Company received a letter dated April 24, 2015 from the Regional Provident Fund Commissioner II stating *inter alia* that the amounts mentioned in the aforementioned summons are provisional and final penal damages and interest amount will be determined on conclusion of the enquiry. In response, our Company replied on May 20, 2015, that payment of ₹5,62,325 had been made against the claim of ₹4,48,999; the excess of which was requested to be set off against the claim of ₹ 10,246 for the years 2008 and 2014.

(c) *Tax Proceedings*

Direct Tax Matters (Consolidated)

S. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax		
	(c) Orders	2	303.45
	(d) Notices	4	NIL*
	Total	6	303.45

* To the extent quantifiable

Indirect Tax Matters (Consolidated)

S. No.	Type of Indirect Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Central Excise/ CENVAT		
	(c) Orders	3	366.19
	(d) Notices	2	55.47
	Sub-total	5	421.66
2.	Customs Duty		
	(b) Orders	3	234.17
	Sub-total	3	234.17
	Total	8	655.83

(d) *Other material pending litigations*

Nil

(ii) *Litigation by our Company*

(a) *Criminal Complaints*

- Our Company has filed a Criminal Complaint No. 1150 of 2012 before the XIV Additional Chief Metropolitan Magistrate, Hyderabad, against Sree Cement Trading Company represented by proprietor K Santosh Kumar, under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring the cheques dated August 30, 2011, September 17, 2011, September 19, 2011 and September 20, 2011 each for ₹ 2,00,000. The aggregate amount due to our Company is ₹ 8,00,000. Our Company has prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357(3) of Criminal Procedure Code. The matter is pending and the next date of hearing is scheduled on January 13, 2016.
- Our Company has filed a Criminal Complaint No. 97 of 2013 on January 2, 2014 before the Additional Chief Metropolitan Magistrate, City Criminal Court at Hyderabad against Sri Lalitha Cement Industries Ltd. and P. Subba Raju under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring a cheque dated September 4, 2012 ₹ 82,22,198. The amount was due to our Company for material supplied to the accused in the ordinary course of business by our Company. Our Company has prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357(3) of Criminal Procedure Code. The matter is pending and the next date of hearing is scheduled on January 5, 2016.
- Our Company has filed a Criminal Complaint No. 268 of 2012 on January 8, 2015 before the Additional Chief Metropolitan Magistrate, City Criminal Court at Hyderabad against Tirumula Cements under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring cheques dated November 15, 2011 and November 20, 2011 issued by, in the sum of ₹ 10,00,000 each. The amounts were due to our Company on account of material supplied to the accused on credit basis in the ordinary course of business. Our Company has prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and may award compensation under Section 357(3) of Criminal Procedure Code. The matter is pending and the next date of hearing is scheduled on March 15, 2016.

(b) *Other material pending litigations*

- Our Company filed an Arbitration Application No. 97 of 2014 in the High Court of Telangana and Andhra Pradesh at Hyderabad for appointment of an arbitrator in the dispute against M/s Gayatri Agro Industrial Power Limited (**Gayatri**). The Hon'ble High Court *vide* an order dated September 11, 2015 appointed Mr. R. Bayapu Reddy as the sole arbitrator and directed that the arbitration be concluded within six months from date of reference. The arbitration proceedings have been initiated by our Company due to under-

supply of power by Gayatri under the power purchase agreement between our Company and Gayatri pursuant to which our Company had to draw excess power from APCPDCL. The APCPDCL levied restrictive and control penalties and wheeling and transmission charges due to the drawal of excess power by our Company. The matter is pending before the sole arbitrator and the next date of hearing is scheduled on January 2, 2016.

B. Litigation involving our Promoter

(i) Litigations against our Promoter

(a) Criminal Complaints

Nil

(b) Actions initiated by Statutory / Regulatory Authorities

Nil

(c) Tax Proceedings

Direct Tax Cases (Consolidated)

S. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax		
	(a) Orders	8	10,014.89
	Total	8	10,014.89

Indirect Tax Cases (Consolidated)

S. No.	Type of Indirect Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Central Excise/ CENVAT		
	(a) Orders	24	9,657.95
	(b) Orders against which an appeal has not yet been preferred	9	690.97
	(c) Notices	41	22,829.11 *
	Sub-total	74	33,178.03
2.	Customs Duty		
	(a) Orders	4	4,792.42
	Sub-total	4	4,792.42
3.	Electricity Tax		
	(a) Orders	4	2,219.02
	Sub-total	4	2,219.02
4.	Sales Tax/ VAT		
	(a) Orders	18	917.99
	Sub-total	18	917.99
	Total	100	41,107.46

* To the extent quantifiable

(d) Other material pending litigations

- The Central Organisation of Tamil Nadu, Electricity Employees (**Petitioner**) filed a writ of mandamus (Writ Petition No. 10207 of 2015) in the Hon'ble High Court of Judicature at Madras against the Presiding Officer of the Labour Court, Salem, CCCL and others (**Respondents**), on February 22, 2015. In the said

writ petition, the Petitioner has *inter alia* prayed that the court issue directions specifically to the Labour Court, Salem to complete the adjudication of the Industrial Dispute No. 51 of 2004 filed by Tamil Nadu electricity workers federation and others against Tamil Nadu Electricity Board, CCCL and others, regarding demand by labourers of equal pay for equal work. Subsequently, an order dated April 8, 2015 was passed by the Hon'ble High Court whereby the Respondents were directed to submit all records. The matter is pending.

2. On April 19, 2014, C. Basheer (**Petitioner**) filed a Writ Appeal (MD) No. SR 20094 of 2014 before the Madurai Bench of the Madras High Court against the managing director, CCCL and others against the order dated October 4, 2013 passed by the Madras High Court dismissing the petition filed by the Petitioner (Writ Petition (MD) No. 16446 of 2013) wherein he had *inter alia* prayed to direct that Government of Tamil Nadu reclassify the land situated at Survey No. 65, Tholipattu Village, Vedasandur Taluk, Dindigul District as private land and issue Patta for the said land to the Petitioner and to call for records of the order dated May 7, 2012 passed by the District Revenue Officer. The matter is pending.
3. Tamil Nadu Cements Corporation Limited (**Plaintiff**) filed a CMA No. 1000038 of 2012 in the Court of the Subordinate Judge, Tiruchirapalli against the order dated November 29, 2011, in O.S. No. 2789 of 2004, passed by the Principal District Munsif, Tiruchirapalli against Alagappa Cements Limited (**Alagappa**) (now merged with CCCL pursuant to a court order dated June 13, 2006) and others. In the CMA, the Plaintiff *inter alia* prayed to set aside the said order, decide on the jurisdiction of the collectorate and declare Alagappa's (now CCCL) claim for grant of prospecting license or mining lease as infraction of the Plaintiff's rights under Mineral Concession Rules, 1960 and government orders issued thereunder. The matter is listed for hearing on February 15, 2016.
4. Industrial Dispute No. 51 of 2004 filed in the Labour Court, Salem by Tamil Nadu electricity workers federation and others (**Petitioners**) against Tamil Nadu Electricity Board (**TNEB**), CCCL and others, *inter alia* mentioning that the contractual employees of TNEB are engaged in direct employment and are being denied the benefits as an 'employee'. CCCL being one of the sub-contractors has also been made a party to the matter. Separately, the Petitioners filed a writ of mandamus (Writ Petition No. 10207 of 2015) in the Hon'ble High Court of Judicature at Madras *inter alia* praying to issue directions specifically to the Labour Court, Salem to complete the adjudication of the Industrial Dispute No. 51 of 2004. The matter is pending.
5. CCCL filed Writ Petition No. 4779 of 2015 in the Hon'ble High Court of Judicature at Madras against the State of Tamil Nadu, the Sub-Collector, Ariyalur District and others (**Respondents**) in relation to an order dated February 10, 2015 passed by the Sub Collector, Ariyalur (**Impugned Order**). The said order *inter alia* directs the Respondents to cancel the parcel of land located at Reddy Palayam Village, Ariyalur, Tamil Nadu which was allotted to CCCL and restore the land to its original condition and amend the land records to re-classify the land as barren and poramboke. CCCL has *inter alia* prayed in the writ petition that an interim stay be granted against all proceedings initiated by the Sub-Collector in respect of the said lands; a writ of certiorari calling for records pertaining to the Impugned Order be issued; and that the Impugned Order be quashed and declared as illegal, arbitrary and unconstitutional.

On February 24, 2015 the Madras High Court passed an interim order in favour of CCCL maintaining status quo. Subsequently, the Respondents filed an application dated July 10, 2015 pleading for vacation of the interim order. The matter is pending.

6. CCCL filed Writ Petition Nos. 6487 of 2005, 6488 of 2005, 6489 of 2005 and 6490 of 2005 in the Hon'ble High Court of Judicature at Madras against the State of Tamil Nadu (**Respondent 1**), Assistant Director of Geology and Mining (**Respondent 3**) and others. The brief facts giving rise to the present petitions are as follows. CCCL was granted mining leases vide G.O. M.s No. 22 dated January 9, 1989, G.O. M.s No. 23 dated January 9, 1989, G.O. (3D) No. 26 dated July 29, 2002, G.O. M.s No. 81 dated August 13, 2003. Subsequently, a common demand to pay surface rent of ₹ 10,76,040 was made by Respondent 3. CCCL in its petition has sought directions of the court to call for the records of Respondent 1 in the aforementioned G.Os in so far as the condition seeking levy of compensation for using surface area of the state poramboke lands, and the consequential demands of Respondent 3 in R.O.C No. 390/2002 and quash the same and

forbear them from levying compensation on account of surface rent in respect of the lands specified under the aforementioned G.Os.

In the Interim CCCL has also prayed that the court be please grant an order restraining the respondents from seeking to levy a compensation in respect of the surface area on the land mentioned above and grant an interim stay of all further proceeding pursuant to the order passed by the Respondent 3 whereby the demand to pay compensation for use of surface area was made. The Court passed separate orders dated February 28, 2005 for each of the aforementioned petitions granting the interim reliefs stated above. The matter is pending.

(ii) *Litigations by our Promoter*

(a) *Criminal Complaints*

1. Our Company has filed a Criminal Complaint in the Court of the II Judicial Magistrate, Trichy, against Mr. D'Souza Youlbrian Jude, the authorised signatory of M/s. Coral Enterprise under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of a cheque dated July 24, 2013 for ₹ 10,67,037, issued in favour of our Company. The total amount due to our Company is ₹ 11,28,037, after seeking compensation which includes notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
2. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. Leo, proprietor of M/s. AVM Traders under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 24, 2013 for ₹ 1,84,046. The total amount due to our Company is ₹ 2,10,046, after seeking compensation which includes notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
3. Our Company has filed a Criminal Complaint in the Court of the II Judicial Magistrate, Trichy, against Mr. M. Kasinathan, proprietor of M/s. KK Agency under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque July 31, 2013 for ₹ 1,75,000, issued in favour of our Company. The total amount due to our Company is ₹ 2,01,000, after seeking compensation which includes notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
4. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. G. Jamal Mohamed of M/s. Jammal Cement Agencies under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 31, 2013 for ₹ 2,20,789, issued in favour of our Company. The total amount due to our Company is ₹ 2,46,789, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation

- under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
5. Our Company has filed a Criminal Complaint in the Court of the IV Judicial Magistrate, Trichy, against Mr. M.Y. Ayoob proprietor of M/s. City Cement Agencies under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 24, 2013 for ₹ 3,24,699, issued in favour of our Company. The total amount due to our Company is ₹ 3,65,699, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
 6. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. Thangavelu, the managing partner of M/s. Sri Ganesha Traders under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 11,54,390, issued in favour of our Company. The total amount due to our Company is ₹ 12,05,390, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
 7. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. Subramaniam proprietor of M/s. Sri Velavan Hardwares under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 3,07,821, issued in favour of our Company. The total amount due to our Company is ₹ 3,48,821, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
 8. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. Kanagaraj proprietor of M/s. Santhosh Priya Agencies under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 43,586, issued in favour of our Company. The total amount due to our Company is ₹ 69,586, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently,

the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.

9. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. M. Saraswathy proprietor of M/s. Guruswamy Traders under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 4,13,587, issued in favour of our Company. The total amount due to our Company is ₹ 4,39,587, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
10. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Mr. Prakasham proprietor of M/s. Eswari Agencies under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 1,66,640, issued in favour of our Company. The total amount due to our Company is ₹ 1,92,640, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
11. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against M. Amudha proprietor of M/s. Amutham Enterprises under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 65,14,933, issued in favour of our Company. The total amount due to our Company is ₹ 66,15,933, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.
12. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against A. Senthil Kumar proprietor of M/s. Senthil Traders under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 1,11,079, issued in favour of our Company. The total amount due to our Company is ₹ 1,27,079, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.

13. Our Company has filed a Criminal Complaint in the Court of the XIV Metropolitan Magistrate, Chennai, against Jamisha proprietor of M/s. Bismillah Timber & Tiles Dept. under Section 138 of the Negotiable Instruments Act, 1881 for dishonouring of cheque dated July 25, 2013 for ₹ 4,08,723, issued in favour of our Company. The total amount due to our Company is ₹ 4,34,723, after seeking compensation which includes the notice charges and the advocate fees. Our Company has *inter alia* prayed that the court take cognizance of the offence, issue summons and punish the accused as per law and award compensation under Section 357 of Criminal Procedure Code. Subsequently, the matter was transferred from the Court of the XIV Metropolitan Magistrate, Chennai. Under the Negotiable Instruments (Amendment) Ordinance, 2015, the pending matters before the court are to be transferred to the jurisdiction of the court where the payee maintains the account or the branch of the drawee bank where the drawer maintains account. Consequently, the said matter is being transferred back to XIV Metropolitan Magistrate Court at Egmore, Chennai. The matter is pending.

(b) *Other material pending litigations*

1. CCCL filed a writ petition (WP No. 14971 of 2014) in the Hon'ble High Court of Judicature at Madras against the Union of India and the Director, Traffic Commercial (Rates) challenging the constitutional validity of the circular dated May 21, 2014 passed by the Director, Traffic Commercial (Rates), Railway Board, in respect to the manner of calculation of wharfage and demurrage rates.

The Hon'ble High Court passed an interim order dated June 11, 2014, rejecting CCCL's prayer to grant interim stay on collection of amounts pursuant to the abovementioned order of the Railway Board. However, pursuant to a letter dated June 12, 2014, the Railway Board directed that the guidelines, laid down by it in the abovementioned circular have been withheld and the guidelines and the guidelines prevailing prior to the said circular will be followed, till further notice. The matter is pending.

2. CCCL filed Writ Petition Nos. 20201 and 20202 of 2008 in the Hon'ble High Court of Judicature at Madras against the state of Tamil Nadu and others (**Respondents**) challenging the constitutional validity of the amendment made to the Tamil Nadu Consumption or Sale of Electricity Act, 2003 (**Act**) by the Tamil Nadu Consumption or Sale of Electricity (Amendment) Act, 2007 (Act 38 of 2007) (**Validating Act**). CCCL prayed that the court restrain the Respondents from taking any action under the Act, declare the Validating Act unconstitutional, and consequently, order the Respondents to refund the amount collected under the Act.

The Hon'ble High Court, *vide* an interim order dated August 20, 2008, *inter alia* directed that (a) the Respondents will not disconnect CCCL's electricity connection for demands prior to commencement of the Validating Act till further orders; and (b) while the Respondents were at liberty to raise demands post commencement of the Validating Act, they may not enforce such demands until further orders of the court. Further, the court clarified that CCCL is bound to pay the current consumption charges and tax thereon. The matter is pending.

3. CCCL entered into a memorandum of understanding with Tamil Nadu Generation and Distribution Corporation Limited (**Respondent 1**) pursuant to which CCCL installed a fly ash collection system at the Tuticorin Thermal Power Plant. On February 11, 2012, CCCL filed a Writ Petition No. 3819 of 2012 in the Madras High Court against Respondent 1, the State level Monitoring Committee (**Respondent 2**), Hi Tech Fly Ash (I) Private Limited (**Respondent 3**) and others, against the unilateral amendment of the terms of contract between CCCL and Respondent 1. Respondent 2 unilaterally amended the terms of contract entered into between CCCL and Respondent 1 through a resolution dated November 30, 2011 (**Impugned Resolution**) in favour of Respondent 3, without offering CCCL a chance to be heard. Thereafter, Respondent 1 informed CCCL that Respondent 3 has filed a separate writ petition (Ref: WP No. 28152 of 2014) in the Madras High Court and obtained interim relief on October 30, 2014 wherein the Hon'ble High Court has *inter alia* directed Tuticorin Thermal Power Plant to allot 10% of the total fly ash generated from its power plant to Respondent 3. Subsequently, CCCL has 'under protest' agreed to supply the fly ash to Respondent 3. The matter is pending.

4. CCCL filed Writ Petition No. 5514 of 2011 in the Hon'ble High Court of Judicature at Madras against the Union of India (**Respondent 1**), State of Tamil Nadu (**Respondent 2**) Tamil Nadu Generation and Distribution Corporation Limited (**Respondent 3**), Tamil Nadu Electricity Board (**Respondent 4**), the Superintending Engineer, Mettur Thermal Power Station (**Respondent 5**), the Chief Engineer, Tuticorn Thermal Power Station (**Respondent 6**) and others. The Hon'ble High Court *vide* judgment dated February 1, 2013 reduced the service charge for the fly ash taken by cement companies to ₹ 540 per metric tonne thereby modifying the communication of Respondent 5 and Respondent 6 both dated March 1, 2011, pursuant to Respondent 3's notification dated March 1, 2011 whereby the said respondents *inter alia* had increased service charge on fly ash taken by cement companies from ₹ 350 per metric tonne to ₹ 700 per metric tonne.

Subsequently, CCCL filed a Review Application No. 56 of 2013 against the Madras High Court order dated February 1, 2013. Thereafter, *vide* an interim order dated April 12, 2013, the Hon'ble High Court, restrained the Respondent from recovering service charge in excess of ₹ 410 per metric tonne instead of ₹ 700 per metric tonne as the original order dated February 1, 2013 by the Madras High Court had taken into consideration certain items which were already paid by CCCL. The matter is pending.

5. CCCL filed Writ Petition No. 13386 of 2012 in the Madras High Court against the Tamil Nadu Generation and Distribution Corporation Limited (**TANGEDCO**) and others. CCCL had installed a fly ash collection system in the thermal power station of TANGEDCO and CCCL would take the fly ash generated from the thermal power plant, subject to the terms and conditions agreed. TANGEDCO *vide* order dated November 3, 2010, directed CCCL to pay an amount of ₹ 29,98,952 as additional security deposit, and *vide* a further order dated January 29, 2012, retrospectively revised the electricity consumption tariff in relation to the fly ash collection system in the thermal power station of TANGEDCO, from HT industrial Tariff to HT Commercial Tariff (**Impugned Orders**). Subsequently, CCCL paid an amount of ₹ 11,94,358 as additional tariff under protest, after which a bill for the month of April 2012 was issued on the basis of revised tariff rates. CCCL in the writ petition has *inter alia* prayed that the Hon'ble High Court issue a writ of certiorari and mandamus to call for records of and quash the Impugned Orders along with the bill generated for the month of April 2012 and to refund the amount paid under protest. Subsequently, *vide* an order dated May 9, 2012 the abovementioned interim reliefs were granted by the court. The matter is pending.

6. CCCL filed Writ Petition No. 25438 of 2010 in the Madras High Court against the Chief Engineer, Tamil Nadu Electricity Board (**Respondent 1**), Tamil Nadu Tamil Nadu Generation and Distribution Corporation (formerly known as Tamil Nadu Electricity Board) (**Respondent 2**) and another. Respondent 1 issued a notice dated July 12, 2010 levying penalty on CCCL for the period from April 2009 to June 2010 for short collection of fly ash as per the terms of the memorandum of understanding between CCCL and Respondent 2 (**MoU**). Thereafter, the total penalty payable was revised *vide* the final notice dated October 20, 2010, for the period from April 2008 to August 2010, pursuant to which CCCL was directed to pay a total amount of ₹ 73,94,040. CCCL in the writ petition has *inter alia* prayed that (a) the notices dated July 12, 2010 and October 20, 2010 issued by Respondent 1 be quashed, and Respondent 2 instruct Respondent 1 to strictly comply with the terms of the MoU and not levy penalty for short collection; and (b) in the interim, a stay be granted on all proceedings pursuant to the Impugned Notices, including imposition of any further penalty.

Vide an order dated November 11, 2010 the Hon'ble High Court granted interim stay for a period of four weeks, which was extended vide an order dated December 22, 2010. Meanwhile, the Respondents filed two counter affidavits dated March 3 2011 and March 28 2011. Thereafter, Madras High Court vide its order dated July 5, 2011 confirmed the continuance of the interim stay. The matter is pending.

7. CCCL filed Writ Petition No. 19220 of 2009 in the Hon'ble High Court of Judicature at Madras against the Union of India (**Respondent 1**), the Director General of Bureau of Indian Standards (**Respondent 2**) and others. Respondent 2 by way of an amendment to the act and rules by the Bureau of Indian Standards was seeking to amend the Indian Standard Specification for Portland Slag Cement (**PSC**) and Portland Pozzolana Cement: Fly Ash Based (**PPC**) relating to manufacture of PSC and PPC in India. CCCL in its writ petition has *inter alia* stated that implementation of the amendments to the gradation is to be taken after consensus with the cement manufacturers and prayed that the court call for the records of Respondent 2 comprised in the minutes of the meeting of the Cement and Concrete Sectional Committee CED 2 dated

July 30, 2009 in so far as it relates to the gradation of the aforementioned varieties of cement and set aside the same. In the interim, CCCL has sought a restraint against the respondents from implementing or publishing the proposed amendments and a stay on the decision of Respondent 2's minutes of the meeting. The Hon'ble High Court *vide* an order dated September 16, 2009 *inter alia* directed Respondent 2 to maintain status quo in the matter. The matter is pending.

8. CCCL filed Writ Petition No. 14447 of 2002 in the Hon'ble High Court of Judicature at Madras against the State of Tamil Nadu (**Respondent 1**), Director of Geology and Mining (**Respondent 2**) and others. CCCL had received a letter dated July 26, 2001 from Respondent 1 stating that based on the quantity of cement produced, it was found that there was a shortage of royalty payments in respect of the limestone mines for the period from 1989 to 1999. Thereafter, Respondent 2 *vide* its letter dated March 19, 2002 demanded that CCCL pay an amount of ₹ 5,46,56,893 as royalty payments for the period from 1989 to 2001. In the writ petition filed, CCCL has *inter alia* prayed that the letter dated March 19, 2002 issued by Respondent 2, be quashed. In the interim, it also prayed that the court grant an interim stay of all further proceedings pursuant to the order dated March 19, 2002. The Hon'ble High Court *vide* an order dated April 26, 2002 granted the interim stay. The matter is pending in the .

9. CCCL filed Writ Petition No. 4558 of 2012 in the Hon'ble High Court of Judicature at Madras against the Union of India, State of Tamil Nadu and others. The Central Electricity Regulatory Commission (**CERC**) formulated the Central Electricity Regulatory Commission (Terms and Conditions for issuance of Renewable Energy Certificate for Renewable energy Generation) Regulations, 2010 (**CERC Regulations**). The CERC Regulations were amended whereby the eligibility criteria for issuance and dealing in Renewable Energy Certificates (**REC**) were amended, so as to render captive consumers of renewable energy eligible for issuance of REC. The Tamil Nadu Electricity Regulatory Commission in exercise of its powers under the Electricity Act, 2003 notified an amendment to its the Tamil Nadu Electricity Regulatory Commission (Renewal Energy Purchase Obligation) Regulations, 2010 expanding the scope of 'obligated entity' to include captive power consumers and open access consumers.

CCCL *inter alia* prayed that the court set aside the Tamil Nadu Electricity Regulatory Commission (Renewal Energy Purchase Obligation) (Amendment) Regulations, 2011 (**TNERC Regulations**) in so far as it seeks to include consumers owning grid connected captive generated plants and open access consumers in the State of Tamil Nadu within the definition of an 'obligated entity' as it was *ultra vires* the Electricity Act, 2003. In the interim it also prayed that the operation of the relevant provisions of the TNERC Regulations be stayed and the authority be restrained from imposing any penalty or levying any payments under Regulation 8 of the TNERC Regulations. The Hon'ble High Court *vide* an order dated March 28, 2012 granted the interim reliefs sought by CCCL. The matter is pending.

10. CCCL filed Writ Petition No. 27807 of 2013 in the Hon'ble High Court of Judicature at Madras against the Tamil Nadu Generation and Distribution Corporation Limited (**TANGEDCO**) (**Respondent 1**), the Chief Financial Controller/ Revenue, TANGEDCO (**Respondent 2**), the Superintending Engineer (**Respondent 3**), the Tamil Nadu Electricity Regulatory Commission (**Respondent 4**) and others. Respondent 2 had *vide* a letter dated September 7, 2013 issued instructions to Respondent 3 to bill all the generators, for the start-up power being availed under two part tariff which imposed energy charges and demand charges separately with effect from June 21, 2012 (**Impugned Instructions**). Subsequently, Respondent 3 *vide* a letter dated August 29, 2013 demanded that CCCL pay ₹ 26,12,406, in respect of CCCL's captive power plant at Karikkali (**Impugned Demand**). Thereafter, the Respondent 2 issued the electricity consumption bill dated October 1, 2013 for ₹ 11,88,000. CCCL prayed that the court quash the Impugned Instructions, the Impugned Demand, the consumption bill dated October 1, 2013 and all consequential demands pursuant thereto. In the interim, CCCL also prayed that the court grant a stay on all proceedings pursuant to the instructions issued by Respondent 2 and any demand raised pursuant thereto. The Hon'ble High Court *vide* an order dated October 7, 2013 granted the interim stay subject to the condition that if any demand is made by giving retrospective effect from June 21, 2013, CCCL must pay 50% of the amount demanded within one week from the date of the receipt of such demand notice. The matter is pending.

11. CCCL filed Writ Petition No. 27808 of 2013 in the Hon'ble High Court of Judicature at Madras against the Tamil Nadu Generation and Distribution Corporation Limited (**TANGEDCO**) (**Respondent 1**), the Chief

- Financial Controller/ Revenue, TANGEDCO (**Respondent 2**), the Superintending Engineer (**Respondent 3**), the Tamil Nadu Electricity Regulatory Commission (**Respondent 4**) and others. Respondent 2 had vide a letter dated September 7, 2013 issued instructions to Respondent 3 to bill all the generators, for the start-up power being availed under two part tariff which imposed energy charges and demand charges separately with effect from June 21, 2012 (**Impugned Instructions**). Subsequently, Respondent 3 vide a letter dated September 18, 2013 demanded that CCCL pay ₹ 9,75,806, in respect of CCCL's captive power plant at Karikkali (**Impugned Demand**). Thereafter, the Respondent 2 issued the electricity consumption bill dated September 30, 2013 for ₹ 4,33,900. CCCL prayed that the court quash the Impugned Instructions, the Impugned Demand, the consumption bill dated September 30, 2013 and all consequential demands pursuant thereto. In the interim, CCCL also prayed that the court grant an order of stay on all proceedings pursuant to the instructions issued by Respondent 2 and any demand raised pursuant thereto. The Hon'ble High Court vide an order dated October 7, 2013 granted the interim stay subject to the condition that if any demand is made by giving retrospective effect from June 21, 2013, CCCL must pay 50% of the amount demanded within one week from the date of the receipt of the demand notice. The matter is pending.
12. CCCL filed Writ Petition No. 27841 of 2013 in the Hon'ble High Court of Judicature at Madras against the Tamil Nadu Generation and Distribution Corporation Limited (**TANGEDCO**) (**Respondent 1**), the Chief Financial Controller/ Revenue, TANGEDCO (**Respondent 2**), the Superintending Engineer (**Respondent 3**), the Tamil Nadu Electricity Regulatory Commission (**Respondent 4**) and others. Respondent 2 had vide a letter dated September 7, 2013 issued instructions to Respondent 3 to bill all the generators, for the start-up power being availed under two part tariff which imposed energy charges and demand charges separately with effect from June 21, 2012 (**Impugned Instructions**). Thereafter, the Respondent 2 issued the electricity consumption bill dated October 1, 2013 for ₹ 6,83,550. CCCL prayed that the court quash the Impugned Instructions and the consumption bill dated October 1, 2013 and all consequential demands pursuant thereto. In the interim, CCCL also prayed that the court grant an order of stay on all proceedings pursuant to the instructions issued by Respondent 2 and any demand raised pursuant thereto. The Hon'ble High Court vide an order dated October 7, 2013 granted the interim stay subject to the condition that if any demand is made by giving retrospective effect from June 21, 2013, CCCL must pay 50% of the amount demanded within one week from the date of the receipt of the demand notice. The matter is pending.
 13. CCCL filed Writ Petition No. 4717 of 2015 in the Hon'ble High Court of Judicature at Madras against the State of Tamil Nadu (**Respondent 1**), Sub Collector, Ariyalur (**Respondent 2**) and others. Respondent 2 had vide two notices dated December 4, 2014 stated that the lands owned by the respondent in Reddipalayam and Nagamangalam village were classified as Tharisu Government Poramboke lands which were allotted to poor farmers and, hence, these lands would be reclassified and the patta registered in the name of CCCL would be cancelled. Subsequently, on February 10, 2015 (**Impugned Proceeding**) Respondent 2 ordered that the patta of the land be cancelled and the lands be reclassified. CCCL prayed that the Impugned Proceeding and any consequential demand be quashed. In the interim CCCL prayed that the court issue an interim stay of the Impugned Proceeding and issue an injunction restraining the respondent from interfering in CCCL's land. The Hon'ble High Court vide an interim order dated February 24, 2015 directed that status quo be maintained. The matter is pending.
 14. CCCL filed Writ Petition No. 4718 of 2015 in the Hon'ble High Court of Judicature at Madras against the State of Tamil Nadu (**Respondent 1**), Sub Collector, Ariyalur (**Respondent 2**) and others. Respondent 2 had vide two notices dated December 4, 2014 stated that the lands owned by the respondent in Reddipalayam and Nagamangalam village were classified as Tharisu Government Poramboke lands which were allotted to poor farmers and, hence, these lands would be reclassified and the patta registered in the name of CCCL would be cancelled. Subsequently, on February 10, 2015 (**Impugned Proceeding**) Respondent 2 ordered that the patta of the land be cancelled and the lands be reclassified. CCCL prayed that the Impugned Proceeding and any consequential demand be quashed. In the interim CCCL prayed that the court issue an interim stay of the Impugned Proceeding and issue an injunction restraining the respondent from interfering in CCCL's land. The Hon'ble High Court vide an interim order dated February 24, 2015 directed that status quo be maintained. The matter is pending.
 15. CCCL filed Writ Petition Nos. 6686 – 6690 of 2015 in the Madras High Court against Tamil Nadu Tamil Nadu Generation and Distribution Corporation (formerly known as Tamil Nadu Electricity Board)

(**Respondent 1**), the Chief Engineer, Civil Designs, Tamil Nadu Electricity Board (**Respondent 2**), the Chief Engineer - Tamil Nadu Electricity Board (**Respondent 3**) and another. Respondent 3 issued the following notices imposing penalties on CCCL, for different periods, due to the alleged short collection of fly ash as per the terms of the memorandum of understanding (**MoU**) between CCCL and Respondent 2.

Writ Petition No.	Date of Demand Notice	Period	Penalty Amount
6686 of 2015	February 9, 2012	July 2011 to January 2012	32,22,096
6687 of 2015	October 20, 2012	February 2012 to September 2012	23,77,432
6688 of 2015	April 29, 2011	January 2011 to March 2011	13,96,424
6689 of 2015	August 1, 2013	October 2012 to May 2013	7,58,970
6690 of 2015	December 31, 2014	July 2013 to November 2014	1,62,20,649

CCCL in the writ petitions has *inter alia* prayed that (a) the aforementioned notices issued by Respondent 1 be quashed, and Respondent 1 instruct Respondent 3 to strictly comply with the terms of the MoU and not levy penalty for short collection; (b) in the interim, a stay be granted on all proceedings pursuant to the Impugned Notices, including imposition of any further penalty. The Hon'ble High Court has granted an interim stay, in all the aforementioned matters, *vide* its order dated March 10, 2015. The matter is pending.

16. CCCL filed writ petition Nos. 2347 – 2350 of 2013 and 2370 – 2373 of 2013 in the Madras High Court against Union of India (**Respondent 1**) State of Tamil Nadu (**Respondent 2**), Tamil Nadu Generation and Distribution Corporations Limited (**Respondent 3**), and others. Respondent 3 issued tenders for collection of fly ash generated by its thermal power stations (**Impugned Tender**), the terms of which were contrary to the notifications issued by Respondent 1, and an abuse of Respondent 3's dominant position in the state of Tamil Nadu as a supplier of fly ash. CCCL in its petitions submitted that the terms set out in the Impugned Tender had previously been disputed before the court in another litigation, which had been disposed of after Respondent 3 agreed to change the terms of the tender. CCCL has, therefore, prayed that the court issue a writ of certiorari, calling for records of and quashing the Impugned Tender. In the interim, CCCL has prayed that the court grant a stay on the operation of the Impugned Tender and all incidental proceedings. The Madras High Court granted an interim stay, in all the aforementioned matters, *vide* its order dated March 30, 2013 where it has *inter alia* directed that any proceeding taken pursuant to the notification would be subject to the result of the aforementioned writ petitions. The matter is pending.
17. CCCL filed writ petition No. 15162 of 2007 in the Madras High Court against the Principal Special Commissioner, Land Administration (**Respondent 1**), District Collector, Dindigul (**Respondent 2**) and others (**Respondents**) *inter alia* challenging the demand for lease payment, non-fulfilment of assignment of land and encroachment on disputed land. The Hon'ble High Court *vide* an interim order dated April 25, 2007 granted an interim stay to CCCL and also passed an interim injunction on even date restraining the Respondents from demanding lease payments, interfering with the peaceful possession and enjoyment of the disputed land by CCCL. The matter is pending.
18. CCCL filed writ petition No. 2169 of 2010 in the Madras High Court against the National Highways Authority of India and others (**Respondents**) challenging the proposed construction by the Respondents of a bypass road by cutting across meter gauge railway track constructed by CCCL on its land in Uppadamangalam Village, Karur District, Tamil Nadu. The Hon'ble High Court *vide* its order dated February 25, 2010 granted CCCL an interim injunction restraining the Respondents from interfering in the land owned by CCCL and this interim injunction was extended by three weeks *vide* its order dated March 19, 2010. The matter is pending.
19. CCCL (**Petitioner**) filed a writ petition (Ref: WP No. 26612 of 2012) in the Hon'ble High Court of Judicature at Madras on September 25, 2012, against the Union of India (**Respondent 1**), State of Tamil Nadu (**Respondent 2**) and Bureau of Energy Efficiency (**Respondent 3**), *inter alia* challenging the notification under PAT Scheme S.O. 687(E) dated March 30, 2012 issued by Respondent 1 whereby the Respondent 1 fixed energy consumption norms and standards in respect of CCCL's cement units. The Madras High Court *vide* an interim order dated September 28, 2012 *inter alia* stated that any decision by the Respondents to CCCL's action plans to reduce energy consumption shall be subject to the final orders to be passed in the writ petition. Subsequently, a counter affidavit to the writ petition was filed by

Respondent 1 and Respondent 3 on December 17, 2013, *inter alia* denying allegations and averments made in the writ petition and submitting that the writ petition was neither maintainable in law nor in on facts and the same was liable to be dismissed. The matter is pending.

C. Litigation involving our Directors

None of our Directors are involved in any litigation.

D. Litigation involving our Group Company

Please refer to the '*Litigation against our Promoter*' disclosed in this section.

E. Litigation against any other person whose outcome may have a material adverse effect on the position of our Company

As on date of this Draft Letter of Offer, there are no litigations against any other person whose outcome may have a material adverse effect on the position of our Company.

Outstanding dues to small scale undertakings and other creditors by our Company

As of June 30, 2015, our Company had 144 creditors, to whom an aggregate amount of ₹ 297.59 lakhs was outstanding. Based on the materiality threshold decided by our Board, as disclosed above, there are no material creditors of our Company. Further, none of our creditors have been identified as micro enterprises and small enterprises by our Company based on available information. For complete details about outstanding dues to creditors of our Company, see www.anjanicement.com.

Material Developments

Except as stated in chapter entitled '*Management Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page 174 of this Draft Letter of Offer, there have not arisen, since the date of the last financial information disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

GOVERNMENT APPROVALS

Our Company has received the necessary consent, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities, required for carrying out its present business and except as mentioned below, no further material approvals are required by our Company for carrying out its existing business.

Approvals relating to our Company

A. *Incorporation Details*

1. Certificate of incorporation, dated December 17, 1983, issued, by the RoC Hyderabad, to our Company upon incorporation as 'Shez Chemicals Limited'.
2. Fresh certificate of incorporation, dated October 17, 1985, issued, by the RoC Hyderabad, to our Company consequent to change of name from 'Shez Chemicals Limited' to 'Shez Cements Limited'.
3. Fresh certificate of incorporation, dated October 7, 1999 issued, by the RoC Hyderabad, to our Company consequent to change of name from 'Shez Chemicals Limited' to 'Anjani Portland Cement Limited'.

B. *Approvals in relation to our business*

Our Company is required to obtain various approvals in relation to our business. The registrations and approvals obtained by our Company in respect of our business operations in India include the following:

1. Factory situated at Survey No. 226, Chintalapalem Village, Mellacheruvu, Nalgonda District, Telangana.

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Licence to work a factory	33422	23 May 2010	Valid until cancelled	Inspector of Factories, Nalgonda – I Circle
Certificate of registration of manufacturer/ packer for the packing unit	CR No. 0025484	September 5, 2015	September 4, 2016	District Inspector, Legal Metrology, Nalgonda
Environmental clearance for expansion of cement plant, clinker, limestone mining and setting up of a coal based power plant	J-11011/892/2008-IA-II(I)	January 5, 2010	Valid until cancelled	Ministry of Environment and Forests, Government of India
Consent order for establishment for expansion to produce increased quantities of clinker and cement	221/ PCB/ CFE/ RO – NLG/ HO/ 2010	March 31, 2010	Not Applicable	Andhra Pradesh Pollution Control Board
Consent order authorizing to operate the factory to discharge effluents and emissions	APPCB/ PTN/ NGL/ 37/ CFO/ HO/ 2012 - 3271	July 9, 2015	April 30, 2019	Telangana State Pollution Control Board
Consent order for establishment for establishment of 16 MW	O6/ TSPC/ CFE/ RO – NLG/ HO/ 2015	June 15, 2015	Valid until cancelled	Telangana State Pollution Control Board

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
coal based power plant				
Permission for co – processing of various hazardous waste namely spent carbon and solid and liquid solvent of pharmaceutical industries, in the cement kiln	B-33014/ 2012/ PCI-II/ 7331	December 13, 2012	Not Applicable	Central Pollution Control Board
Licence to possess for use of explosives of class 1, 2, 3, 4, 5, 6 or 7 in a magazine under Explosives Rules, 2008	E/ SC/ AP/ 22/ 778(E31266)	July 28, 2011	March 31, 2016	Deputy Chief Controller of Explosives, Hyderabad
Certification marks licence for 43 Grade Ordinary Portland Cement	CM/L-6340256	July 23, 2015	July 31, 2016	Bureau of Indian Standards
Licence for manufacture and sales of rapid hardening portland cement as per IS 8041:1990	MDH/A-6306910	September 2, 2015	August 26, 2016	Bureau of Indian Standards
Consent for operation for plant located at Chintalapalem Village, Mellacheruvu, Nalgonda District	PCB – ID: 11715	July 9, 2015	April 30, 2019	Andhra Pradesh Pollution Control Board

2. Limestone Mines

- a. Limestone Mine situated at Survey Nos. 373, 374, 375 and 24/ 1, Chintalapalem Village, Mellacheruvu, Nalgonda District, Telangana (**Limestone Pit - 1**)

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Government Order dated October 25, 2012 granting 1 st renewal of mining lease for Limestone Pit - 1	GOMs No. 148	June 15, 2010	June 14, 2030	Principal Secretary to Government of Andhra Pradesh, Industries & Commerce (MI) Department
Government Order dated February 15, 2013 granting approval to commence mining operations under the 1 st renewal of mining lease for Limestone Pit - 1	1802/ M/ 2009	June 15, 2010	June 14, 2030	Assistant Director of Mines and Geology, Nalgonda – II, Miryalaguda
Approval of mining plan including progressive mine closure plan under the Mineral Conservation and Development Rules, 1988	MP/AP/NLG/LST-235-SZ	December 14, 2012	Valid until cancelled	Controller of Mines, South Zone
Grant of permission, under Metalliferous Mines Regulations, 1961, to	HR02(DMA)/Perm /2013/148	January 13, 2014	Valid until cancelled	The Director of Mines Safety, Hyderabad, Region

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
deploy heavy earth moving machinery for digging/ excavation of Limestone				No. 2
Authorisation under Metalliferous Mines Regulations, 1961 to work as manager of Limestone Pit - 1	HR02(DMA)/Perm /2015/6107	December 10, 2015	December 3, 2016	The Director of Mines Safety, Hyderabad, Region No. 2
Approval for bringing into use HT apparatus under Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulation, 2010	SEZE/Anjani LS/ 43/10-07/14/2833	November 27, 2014	Valid until cancelled	Director of Mines Safety (Elec.), South Central Zone, Hyderabad
No objection certificate for bringing into use MV Installations under Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulation, 2010	SEZE/Anjani Pit-I LS/95/15/505	February 19, 2015	Not Applicable	Director of Mines Safety (Elec.), South Central Zone, Hyderabad
Approval for authorization of electrical supervisor under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulation, 2010	SCZ(E)/Supervisor /2015/2481	December 14, 2015	Valid until cancelled	Director of Mines Safety (Elec.), South Central Zone, Hyderabad
Consent order for establishment under the Air Act, 1981 and the Water Act, 1974	221/ PCB/ CFE/ RO – NLG/ HO/ 2009	June 25, 2010	Not Applicable	Andhra Pradesh Pollution Control Board
Consent to operate the Limestone Pit - 1 to discharge effluents and emissions under the Water Act, 1974 and Air Act, 1981	APPCB/ RCP/ NLG/ 11719/ CFO/ HO/ 2014	June 11, 2014	November 30, 2016	Andhra Pradesh Pollution Control Board
Licence to possess for use of explosives of class 1, 2, 3, 4, 5, 6 or 7 in a magazine under Explosive Rules, 2008 in survey No. 24/ 1 , Chintalapalem Village, Mellacheruvu Mandal, Nalgonda District	E/ HQ/ AP/ 22/ 405(E34585)	July 4, 2012	March 31, 2017	Deputy Chief Controller of Explosives, Hyderabad
Licence to possess for use of Ammonium Nitrate from a store house attached to explosives manufacturing unit under Explosive Rules, 2008	A/ SC/ AP/ P3/ 21(A267)	November 12, 2013	March 31, 2018	Deputy Chief Controller of Explosives, Hyderabad

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
situated at Survey No. 24/ 1, Chintalapalem Village, Mellacheruvu Mandal, Nalgonda District				
Licence to manufacture ANFO explosives not exceeding 200 kilograms under Explosives Rules, 2008 at Survey No. 24/ 1, Chintalapalem Village, Mellacheruvu Mandal, Nalgonda District	E/ SC/ AP/ 38/ 20(E22285)	April 1, 2014	March 31, 2019	Deputy Chief Controller of Explosives, Secunderabad

- b. Limestone Mine situated at Survey No. 384, Chintalapalem Village, Mellacheruvu, Nalgonda District, Telangana
(Limestone Pit - 2)

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Grant of permission, under Metalliferous Mines Regulations, 1961, to deploy heavy earth moving machinery for digging/ excavation of Limestone	HR02(DMA)/Perm /2013/206	January 17, 2014	Valid until cancelled	The Director of Mines Safety, Hyderabad, Region No. 2
Approval of scheme of mining under the Mineral Conservation and Development Rules, 1988	AP/ NLG/ MP/ Lst – 24/ HYD	December 29, 2009	Valid until cancelled	Regional Controller of Mines, Hyderabad
Authorisation under Metalliferous Mines Regulations, 1961 to work as manager of Limestone Pit - 2	HR02(DMA)/Perm /2015/6107	December 10, 2015	December 3, 2016	The Director of Mines Safety, Hyderabad, Region No. 2

- c. Limestone Mine situated at Survey No. 49/2, Gudimalkapuram Village, Mellacheruvu, Nalgonda District, Telangana
(Limestone Pit - 3)

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Government Order dated July 2, 2008 granting mining lease for Limestone Pit – 3	GOMs No. 162	October 30, 2008	October 29, 2028	Principal Secretary to Government of Andhra Pradesh, Industries & Commerce (MI) Department
Government Order dated October 30, 2008 granting approval to commence mining operations under mining lease for Limestone Pit - 3	942/M2/2006	October 30, 2008	October 29, 2028	Assistant Director of Mines and Geology, Nalgonda – II, Miryalaguda
Grant of permission, under Metalliferous Mines	HR02(DMA)/Perm /2013/202	January 17, 2014	Valid until cancelled	The Director of Mines Safety,

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Regulations, 1961, to deploy heavy earth moving machinery for digging/ excavation of Limestone				Hyderabad, Region No. 2
Authorisation under Metalliferous Mines Regulations, 1961 to work as manager of Limestone Pit – 3	HR02(DMA)/Perm /2015/6104	December 10, 2015	December 3, 2016	The Director of Mines Safety, Hyderabad, Region No. 2
Approval scheme of mining with progressive mine closure plan for Anjani Limestone Pit – III Mine under the Mineral Conservation and Development Rules, 1988. The next financial assurance is due on January 1, 2019.	AP/ AP/ NLG/ MP/ Lst – 64/ HYD	January 21, 2015	Valid until cancelled	Regional Controller of Mines
Consent order for establishment under the Air Act, 1981 and the Water Act, 1974	206/ PCB/ CFE/ RO – NLG/ HO/ 2008	March 14, 2008	Not Applicable	Andhra Pradesh Pollution Control Board
Consent to operate the Limestone Pit - 1 to discharge effluents and emissions under the Water Act, 1974 and Air Act, 1981	APPCB/ RCP/ NLG/ 11719/ CFO/ HO/ 2014	June 11, 2014	November 30, 2016	Andhra Pradesh Pollution Control Board

3. General

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Licence to transport explosives in a road van under Explosives Rules, 2008	E/SC/TG/25/756 (E81352)	February 20, 2015	March 31, 2017	Deputy Chief Controller of Explosives, Secunderabad
License to import and store petroleum in installation under the Petroleum Rules, 2002	P/SC/AP/15/ 302 (P49256)	December 19, 2014	December 31, 2024	Deputy Chief Controller of Explosives, Secunderabad
Mineral dealer licence under the Andhra Pradesh Mineral Dealers Rules, 2000	2903/MDL/RR/ 2007	November 20, 2011	November 19, 2017	Deputy Director of Mines and Geology, Hyderabad Region
Registration Certificate of Establishment under Maharashtra Shops and Establishments Act, 1948	760485763/Commercial II	August 4, 2015	August 2, 2016	Inspector under the Maharashtra Shops and Establishments Act, 1948

Certificate of Importer Exporter Code	0906013992	December 5, 2006	Valid until cancelled	Deputy Director General of Foreign Trade, Ministry of Commerce
Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970	5/ 99	November 24, 1999 (Amendment certificate issued on March 19, 2015 for change in address of principal employer and incorporating the present/ existing contractors list)	Valid until cancelled	Assistant Labour Commissioner (Central) & Registering Officer, Hyderabad
Registration certificate dated May 9, 2000 under the Employees Provident Fund and Miscellaneous Provisions Act, 1976	AP/ HY/ 37539	December 29, 1999	Valid until cancelled	Regional Provident Fund Commissioner, Andhra Pradesh, Hyderabad
Registration certificate dated June 3, 2002 under the Employee State Insurance Act, 1948	52 – 20786 – 101	October 1, 2000	Valid until cancelled	Regional Director, Employees State Insurance Corporation, Andhra Pradesh, Hyderabad

C. Tax related approvals

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Permanent Account Number	AACCA8115F	October 17, 1985	Not Applicable	Income Tax Department
Tax Deduction and Collection Account Number (TAN)	HYDA01742G	N.A	Not Applicable	Income Tax Department
Service Tax Registration under the Finance Act, 1994	AACCA8115FST002	June 7, 2006	Valid until cancelled	Central Board of Excise and Customs
Certificate of registration dated June 23, 2015 and allotment of TIN under Andhra Pradesh Value Added Tax Act, 2005	36970134507	June 23, 2014	Valid until cancelled	Assistant Commissioner, Commercial Tax, LTU, Nalgonda Division
Certificate of registration dated July 21, 2014 and allotment of TIN under Andhra Pradesh Value Added Tax Act, 2005	37970134507	June 2, 2014	Valid until cancelled	Assistant Commissioner, Commercial Tax, Benz Circle, Vijayawada – II Division
Certificate of registration, dated July 21, 2014, as a dealer under the Central Sales Tax Act, 1956	37970134507	June 2, 2014	Valid until cancelled	Assistant Commissioner, Commercial Tax, Benz Circle, Vijayawada – II

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
				Division
Certificate of registration dated May 7, 2014 and allotment of TIN under Karnataka Value Added Tax Act, 2003	29150693431	August 30, 2012	Valid until cancelled	Assistant Commissioner, Commercial Tax, LVO – 530, Raichur, Karnataka
Certificate of registration, dated May 7, 2014, as a dealer under the Central Sales Tax Act, 1956	29150693431	August 30, 2012	Valid until cancelled	Assistant Commissioner, Commercial Tax, LVO – 530, Raichur, Karnataka
Certificate of registration dated April 26, 2011 and allotment of TIN under Maharashtra Value Added Tax Act, 2002	27480826706V	April 6, 2011	Valid until cancelled	Sales tax Officer (VAT), Solapur, Maharashtra
Certificate of registration, dated April 26, 2011, as a dealer under the Central Sales Tax Act, 1956	27480826706C	April 6, 2011	Valid until cancelled	Sales tax Officer (VAT), Solapur, Maharashtra
Certificate of registration dated May 11, 2010 and allotment of TIN under Tamil Nadu Value Added Tax Act, 2006	33840442677	May 5, 2010	Valid until cancelled	Assistant Commissioner, Egmore A - Assessment Circle
Certificate of registration, dated May 11, 2010, as a dealer under the Central Sales Tax Act, 1956	33840442677	May 5, 2010	Valid until cancelled	Assistant Commissioner, Egmore A - Assessment Circle
Certificate of registration dated May 18, 2015 and allotment of TIN under the Telangana Tax on Profession, Trade, Calling and Employment Act, 1987	36251610698	June 2, 2014	Valid until cancelled	Deputy Commissioner, Commercial Tax, Srinagar Colony Circle, Hyderabad
Profession Tax Enrollment Certificate dated May 18, 2015 under the Telangana Tax on Profession, Trade, Calling and Employment Act, 1987	36667141511	June 2, 2014	Valid until cancelled	Deputy Commissioner, Commercial Tax, Srinagar Colony Circle, Hyderabad
Central Excise registration certificate under Central Excise Rules, 2002	AACCA8115FXM 001	November 6, 2009	Valid until cancelled	Deputy Commissioner of customs, Central Excise and Service Tax, Nalgonda Division, Nalgonda

D. Pending Approvals

Description	Reference No.	Date of Application	Issuing Authority
Application for renewal of mining lease granted vide G.O. Ms. No. 59 for Limestone Pit – 2 dated August 30, 2012 and mining plan dated May 7, 2014*	AP/NLG//MP/LST – 24/HYD	August 30, 2012	The Secretary, Industries and Commerce Department, Government of Andhra Pradesh
Application for change of occupier for licence LE 3 for Limestone Mine Pit 1 – E/HQ/AP/22/405/405(E34585)	E/HQ/AP/22/405 /405(E34585)	July 6, 2015	Chief Controller of Explosives
Application for change of occupier for licence P 3 for Limestone Mine Pit 1 – A/SC/AP/P3/21(A267)	A/SC/AP/P3/21(A267)	June 29, 2015	Deputy Chief Controller of Explosives, Hyderabad
Application for change of occupier for licence LE 1 for Limestone Mine Pit 1 – E/SC/AP/38/20(E22285)	E/SC/AP/38/20(E22285)	June 29, 2015	Deputy Chief Controller of Explosives, Secunderabad
Application for renewal of certificate of Establishment under the Andhra Pradesh Shops and Establishments Act, 1988	DCL-II/HYD/303/ 2010	December 24, 2015	-

* Vide a notification dated July 18, 2014 the Central Government amended the Mineral Concession Rules, 1960 the mining lease has been extended till September 26, 2013 or till such time as the State Government may pass an order.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the resolution passed by the Board of Directors under Section 62 and other provision of the Companies Act, at their meeting held on April 29, 2015. The Rights Issue Committee in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager. Our Company has received approval from BSE under the SEBI Listing Regulations for listing of the securities to be allotted in the Issue pursuant to the letter dated [●].

Prohibition by SEBI or RBI

Neither our Company, the Promoter, the Directors nor the persons in control of the Promoter or any other company to which the above persons are associated as promoters, directors or persons in control, have been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI.

None of the Directors of our Company are associated with the capital markets in any manner. SEBI has not initiated action against any entities with which the Directors are associated. Further, neither our Company nor the Promoter has been declared willful defaulters by the RBI or any other authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

RBI Approval for Renunciation

Any renunciation (i) from resident Indian Equity Shareholder(s) to Non-Resident(s), or (ii) from Non-Resident Equity Shareholder(s) to resident Indian(s), or (iii) from a Non-Resident Equity Shareholder(s) to other Non-Resident(s), is subject to the renouncer(s)/ Renouncee(s) obtaining the necessary regulatory approvals. The renouncer(s)/Renouncee(s) is/ are required to obtain any such approval and attach the same to the CAF, along with any other approval that may be required by such renouncer(s)/Renouncee(s). All such renunciations shall be subject to any conditions that may be specified in such regulatory approval. Applications not complying with conditions of the approval/not accompanied by such approvals are liable to be rejected.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of the Directors currently hold or have held directorships in the last five (5) years in a listed company, whose shares have been suspended from trading from any stock exchange(s); or in a listed company that has been/ was delisted from any stock exchange(s)

Eligibility for the Issue

We are an existing company registered under the Companies Act and the Equity Shares of our Company are listed on BSE. Our Company is eligible to undertake the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Due to the provisions of clause 3(a) of Part E of Schedule VIII of the SEBI ICDR Regulations, our Company is required to make disclosures as per Part A of Schedule VIII of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR

APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 30, 2015 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY,
3. WE CONFIRM THAT:
 - I. THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - II. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - III. THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
4. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID AND NONE OF THESE INTERMEDIARIES HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
5. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOTAPPLICABLE
6. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF

PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER/ LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER/ LETTER OF OFFER - NOT APPLICABLE

7. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER / LETTER OF OFFER - NOT APPLICABLE
8. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
10. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI ICDR REGULATIONS.
11. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
12. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
 - I. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE (1) DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

II. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

- 14. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 15. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 16. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 17. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH THE CIRCULAR DATED SEPTEMBER 27, 2011. NOT APPLICABLE.**
- 18. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY IN THE DRAFT LETTER OF OFFER AS CERTIFIED BY RAMANATHAM & RAO, CHARTERED ACCOUNTANTS, FIRM REGISTRATION NUMBER S - 2934 BY WAY OF ITS CERTIFICATE DATED DECEMBER 21, 2015.**

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 35 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to us and Lead Manager and their respective directors, officers, employees, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Manager shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this

Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer of rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, will be included in the Letter of Offer as set out below:

"BSE Limited ("the Exchange") has given *vide* its letter dated [●], permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which maybe suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Filing

The Draft Letter of Offer was filed with the Corporation Finance Department of the SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra-(E), Mumbai 400 051 for its observations. After SEBI gives its observations, the Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on directly or indirectly to any other person or published in whole or in part for any purpose.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is filed with SEBI for observations. Accordingly, the Rights Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the Rights Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Shares referred to in this Draft Letter of Offer.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

IMPORTANT INFORMATION FOR INVESTORS - ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully below, there are certain restrictions regarding the Rights Shares and Equity Shares that affect potential Investors. These restrictions are restrictions on the ownership of Equity Shares by such persons following the offer.

The Rights Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (U.S. Persons) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Rights Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of forty (40) days after the commencement of the Issue, an offer or sale of Rights Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Eligible Investors

The Rights Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the Rights Shares are deemed to have made the representations set forth immediately below.

Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the Rights Shares, by its acceptance of the Letter of Offer, will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of the Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

1. The purchaser is authorized to consummate the purchase of the Rights Shares in compliance with all applicable laws and regulations;
2. The purchaser acknowledges that the Rights Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
3. The purchaser is purchasing the Rights Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
4. The purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Rights Shares, is a

non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Rights Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Rights Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Rights Shares or any economic interest therein to any U.S. Person or any person in the United States;

5. The purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rights Shares, or any economic interest therein, such Rights Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Rights Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;
7. The purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any '*directed selling efforts*' as defined in Regulation S under the Securities Act in the United States with respect to the Rights Shares;
8. The purchaser understands that such Rights Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:
9. THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (**SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.
10. The purchaser agrees, upon a proposed transfer of the Rights Shares, to notify any purchaser of such Rights Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Shares being sold;
11. Our Company will not recognize any offer, sale, pledge or other transfer of such Rights Shares made other than in compliance with the above-stated restrictions; and
12. The purchaser acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such rights or Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who receives any communication in respect of, or who acquires any rights or Equity Shares under, the offers contemplated in this Draft Letter of Offer will be deemed to have represented, warranted and agreed to and with each Lead Manager and our Company that in the case of any rights or Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

1. The Rights Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified Investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Manager has been given to the offer or resale; or
2. Where Rights Shares have been acquired by it on behalf of persons in any Relevant Member State other than

qualified Investors, the offer of those Rights Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an 'offer of Equity Shares to the public' in relation to any of the rights or Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Equity Shares to be offered so as to enable an Investor to decide to purchase or subscribe for the rights or Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Listing

The existing Equity Shares are listed on the BSE. Our Company will make an application to the BSE for obtaining in-principle approval in respect of the Rights Shares. We will apply to the BSE for listing and trading of the Rights Shares. If the permission to deal in and for an official quotation of the securities is not granted by the Stock Exchange mentioned above, we shall forthwith repay, without interest, all monies received from Applicants in pursuance of the Draft Letter of Offer.

Our Company will issue and dispatch Allotment advice/ Share Certificates/demat credit and/or letters of regret along with refund order or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of fifteen (15) days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Consents

Consents in writing of the directors, the statutory auditor, the Lead Manager, the Legal Advisor to the Issue, the Registrar to the Issue, the Bankers to our Company and Bankers to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Ramanatham & Rao, Chartered Accountants, Statutory Auditors of our Company, have given their written consent for the inclusion of their report in the form and content appearing in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Draft Letter of Offer.

Expert

Except for (i) the reports of the Auditors on the Restated Financial Information, and (ii) the Statement of Possible Tax Benefits Available to our Company and its Shareholders included in this Draft Letter of Offer, we have not obtained any expert opinions.

Issue Related Expenses

The Issue related expenses include, *inter alia*, Lead Managers' fee, printing and distribution expenses, advertisement, Registrar, legal and depository fees and other expenses will be met out of our Company's internal accruals.

The estimated Issue expenses are as under:

Particulars	Amounts (` in lakhs)	As a percentage (%) of total expenses	As a percentage (%) of Issue Size
Fees of Lead Manager, Bankers to the Issue, Legal Advisor, Registrar to the Issue, commission of SCSBs and out of pocket expenses	[•]	[•]	[•]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees, depository fees, auditor fees and miscellaneous expenses	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

Filings

This Draft Letter of Offer has been filed with the Corporation Finance Department of SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations. After SEBI gives its observations, the final Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Previous issues

Our Company has not made a public issue or rights issue of Equity Shares in the last five (5) years.

Except as disclosed in this Draft Letter of Offer under chapter entitled '*Capital Structure*' beginning on page 49 of this Draft Letter of Offer, our Company has not made any issue of shares for consideration other than cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Our Company had undertaken an initial public offer in Fiscal 1994. Our current Promoter acquired our Company from our erstwhile promoters in the year 2014 and, consequently, our Company has no details of the commission or brokerage paid on previous issues.

Performance vis-à-vis objects

Our Company has not made a public issue or rights issue of Equity Shares in the last ten (10) years. Our Company does not have any listed group companies, subsidiaries and/or associates.

Outstanding Debentures

On November 14, 2014, our Company allotted '10.50% Anjani Portland Limited 14-Nov-2017' (**Series A NCDs**) and '10.50% Anjani Portland Limited 14-Apr-2018' (**Series B NCDs**) Rated, Taxable, Secured, Guaranteed, Listed, Redeemable, Non-Convertible Debentures (**NCD**) in the form of separately transferable redeemable principal parts of face value of ₹ 10,00,000 each at par for cash aggregating ₹ 6,000 lakhs on a private placement basis. For further details, please refer to chapter entitled '*Financial Indebtedness*' beginning on page 192 of this Draft Letter of Offer.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of Investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. Additionally, our Company is registered with the SEBI Complaints Redress System (**SCORES**) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. The share transfer and dematerialization is being handled by Karvy Computershare Private Limited, the Registrar and Share Transfer Agent, which is also the Registrar to the Issue. Letters are filed category wise after being attended to. All Investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the compliance officer.

The Stakeholders Relationship Committee comprises of Gopal Perumal, Chairman, Independent, Non - Executive Director; V. Subramanian, Member, Independent, Non - Executive Director; and A. Subramanian, Member, Managing Director. The Stakeholders Relationship Committee considers and resolves the grievances of the security holders of our Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

Investor grievances arising out of the Issue

The Investor grievances arising out of the Issue will be handled by Karvy Computershare Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling post- Issue correspondences only.

The agreement between our Company and the Registrar provides for period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/ SCSB and the branch where the CAF was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Our Company is registered with the SCORES as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, Investor grievances are tracked online by our Company.

The average time taken by the Registrar for attending to routine grievances will be within five (5) working days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Registrar to the Issue

Karvy Computershare Private Limited

Plot 31-32, Gachibowli,
Karvy Selenium Tower B Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2300 1153
Email: einward.ris@karvy.com
Investor Grievance E-Mail: anjaniporland.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: M. Murali Krishna
Compliance Officer: Rakesh Santhalia
SEBI Registration No.: INR000000221

Investors may contact the Compliance Officer in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/ Share Certificates/ demat credit/ refund orders etc. The contact details of the Compliance Officer are as follows:

Anu Nair

Company Secretary and Compliance Officer
306 A, The Capital, 3rd Floor
Plot No. C 70, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Maharashtra, India.
Tel: +91 22 4023 9909
E-mail: anunair@anjanicement.com

Status of complaints

1. Total number of complaints received during Fiscal 2013: 3
2. Total number of complaints received during Fiscal 2014: Nil
3. Total number of complaints received during Fiscal 2015: Nil
4. Time normally taken for disposal of various types of investor complaints: 7 working days.

Status of outstanding investor complaints

As on the date of this Draft Letter of Offer, there are no outstanding investor complaints against our Company.

Changes in Auditors during the last three (3) years

There has been no change in auditors during the last three (3) years except for the Shareholders *vide* their resolution dated September 10, 2014 appointing Ramanatham & Rao, Chartered Accountants as the Auditors of our Company in place of M/s M Anandam & Company.

Capitalization of reserves or profits / issuance of Equity Shares for consideration other than cash

Other than as disclosed under the chapter entitled '*Capital Structure*' beginning on page 49 of this Draft Letter of Offer, our Company has not capitalized any of its reserves or profits / issued shares for consideration other than cash.

Revaluation of fixed assets

Our Company has not revalued its fixed assets till date.

Performance *vis-a-vis* Objects

During the period of ten (10) years immediately preceding the date of filing this Draft Letter of Offer, our Company has not made any public / rights issue.

None of the Group Entities of our Company have made any public or rights issues in the ten (10) years preceding the date of this Draft Letter of Offer.

Stock market data for Equity Shares

For stock market data, please refer to chapter entitled '*Market Price Information*' beginning on page 191 of this Draft Letter of Offer.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Composite Application Form, the Split Application Form, the Memorandum of Association and Articles of Association of our Company, and the provisions of the Companies Act, FEMA, the guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any from the RBI or other regulatory authorities, the SEBI Listing Regulations and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹200,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For further details, please refer '*Terms of the Issue - Procedure for Application*' beginning on page 234 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to the existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the register of members of our Company in respect of the equity shares held in physical form at the close of business hours on the Record Date, i.e., [●], fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], you are entitled to the number of Equity Shares as set out in Part [●] of the CAFs.

The distribution of the Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Our Company is making the issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and the Letter of Offer/Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have

declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE EQUITY SHARES

Face Value

Each Equity Share will have the face value of ₹10.

Issue Price

Each Equity Share is being offered at a price of ` [●] (including a premium of ` [●] per Equity Share).

Rights Entitlement Ratio

The Rights Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Shares or every [●] Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ [●] per Rights Share is payable on application.

Fractional Entitlements

The Rights Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Shares for every [●] Equity Shares held as on the Record Date. For Rights Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one (1) additional right share each if they apply for additional Rights Shares over and above their rights entitlement, if any.

Those Eligible Equity Shareholders holding less than [●] Equity Shares, i.e. holding upto [●] Equity Shares and therefore entitled to 'zero' Rights Shares under this Issue shall be dispatched a CAF with the Letter of Offer, that it is not and that at the time of subscribing for the separate account in own name would be given preference in the Allotment of one (1) additional Right Share if, such Eligible Equity Shareholders have applied for the additional Rights Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Equity Shareholder holds between [●] and [●] Equity Shares, he will be entitled to zero Rights Shares on a rights basis. He will be given a preference for Allotment of one (1) additional Equity Share if he has applied for the same.

Ranking

The Rights Shares being issued shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently traded on the BSE Limited under the ISIN INE071F01012. The fully paid-up Rights Shares proposed to be issued on a rights basis shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Shares proposed to be issued on a rights basis shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The Rights Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Shares shall be taken within seven (7) Working Days of finalization of Basis of Allotment. Our Company has received in-principle approval from BSE letter no. [●] dated [●].

Our Company will apply to the BSE for final approval for the listing and trading of the Rights Shares. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under the Issue will trade after the listing thereof.

If permissions to list, deal in and for an official quotation of the Rights Shares are not granted by the BSE, the Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight (8) days after the Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of fifteen (15) days from the Issue Closing Date in case no permission is granted, whichever is earlier, then the Company and every Director who is an officer in default shall, on and from such expiry of eight (8) days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by the Promoter

CCCL, the Promoter of our Company, currently holds 1,37,92,197 Equity Shares aggregating to 75% of the pre-Issue share capital of our Company and have undertaken that they intend to subscribe to the full extent of its Rights Entitlement in the Issue. The subscription by our Promoter of the Rights Shares and the consequent Allotment of the Right Shares would be subject to the aggregate shareholding of the Promoter not exceeding 75% of the post-Issue Equity Share Capital of our Company on the date of Allotment, in compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and the SEBI Listing Regulations. Also, such Allotment of Rights Shares shall be exempt from open offer requirements in terms of Regulation 10(4) (a) of the SEBI Takeover Code.

For further details of under subscription and Allotment to the Promoter, please refer to sub-chapter entitled '*Basis of Allotment*' under the chapter entitled '*Terms of the Issue*' beginning on page 248 of this Draft Letter of Offer.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to attend general meetings and exercise voting powers, unless prohibited by law;
3. Right to vote on a poll either in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right of free transferability of shares; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Rights Shares in dematerialised mode is one (1) equity share. In case an Eligible Equity Shareholder holds Rights Shares in physical form, our Company would issue to the Allottees one (1) certificate for the Equity Shares allotted to each folio (**Consolidated Certificate**). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Equity Shareholder.

Joint Holders

Where two (2) or more persons are registered as the holders of any Rights Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the Rights Shares in accordance with the provisions of the Section 72 of the Companies Act. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Rights Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Shares, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Shares are held by more than one (1) person jointly, the nominee shall become entitled to all the rights in the Rights Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Rights Shares himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Shares, until the requirements of the notice have been complied with.

Only one (1) nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Rights Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Shares to be allotted in this Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares are traded in dematerialised form only and therefore the marketable lot is 1 (One) share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one (1) English language national daily newspaper with wide circulation, one (1) Hindi national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation and/or, will be sent by post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Equity Shareholders from time to time.

Procedure for Application

The CAF for the Rights Shares offered as part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Investor(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit.

Please note that QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (OCBs) have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying to this Issue.

The CAF consists of four (4) parts:

- | | |
|---------|--|
| Part A: | Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares; |
| Part B: | Form for renunciation of Equity Shares; |
| Part C: | Form for application of Equity Shares by Renouncee(s); |
| Part D: | Form for request for split Application forms. |

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in Equity Shares, then he can:

1. Apply for his Rights Entitlement of Equity Shares in full;
2. Apply for his Rights Entitlement of Equity Shares in part;
3. Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the
4. Rights Shares;
5. Apply for his Rights Entitlement in full and apply for additional Rights Shares;
6. Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Shares offered, either in full or in part, by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar to the Issue by registered post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager or the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please refer to section titled '*Terms of the Issue - Mode of Payment for Resident Investors*' and '*Terms of the Issue - Mode of Payment for Non-Resident Investors*' beginning on pages 240 and 240, respectively of this Draft Letter of Offer.

Additional Rights Shares

You are eligible to apply for additional Rights Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under '*Terms of the Issue - Basis of Allotment*' beginning on page 248 of this Draft Letter of Offer.

Further, under the Foreign Exchange Regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Due to the aforementioned factors FPIs, FVCIs, multilateral and bilateral institutes intending to apply for additional Rights Equity Shares or intending to apply for Rights Equity Shares renounced in their favour shall be required to obtain prior approval from the appropriate regulatory authority.

If you desire to apply for additional Rights Shares, please indicate your requirement in the place provided for additional Rights Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Shares renounced in their favour may also apply for additional Rights Shares.

Where the number of additional Rights Shares applied for exceeds the number of Rights Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Rights Shares in favour of the following Renouncees: (i) more than three (3) persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Shares or Rights Entitlement under applicable securities laws.

Any renunciation (i) from a resident Eligible Equity Shareholder to a Non-Resident, or (ii) from a non-resident Eligible Equity Shareholder to a resident, or (iii) from a Non-Resident Eligible Equity Shareholder to a Non-Resident is subject to the renouncer / Renouncee obtaining the necessary approvals, including from the RBI, and such approvals should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (**OCBs**) have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities in terms of Regulation 5(1) of RBI Notification No. 20/ 2000-RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Equity Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for our Company of the fact of renouncement to the person(s) applying for Equity Shares in Part 'C' of the CAF for the purpose of Allotment of such Rights Shares. The Renouncees applying for all the Rights Shares renounced in their favour may also apply for additional Rights Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Rights Shares in favour of any other person.

Procedure for renunciation

To renounce all the Rights Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two (2) or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Shares, does not match with the specimen registered with our Company/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Shares jointly with any other person(s), not more than three (3) including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF:

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>)
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Shares (<i>All joint holders must sign</i>)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) Or Renounce your Rights Entitlement to all the Rights Shares offered to you to more than one Renouncee	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. 1. For the Rights Shares you wish to accept, if any, fill in and sign Part A. 2. For the Rights Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. 3. Each Renouncee should fill in and sign Part C for the Rights Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Rights Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (<i>All joint Renouncees must sign</i>)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for each SAF should be made for a minimum of one (1) Rights Share or, in each case, in multiples thereof and one SAF for the balance Rights Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar to the Issue on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor(s) by post at the Applicant's risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Shares or Rights Entitlement under applicable securities laws.
- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the CAF and in the same order and as per specimen signatures recorded with our Company/ Depositories.

8. *Non-Resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares allotted as a part of this Issue shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Rights Shares, subsequent issue and Allotment of Rights Shares, interest, export of Share Certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
9. The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within seven (7) days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the applications. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque drawn on a bank in Mumbai pay order/demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, please refer '*Terms of the Issue - Modes of Payment*' beginning on page 239 of this Draft Letter of Offer. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "**Anjani Portland Cement Limited – Rights Issue**" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company /Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Anjani Portland Cement Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred - physical or demat form, if held in physical form;
7. Number of Rights Shares entitled to;
8. Number of Rights Shares applied for;
9. Number of additional Rights Shares applied for, if any;
10. Total number of Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] per Rights Share;
12. Particulars of cheque/ demand draft;
13. Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to the Issue;

15. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;
16. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
17. Additionally, all such Applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (US Securities Act) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the United States) or to, or for the account or benefit of a "U.S. Person" as defined in Regulation S of the US Securities Act (Regulation S). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Eligible Equity Shareholder without any interest thereon.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding [●] days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under 'Basis of Allotment' beginning on page 248 of this Draft Letter of Offer.

Modes of Payment

Investors are advised to use CTS cheques to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected.

Mode of payment for Resident Investors

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "**Anjani Portland Cement Limited – Rights Issue**" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar to the Issue;
2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque drawn on a bank in Mumbai pay order/demand draft for the full application amount, net of bank and postal charges drawn in favour of "**Anjani Portland Cement Limited– Rights Issue**", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "**Anjani Portland Cement Limited – Rights Issue**". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

As regards the application by Non-Resident Investor, the following conditions shall apply:

1. Individual Non-Resident Indian Applicants who are permitted to subscribe for Rights Shares by applicable local securities laws can obtain application forms from the following address:

Karvy Computershare Private Limited

Plot 31-32, Gachibowli,
Karvy Selenium Tower B Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500 032
Telangana, India
Telephone: +91 40 6716 2222
Facsimile: +91 40 2300 1153
Email: einward.ris@karvy.com
Investor Grievance E-Mail: anjaniporland.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

2. Applications will not be accepted from Non-Resident Indian in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.
3. Non-Resident Investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "**Anjani Portland Cement Limited – Rights Issue**", crossed 'A/c Payee only' payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "**Anjani Portland Cement Limited – Rights Issue**". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
4. Payment by Non-Residents must be made by demand draft payable at Mumbai, pay order/cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);or
2. By cheque/draft drawn on an NRE or FCNR Account maintained in Mumbai; or
3. By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Mumbai;
4. FIIs/ FPIs registered with SEBI must utilise funds from special non-resident rupee account;

5. Non-Resident Investors with repatriation benefits should draw the cheques/ demand drafts in favour of "**Anjani Portland Cement Limited – Rights Issue – NR**", crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar to the Issue;
6. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as Non-Residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
2. Non-Resident Investors without repatriation benefits should draw the cheques/demand drafts in favour of "**Anjani Portland Cement Limited – Rights Issue**", crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar to the Issue;
3. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
4. An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act.
- In case Rights Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from Non-Residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application by ASBA Investors

Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or other Applicants whose application

amount exceeds ₹200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI Circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one (1) ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue under the ASBA process

ASBA Investors may accept the Issue and apply for the Rights Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under the ASBA process

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with eligibility conditions prescribed under the SEBI circular SEBI /CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

A Retail Individual Investor applying for a value of up to ` 200,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (<i>All joint holders must sign</i>)
2.	Accept your Rights Entitlement in full and apply for additional Rights Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Shares (<i>All joint holders must sign</i>)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper under the ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed '**Anjani Portland Cement Limited– Rights Issue**' and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company /Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer, being Anjani Portland Cement Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
5. Number of Equity Shares held as on Record Date;
6. Number of Rights Shares entitled to;
7. Number of Rights Shares applied for;
8. Number of additional Rights Shares applied for, if any;
9. Total number of Rights Shares applied for;
10. Total amount paid at the rate of ₹ [●] per Rights Share;
11. Particulars of cheque/ demand draft;
12. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
13. In case of Non-Resident Investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to the Issue;
15. Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
16. Additionally, all such Applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (US Securities Act) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the United States) or to or for the account or benefit of a 'U.S. Person' as defined in Regulation S of the US Securities Act (Regulation S). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of we, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Manager or any other person acting on behalf of we have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

1. Please read the instructions printed on the respective CAF carefully.
2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.
3. The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
4. All Applicants, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the Income Tax Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.**
5. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with our our Company /or Depositories.
7. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company / Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
8. All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.
9. Only the person or persons to whom the Rights Shares have been offered and not Renouncee(s) shall be eligible to participate under the ASBA process.
10. Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Shares under applicable securities laws are eligible to participate.
11. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
12. Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.
13. Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non- Institutional Investors (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the

SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under '*Terms of the Issue - Application on Plain Paper*' beginning on page 238 of this Draft Letter of Offer.

Do's:

1. Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.
2. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
3. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
4. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
7. Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income Tax Act.
8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
9. Ensure that the Demographic Details are updated, true and correct, in all respects.
10. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
2. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
3. Do not pay the amount payable on application in cash, by money order, pay order or by postal order.
4. Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
5. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
6. Do not apply if the ASBA Account has been used for five Applicants.
7. Do not apply through the ASBA Process if you are not an ASBA Investor.
8. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under '*Terms of the Issue - Grounds for Technical Rejection for Non-ASBA Investors*' beginning on page 254 of this Draft Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

1. Application on a SAF.
2. Application for Allotment of Rights Entitlements or additional Rights Shares which are in physical form.
3. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
4. Sending an ASBA application on plain paper to the Registrar to the Issue.
5. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
6. Renouncee applying under the ASBA Process.
7. Submission of more than five CAFs per ASBA Account.
8. Insufficient funds are available with the SCSB for blocking the amount.
9. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
10. Account holder not signing the CAF or declaration mentioned therein.
11. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
12. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.
13. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Rights Shares in this Issue for value of more than ₹200,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renouncee not applying through the ASBA process.
14. The application by an Eligible Equity Shareholder whose cumulative value of Rights Shares applied for is more than ₹200,000 but has applied separately through split CAFs of less than ₹200,000 and has not done so through the ASBA process.
15. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
16. Submitting the GIR instead of the PAN.
17. An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
18. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Investors such as address, bank account details for printing on refund orders and occupation (Demographic Details). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar to the Issue. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three (3) parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

The Issue is not underwritten.

Issue Schedule

Issue Opening Date:	<input type="checkbox"/>
Last date for receiving requests for SAFs:	<input type="checkbox"/>
Issue Closing Date:	<input type="checkbox"/>

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding thirty (30) days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Rights Shares in the following order of priority:

1. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Rights Shares renounced in their favour, in full or in part.
2. Investors whose fractional entitlements are being ignored would be given preference in Allotment of one (1) additional Rights Share each if they apply for additional Rights Share. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after Allotment under (1) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Shares offered to them as part of the Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Rights Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
5. Allotment to any other person that the Board of Directors as it may deem fit provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of the Board in this regard shall be final and binding.
6. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Code.

CCCL, the Promoter of our Company, currently holds 1,37,92,197 Equity Shares aggregating to 75% of the pre-Issue share capital of our Company and have undertaken that they intend to subscribe to the full extent of its Rights Entitlement in the Issue. Such Allotment of Rights Shares shall be exempt from open offer requirements in terms of Regulation 10(4)(a) of the SEBI Takeover Code.

For further details of under subscription and Allotment to the Promoter, please refer to sub-chapter entitled '*Basis of Allotment*' under the chapter entitled '*Terms of the Issue*' beginning on page 248 of this Draft Letter of Offer.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ Share Certificates/ demat credit and/or letters of regret along with refund order or credit the allotted Rights Shares to the respective beneficiary accounts, if any, within a period of fifteen (15) Working Days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service (*NECS*) except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within fifteen (15) Working Days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Share certificates will be kept ready within two (2) months from the date of Allotment thereof under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

In the case of Non-Resident Shareholders or Investors who remit their application money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts,

the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-Resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non Resident Shareholders or Investors.

The Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS - Payment of refund would be done through NECS for Investors having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
2. National Electronic Fund Transfer (*NEFT*) - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. Direct Credit - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS - If the refund amount exceeds ₹200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. Dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. Dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO

accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within fifteen (15) Working Days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one (1) month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Rights Shares in Dematerialized Form

Investors shall be allotted the Rights Shares in dematerialized (*electronic*) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL on November 30, 2011 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on October 25, 2011 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Shares in dematerialized form will receive their Rights Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a Depository Participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Rights Shares in physical form. No separate CAFs for Rights Shares in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Shares sought in demat and balance, if any, will be allotted in physical Rights Shares. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Investors who have already opened such beneficiary account(s) need not adhere to this step.*
2. For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the depository

account is in the name(s) of the Investors and the names are in the same order as in the records of our Company / Depositories.

The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Shares in physical form.

The Rights Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar to the Issue but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Shares to the Applicant's depository account.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Investors

1. Please read the instructions printed on the CAF carefully.
2. Applicants that are not QIBs or are not Non - Institutional Investor or those whose application money does not exceed ₹200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
3. Application should be made on the printed CAF, provided by our Company except as mentioned under '*Terms of the Issue - Application on Plain Paper*' beginning on page 238 of this Draft Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with the cheque/demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

1. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income Tax Act , irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
2. Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
3. All payment should be made by cheque/demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

4. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.
5. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.
6. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company /Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
7. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFI's, in the matter of refund of application money, Allotment of Rights Shares, subsequent issue and Allotment of Rights Shares, interest, export of Share Certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.
8. All communication in connection with application for the Rights Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialized form.
9. SAFs cannot be re-split.
10. Only the person or persons to whom Rights Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
11. Investors must write their CAF number at the back of the cheque /demand draft.
12. Only one (1) mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
13. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
14. No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
15. The distribution of the Draft Letter of Offer and issue of Rights Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Rights Shares.

Do's for non-ASBA Investors

1. Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date.
2. Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.
3. In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be allotted in the dematerialized form only.
4. Ensure that your Indian address is available to our Company and the Registrar and Transfer Agent, in case you hold Equity Shares in physical form or the Depository Participant, in case you hold Equity Shares in dematerialised form.

5. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.
6. Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.
7. Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts.
8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
9. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors

1. Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.
2. Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.
3. Do not pay the amount payable on application in cash, by money order or by postal order.
4. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
5. Do not submit Application accompanied with stockinvest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the amount payable.
2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and Transfer Agent (in the case of physical holdings).
3. Age of Investor(s) not given (in case of Renouncees).
4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.
5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.
6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.
7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Draft Letter of Offer.
8. CAFs not duly signed by the sole/joint Investors.
9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue.
10. CAFs accompanied by stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand drafts.
11. In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.
12. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations.
13. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions.
14. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided.
15. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.
16. In case the GIR number is submitted instead of the PAN.
17. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
18. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
19. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹200,000, not through ASBA process.

Please read this Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

Bids by FPIs, FIIs and QFIs

In terms of the SEBI (FPI) Regulations, the issue of Equity Shares to a single FPI or an Investor group (*which means the same set of ultimate beneficial owner(s) investing through multiple entities*) is not permitted to exceed 10% of our Company's post-Issue Equity Share Capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Equity Shareholders of our Company. However, as on the date of this Draft Letter of Offer, our Company has not increased the FII limit.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three (3) years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (*being deemed FPIs*) shall be included.

Further, in terms of the SEBI (FPI) Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI (FPI) Regulations, until January 6, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such

applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to ten years".

Dematerialized dealing

Our Company has entered into agreements dated November 30, 2011 and October 25, 2011 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE071F01012.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest Scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue / Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Shares allotted, will be refunded to the Investor within a period of fifteen (15) Working Days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the

- balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company may utilize the funds collected in the Issue only after the Basis of Allotment is finalized.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Rights Shares are to be listed will be taken within seven (7) Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within fifteen (15) Working Days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. No further issue of securities affecting our Company's Equity Share Capital shall be made till the securities issued/ offered through this Draft Letter of Offer are listed or till the application money are refunded on account of non-listing, under-subscription etc.
6. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
7. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the Basis of Allotment.
8. At any given time there shall be only one (1) denomination for the Equity Shares of our Company.
9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Important

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer or CAF and requests for SAFs must be addressed quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed "*Anjani Portland Cement Limited - Rights Issue*" on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Karvy Computershare Private Limited

Plot 31-32, Gachibowli,
Karvy Selenium Tower B Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2300 1153
Email: einward.ris@karvy.com
Investor Grievance E-Mail: anjaniportland.rights@karvy.com
Website: www.karisma.karvy.com

Contact Person: M. Murali Krishna
Compliance Officer: Rakesh Santhalia
SEBI Registration No.: INR000000221

3. The Issue will remain open for a minimum fifteen (15) days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding thirty (30) days from the Issue Opening Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign Investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (**DIPP**), issued Circular 1 of 2015 (***Circular 1 of 2015***), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended; (ii) the Non-Resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company including voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and or their consolidation/splitting are stated. The regulations contained in Schedule I of the Companies Act, 2013, shall apply to our Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of our Company.

Authorised Capital

4. The Authorised Share Capital of the Company is Rs. 31,00,00,000 (rupees thirty one crores only) divided into 30,00,00,000 (Rupees thirty crore only) divided into 3,00,00,000 (three crores) Equity Shares of Rs. 10/- (Rupees ten only) each and with rights and privileges and conditions there to attached as are provided by the regulations of the Company for the time being, and 1,00,00,000 (Rupees one crore only) divided into 10,00,000 (Ten lakhs) 14% cumulative redeemable preference shares.

Allotment of Shares

5. Board to allot shares

Subject to the provisions of the Act and these Articles the Shares shall be under the control of the Board of Directors who may allot or otherwise of the same to such persons, on such terms and conditions, at such times, either at a par or at a premium and for such consideration, as the Board thinks fit, provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting and where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 81 (1A) of the Act., the Board shall issue such shares in the manner set out in Section 81(1) of the Act, save that if any person shall exercise the right to renounce all or any of the shares offered to him in favour of any other person the Board shall have the right to accept or reject without assigning any reason therefor, any such person in whose favour the said renouncement shall be made either in respect of any of the shares included in such renouncement.

6. Consideration to allotment

The Board of Directors may allot and issue shares of the Company as payment or part-payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the company in or about the formation of the company or the acquisition and or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

7. Restriction on allotment

- a. The Director shall in making the allotments duly observe the provisions of the Act.
- b. The amount payable on application on each share shall not be less than 5% of the nominal value of the share.
- c. Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the company.

8. Increase of capital

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to

dividends, and in the distribution of assets of the company and with a right of voting at general Meetings of the Company in conformity with Sections 37 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

9. **New capital part of the existing capital**

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

10. **Power to issue preference shares**

Subject to the provisions of section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms of conditions of redemption.

11. **Terms of preference shares**

On the issue of Redeemable Preference Shares under the provision of Article 11 hereof the following provisions shall take effect:

- a. No such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares for the purpose of the redemption.
- b. No such shares shall be redeemed unless they are fully paid.
- c. The premium, if any, payable on redemption must have been provided for out of the profits of the company of the Company's share premium Account before the shares are redeemed.
- d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise be available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

12. **Reduction of capital**

The company may (subject to the provisions of sections 78,80,100 to 105 inclusive, of the Act) from time to time by Special Resolution reduce its capital and any capital Redemption Reserve Account or premium account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up, again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

13. **Alteration in capital**

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution, from time to time, subdivide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage as regards dividend, capital or otherwise over as compared with the others or other. Subject as aforesaid the company in general meeting may by an ordinary resolution also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

14. **Rights attached to different classes of shares**

Whenever the capital by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Section 106 and

107 of the Act, be modified, commuted, effected or abrogated, or dealt with by agreement between modified, commuted, effected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of the class, provided such agreement is ratified in writing by holders of at least three fourths in nominal value of the issued shares of the class or is confirmed by a special resolution passed at a separate General meeting of the holders of shares of that class.

15. **Register and Index of members to be maintained**

The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act.

16. **Returns of allotments to be made**

The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in section 75 of the Act.

17. **Rights issue of shares and renunciation**

- a. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares made for the first time after formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital then such further shares, shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 45 days from the date of the offer within which the offer, if not accepted will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think most beneficial of the Company.

Rights to convert loans into capital

- b. Notwithstanding anything contained in sub-clause (a) above, but subject however, to section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares in the Company.

18. **Allotment on application to the acceptance of shares**

Any Application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

19. **Money due on shares to be a debt to the company**

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

20. **Member or heir to pay unpaid amounts**

Every member or his heirs, executors or administrators shall pay to the company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board shall, from time to time, in accordance with the Company's Regulations, require or fix for the payment thereof.

21. **Every member entitled to a certificate for his shares**

- a. Every Member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a managing or a whole time Director, Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating date of issue.

Joint owner- ship of shares

- b. Any two or more joint allottees of a share shall be treated as a Single Member for the purpose of this Article and the Certificate of any share, which may be subject of joint ownership, may be delivered to any one such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupees two. The company shall comply with the provisions of Section 113 of the Act.

Director to sign share certificate

- c. A Director may sign a share-certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving metal or lithography, but not by means of a rubber stamp, provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Issue of new certificates free of charge

- d. "If any certificate of any share or shares by surrender to the Company for sub-division, split or consolidation into market units of trading or if any certificate be defaced, old, decrepit, worn out or the pages in the reverse for recording transfer have been duly utilised, then, upon surrender thereof to the company the same to be cancelled, the company shall issue a new certificate/s in lieu thereof free of charge."

22. **Rules to issue share certificates**

The rules under "The Companies (Issue of share certificate) Rules 1960" shall be complied within the issue, reissue, renewal of share certificates and the form, sealing and signing of the certificates, and records of the certificates issued shall be maintained in accordance with said rules.

23. **Responsibilities to maintain records**

The Managing Director of the Company for the time being or if the Company has no Managing Director-every director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates.

24. **Rights of Joint Holders**

If any share stands in the names of two or more persons the person first named in the Register shall as regards receipt of dividends or bonus, or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the company's regulations.

25. Company not bound to recognise any right other than of a registered shareholder

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, further or partial interest in any share, or (except only as is by these Articles) in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

26. Company not to purchase its own shares

None of the funds of the Company shall be applied in the purpose of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company save as provided by section 77 of the Act.

27. Commission for subscribing to shares

The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture stock of the company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditionally) for any shares, debentures or debenture stock of the Company but so that if the commission in respect of the shares shall be paid the provisions of Section 76 and other statutory requirements shall be observed and complied with and the rate of commission shall not exceed 5% of the issue price of the shares, 21/2% of the price of the debentures or the debenture stock as the case may be subscribed or to be subscribed. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Lien

28. Company to have lien

The Company shall have a first and paramount lien upon all these shares (other than fully paid up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof or all money (whether presently payable or not) called for payable at fixed time in respect of such shares, and no equitable interest in any share shall be created except upon the footing and condition that Article 25 is to have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares.

29. Enforcing lien by sale

For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities of engagements for fourteen days after such notice.

30. Application of sale proceeds

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as it presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Calls

31. Board to have right to make calls on shares

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the members in member shall pay the amount or every call so made him to the person or persons and at the times and places appointed by the Board. A call be made payable by installments.

32. **Notice of all**

Notice in writing of minimum of 30 days of any call shall be given by the Company specifying the time and place of the payment and the persons to whom such call shall be paid.

33. **Call when made and revocation on call**

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board. A call may be revoked or postponed at the discretion of the Board.

34. **Liability of joint- holders on a call**

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

35. **Board to extend time to pay call**

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to extensions save as a matter of grace and favour.

36. **Board to have right to levy interest on delayed Payments**

If a member fails to pay any call due from him on the day appointed or payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rates as shall time to time be fixed by the Board but nothing in this Article shall render it obligatory for Board to demand or recover any interest from any such member.

37. **Dues deemed to be calls**

Any sum, which by the terms of issues of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be call duly made and payable on the date on which by the terms of issue the same may become payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expensed forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. **Proof of dues in respect of share**

On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the members in respect of whose shares the money is sought to be recovered, appears entered in the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the calls is duly recorded in the minute book, and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of the Directors was present at the Board Meetings at which any call was duly convened or constituted, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

39. **Receipt to part of dues not bar on company to exercise rights**

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein-after provided.

40. **Right to accept advances on calls**

(a) The board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his shares beyond the sums actually called up, and upon the money so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow, interest at such rate not exceeding as per the sanction of the Company in General Meeting as the Member paying to repay at anytime any amount so advanced or may at any time repay the same upon giving to the Member three month's notice in writing.

(b) Any amount paid up in advance of calls on any shares may carry interest but shall not in respect thereof confer a right to vote, or to dividend and or to participate in profits of the Company.

Forfeiture of Shares

41. **Board to have right to forfeit shares**

If any member fails to pay and call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and by reason of such non-payment.

42. **Notice for forfeiture of shares**

The notice shall name a day (not being less than fourteen days from the date of the notice) and place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 9% per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid are to be paid. The notice shall also state that in the event of the non-payment at or before the time the call was made or instalment is payable, the shares will be liable to be forfeited.

43. **Effect of forfeiture**

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given, may at anytime thereafter before payment of all calls or installments, interest be forfeited by a resolution of the Board to that effect. Such forfeited shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually said before the forfeiture.

44. **Notice of forfeiture**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forth with be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by and omission or neglect to give such notice or to make any such entry as aforesaid.

45. **Forfeited shares to be property of Company**

Any shares so forfeited shall be deemed to be the property of the Company, and maybe sold, re-allotted or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

46. **Member to be liable even after forfeiture**

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from time to time of the forfeiture until payment, at such rates not exceeding 9% per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

47. **Claims against company to extinguish on forfeiture**

The forfeiture of a share involves extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

48. **Evidence of forfeiture**

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

49. **Effecting sale of shares**

Upon any sale after forfeiture of for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchases money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damage only and against the Company exclusively.

50. **Certificates of forfeited shares to be void**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

51. **Board entitled to annual forfeiture**

The Board may at time before any share so forfeited shall have been sold, reallocated or otherwise disposed off annual the forfeiture thereof upon such conditions as it thinks fit.

Transfer and Transmission of Shares

52. **Register of transfers**

The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

53. **Instrument of transfer**

The instrument of transfer of any share shall be in writing and all the provisions of section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.

54. **Executing transfer instrument**

Every such instrument of transfer shall be executed both by the Transferor and the Transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

55. **Closing Registers of transfers and of members**

The Board shall have power on giving not less than Seven Days previous notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of Members or register of Debenture holders at such time or times and for such period or periods, not exceeding 30 days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient.

56. **Right to Board to refuse transfers**

Subject to the provisions of Section 111 of the Act, and Section 22 of the Securities Contracts regulation) Act, 1956, the Board without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company decline to register any transfer of shares and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve. If the Board refuse to register the transfer of any shares, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transfer notice of the refusal. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

57. **Transfer of partly paid shares**

Where in the case of partly paid share an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.

Dematerialisation of Securities

(1) For the purpose of this Article:

Definitions

“Beneficial Owner” means a person whose name is recorded as such with a Depository.

“SEBI” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

“Depositories Act” means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

“Bye-Laws” means bye-laws made by a Depository under Section 26 of the Depositories Act.

“Depository” means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“Member” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

“Debenture holder” means the duly registered holders from time to time of the Debentures of the Complex.

“Participants” means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

“Records” includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

“Regulations” means the regulations made by the SEBI.

“Security” means such security as may be specified by the SEBI”

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.

Words expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

- (2) Company to recognise interest in dematerialised securities under Depositories Act.

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

- (3) Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

- (4) Options to receive security certificates or hold securities with Depository.

Every person opts to hold his security with a Depository, the Company shall have the option to receive security certificates or to hold the securities with a Depository.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security.

- (5) Securities in Depositories to be in fungible form.

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner.

- (6) Rights of Depositories and Beneficial Owners:

- (a) Notwithstanding anything to the contract contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

- (7) Beneficial Owner deemed as absolute owner:

Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

(8) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the by-laws and the Company in that behalf.

(9) Cancellation of certificates upon surrender by a person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

(10) Option to opt out in respect of any security.

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall in respect of information as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case maybe.

(11) Service Documents:

Notwithstanding anything in the Act or these Articles to the Contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

(12) Provisions of Articles to apply to shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

(13) Allotment of securities dealt within a Depository:

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(14) Distinctive number of securities held in a Depository:

The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or maybe dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no shares shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

(15) Register and Index of Beneficial Owner:

- (a) The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debenture holders in accordance with Sections 151 and 152 of the Act respectively, and the

Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as maybe permitted by law including in any form of electronic media. The Register and Index of Beneficial Owner maintained by a Depository under Section II Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the powers to keep in any state or country outside India a branch Register of Members resident in that state or country.

- (b) the company shall keep a Register of Transfers and Shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any shares held in material form”.

58. Survivor of joint holders recognised

In the case of the death of anyone of the persons named in the Register of members as the joint-holders of any shares, the survivors shall be the only person recognised by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

59. Interest to deceased members

The executors or administrators or holders of a succession Certificate or the legal representatives of a deceased Member(not being one or two joint-holders)shall be the only person recognised by the Company as having any title to the shares registered in the name of such member, and the company shall not be bound to recognise such executors or administrators or holders of a Succession Certificates or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letter of Administration or Succession Certificate as the case maybe, from duly constituted Court in the Union of India and a clearance certificate as the case may be, from duly constituted court in the Union of India and a clearance certificate from Estate Duty Authorities ; provided that in any case where the Board in its absolute discretion, thinks fit the Board may dispense with production of probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 62 register the name of any discretion may think necessary and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Nomination Facility

59(1)

1. Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
2. Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of, the Company shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall on the death of the Shareholder or holder of debentures of the Company or as the case may be, on the death of the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination and to appoint, in the prescribed manner, any person to become entitled to shares in, or debenture of the Company, in the event of his death, during the minority.

5. Any person who becomes a nominee by virtue of the provisions of Section 109A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either-
 - i. to be registered himself as holder of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case maybe, could have made.
 - ii. to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case maybe, could have made.
6. If the person, being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures, himself, as the case maybe, he shall deliver or send to the Company notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case maybe.
7. All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case maybe.
8. A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

60. Transfer not permitted

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

61. Transmission of shares

Subject to the provisions of Articles 59 and 60, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and, until he does so, he shall not be freed from any liability in respect of the shares.

62. Rights on transmission

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

63. Instrument of transfer to be stamped

Every instrument of transfer shall be presented to the company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transfer or his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the company until destroyed by order of the Board.

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the company along with (save as provided in Section 198 of the Act) properly stamped executed instrument of transfer.

64. Share certificate to be surrendered

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the company along with (save as provided in Section 198 of the Act) properly stamped executed instrument of transfer.

65. No fees to be charged for transfer

No fees shall be charged for registration of the transfer of any shares or debentures. No fee shall also be charged for registration of probate letters of administration or other similar documents.

66. Company not liable to noticed of equitable rights

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest in the said shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company, and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, through it may have been entered or referred to in some book of the company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Copies of Memorandum and Articles to be sent to Members

67. Copies to be sent on request

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the company to every member at his request within seven days of the request on payment of the sum of Rupees two for each copy.

Borrowing Power

68. Power of the Board to borrow

Subject to the provisions of Section 292 of the Act and of these Articles, the Board may from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members, wither in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum of sums of money for the purpose of the Company. Provided, however, where the moneys to be borrowed together with the money already borrowed, apart from temporary loans obtained from the Company's bankers in the ordinary course of business excepted the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

69. Security to borrowing

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (or by Circular resolution) by the issue of debenture stock of the company charged upon all or any part of the property of the Company, (both present and future) including its un-called capital for the time being and debentures, debenture stock and other securities and may be made assignable free from any equities between the Company and the person to whom the same may be issued.

70. Right to issue debentures on Premium or discount

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

71. Register to be kept

The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirement of sections 118, 127 to 144 (both inclusive) of the Act on that behalf to be duly complied with, so far as they fall to be complied with by the Board.

Share Warrants

72. Right to issue share warrants

The Company may issue share warrants subject to and in accordance with, the provisions of Section 114 and 115 and accordingly the Board may in its discretion with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require issue a share warrant.

73. Rights to warrant holders

(1) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a Members at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

74. (1) Subject as herein otherwise expressly provided no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be Member of the Company.

75. Board to make rules

The Board, may, from time to time, make rules as to the terms on which it shall think fit a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Conversion of Shares into Stock and Reconversion

76. Right to convert shares into stock & vice versa

The Company in General Meeting may by an ordinary resolution convert any fully paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken

place. The company may, by an ordinary resolution, convert any stock into fully paid up shares of any denomination.

77. Rights of stockholders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred that privileges or advantage.

Common Seal

136. Custody of seal

The Board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Directors shall provide for the safe custody of the Seal for the time being and the seal shall never be used, except by the authority of the Directors or a Committee of the Directors previously given, and one Director at least shall sign every instrument to which the seal is affixed, provided, nevertheless, that any instrument bearing the Seal of the company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

137. The Company may have for use in any territory, district or place not situated in India an official Seal which shall be facsimile of its Common Seal with the addition on the face of the name of territory, district or place.

Dividend

150. Dividend to be declared in general meeting

The Company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and for the purpose of the equalisation of dividends any sums for time to time in accordance with these presents carried to the reserve, depreciation, or other special funds, may be applied in payment thereof. The dividends so declared by the General Body shall not exceed the amount so recommended by the Directors.

151. Dividend on paid up capital

Subject to the rights of persons, if any, entitled to shares with special right as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

152. Bonus to be deemed dividend

If and whenever any bonus on shares is declared out of the profits, and whether along or in addition to any dividend thereon, the bonus shall for all purposes whatsoever be deemed to be a dividend on the shares.

153. Dividend to be retained by Company

When and shareholder is indebted to the company for calls or otherwise, all dividends payable to him, or a sufficient part thereof, may be retained and applied by the Directors in or towards satisfaction of the debt, liabilities or engagements.

154. Dividend not to exceed directors recommendation

No dividends shall be payable except out of the profits of the year or any other un-distributed profits, and no larger dividend shall be declared than is recommended by the Directors, but the Company in Annual General Meeting may declare a smaller dividend. Before declaring any dividend the Company shall have regard to the provisions of Section 205 of the Act.

155. Interest on capital

Subject to the provisions of Section 208 of the Act, the Company may pay interest on so much of the share capital as is for the time being paid up, for the period and subject to the conditions and restrictions mentioned in Section 208 and charge the sum so paid by way of interest, to capital as part of the cost of construction of the work or building or the provision of the plant.

156. Dividend to be paid in cash

No dividend shall be payable except in cash provided that nothing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

157. Payments to joint holders

In case two or more persons are registered as the joint-holders of any share, any of such persons may give effectual receipts for all dividend and payments on account of dividend in respect of such share

158. Dividend to be applied to a call

Any Annual General Meeting declaring dividend, may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call money be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this article shall be deemed ordinary business of an ordinary meeting which declares a dividend.

159. Dividend on transfer

A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

160. Dividend to be paid within 42 days

Unless otherwise directed by the Company in General Meeting any dividend may be paid in cash or by cheque or warrant or money order sent through the post within forty two days of the date of such declaration to the registered address of the member entitled, or in the case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque so sent shall be made payable to the order of the person to whom it is sent.

161. Unpaid dividends

All dividends on any share not having a legal registered owner entitled to require payment of and competent to give receipt for the same, shall remain in suspense until some competent person be registered as the holder of the share provided that all dividends unclaimed for one year after having been declared may be invested or otherwise made use by the Directors for the benefit of the Company until claimed and that all dividends remaining unclaimed by the person entitled and competent to receive and give a valid receipt for the same, may be forfeited to the Company and cease to be payable when the claim becomes barred by law to the Company and cease to be payable when the claim becomes barred by law for the time being in force in India, and may be carried to such fund of the Company as the Directors may deem fit, but the Directors may remit the forfeiture whenever they may think proper.

162. No unclaimed dividend shall be forfeited by the Board unless the claim thereto is barred by law and the Company shall comply with the provisions of Section 205 (A) of the Act in respect of such dividend. Unpaid dividends shall never bear interest as against the Company.

Service of documents and notices

163. **Notices to members**

A document may be served by the Company on any member either personally or by post to him to the registered address or if he has no registered address in India to the address if any, within India supplied by him to the Company for the giving of notices to him.

164. **Notice by post**

Where a document is sent by post service of the notice shall be deemed to be effected by properly addressing, prepaying any posting a letter containing the documents provided that where a member has intimated to the Company in advance that the document should be sent to him under Certificate of posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected. intimated by the member, and such service shall be deemed to have been effected.

- (a) In the case of a notice of a meeting at the expiration of forty eight hours after the letter entering the same is posted and
- (b) In any other case at the time at which the letter would be delivered in the ordinary course of post.

165. **Notice in newspaper**

A document may be served by the Company on the joint holders of a share by serving it on the joint-holders named first in the Register in respect of the share.

166. **Service on joint holders**

A document may be served by the Company on the joint holders of a share by serving it on the joint-holders named first in the Register in respect of the share.

167. **Deceased and insolvent members**

A document may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepared letter addressed to them by post in a prepared letter addressed to them by name, or by the title of representatives of the deceased or assign of the insolvent or by any like description at the address (if any), in India supplied for the purpose by the persons, claiming to be so entitled or until such and address has been so supplied by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

168. **Notice of meetings**

Notice of every meeting shall be given to every member of the Company in any manner authorised by Article 147 to 149 hereof and also to every person entitled to a share in consequence of the death, or insolvency of a member who but for his death or insolvency would be entitled to received notice of the meeting.

169. **Notice by advertise- ment**

Every notice required to be given by the Company to the members or any of them and not expressly provided for by the Act or by these prevents shall be sufficiently given if given by advertisement.

170. **Notice to transfers**

Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the register shall be duly given to the person from whom he derives his title to such share.

171. Notice on deceased members

Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the Holder or Joint-holder thereof and such service shall, for the purpose of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any jointly interested with him or her in any such share.

172. Accidental omission of notice

The accidental omission to give notice to or non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

173. Notice to be signed

The signature in any notice to be given by the Company may be written or printed.

Winding up Notice

174. Surplus assets to be distributed

If the Company shall be wound up and the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed among the members in proportion to the capital paid-up or which ought to have been paid-up on the equity shares held by them respectively at the commencement of the winding up, but, the clause is to be without prejudice to the rights of the holders of shares issued upon special conditions.

175. Liquidatory to distribute assets

In a winding up the Liquidator may, irrespective of powers conferred on him by the Companies Act, and as an additional power, with the authority of a special resolution, sell the undertaking of the company or the whole or any part of its assets, fully or partly paid up of the obligations of or other interests in any other Company and may by the contract of sale agree for the allotment to the members direct of the proceeds of sales in proportion to their respective interest in the Company. Any such sale or arrangement or the Special Resolution confirming the same may, subject to the provisions of Article 12 here of, provide for the distribution or appropriation of the shares or other benefits to be received in compensation otherwise than in accordance with the legal rights of the contributories of the company, and in particular, any clause may be given preferential or special rights, limited at the expiration of which shares, obligations or other interests not accepted or required to be sold shall be deemed to have been refused, and be at the disposal of the Liquidator of the purchasing company.

(1) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Act, 1956, divided amongst the members in specific or kind the whole or any part of the as- sets, of the company (whether or not they shall consult) or property of the same kind.

(2) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how much division shall be carried out as between the members of different classes of members.

(3) The Liquidator may, with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of one contributory as the Liquidator, with the like sanction, shall think fit, but so that no members shall be compelled to accept any shares or other securities whereon there is any liability.

Secrecy

176. Pledge to observe secrecy

Every Director, Manager, Trustee, Member of a Committee Officer, Servant, Agent, Accountant or the persons employed in the business of the Company, shall if so required by the Directors or Managing Agents sign a declaration pleading himself to observe strict secrecy respecting all transaction of the Company with its customers and the state of accounts with individuals and is matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and excepts so far as may be necessary in order to comply with any of the provisions in these presents contained.

177. Rights to inspect premises or properties of the company

No Members or other person not being a Director shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors of the Company, for the time being or subject to these Articles to require discovery of any information respecting any detail of the Company's trading of any matter which is or may be in the nature of a trade secret, mystery of trades or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Director it will be inexpedient of the Company to communicate to the public.

Indemnity

178. Expenses & losses incurred on duty to be indemnified

The Managing Director and every director, member of the auditor, officer; or servant of the Company shall subject to Sec. 201 of the Companies Act, 1956, be indemnified out of its funds of cause, charges, travelling or other expenses, losses and liabilities incurred by them or him in the conduct of the company's business or in the discharge of their or his duties, and neither any director nor officer or servant of the company shall be held liable for joining in and receipt and other acts for confirmity's sake or for any loss or expenses happening to the company by insufficiency or deficiency or any security or in or upon which any of the moneys of the Company shall be invested, or for any loss or damages, arising from the bankruptcy insolvency or tortuous act of any person with whom any moneys securities or effects, shall be deposited or for any other loss, or damage or misfortune whatsoever which shall happen in the execution of their or his, or in relation thereto, unless the same shall happen through their or his willful act, neglect or default.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 a.m. and 5:00 p.m. on all Working Days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts

1. Engagement letter dated June 1, 2015 appointing Motilal Oswal Investment Advisors Private Limited to act as Lead Manager to the Issue.
2. Issue agreement dated December 29, 2015 between our Company and the Lead Manager to the Issue.
3. Registrar agreement dated December 29, 2015 between our Company and the Registrar to the Issue.
4. Tripartite agreement dated October 25, 2011 between our Company, CDSL and Karvy Computershare Private Limited.
5. Tripartite agreement dated November 30, 2011 between our Company, NSDL and Karvy Computershare Private Limited.

B. Documents

1. Memorandum and Articles of Association of our Company.
2. Certificate of incorporation dated December 17, 1983 and subsequent fresh certificates of incorporation dated October 17, 1985 and October 7, 1999.
3. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated April 29, 2015 authorising the Issue. Subsequently, the Rights Issue Committee approved this Draft Letter of Offer at their meeting held on December 30, 2015.
4. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditors, Lead Manager to the Issue, Legal Advisor to the Issue, Bankers to our Company and Registrar to the Issue to include their names in the Draft Letter of Offer to act in their respective capacities.
5. Letter dated December 21, 2015 from the Statutory Auditors of our Company, Ramanatham & Rao, Chartered Accountants, confirming the Statement of Possible Tax Benefits Available to our Company and its Shareholders as disclosed in this Draft Letter of Offer.
6. The report of the Statutory Auditors, Ramanatham & Rao, Chartered Accountants, dated December 21, 2015 in relation to the Restated Financial Statements of our Company for the three (3) months period ended on June 30, 2015 and Fiscals 2015, 2014, 2013, 2012, and 2011.
7. Audited reports of our Company for the three (3) months period ended as on June 30, 2015 and Fiscals 2015, 2014, 2013, 2012, and 2011.
8. Annual report of our Company for Fiscals 2015, 2014, 2013, 2012, and 2011.
9. In-principle listing approval dated [●] issued by BSE.
10. Due diligence certificate dated December 30, 2015 from the Lead Manager.
11. Observation letter no. [●] dated [●], issued by SEBI for the Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

V. Subramanian

(Chairman, Non - Executive, Independent Director)

A. Subramanian

(Managing Director)

S.B. Nirmalatha

(Non - Executive Director)

Gopal Perumal

(Non - Executive, Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

M.L. Kumavat

(Chief Financial Officer)

Date: December 30, 2015

Place: Chennai