

# Andhra Cements Limited



74<sup>th</sup> Annual Report 2012-13

**BOARD OF DIRECTORS**

- |   |                                   |
|---|-----------------------------------|
| 1. Shri MANOJ GAUR                                  | - Chairman                        |
| 2. Shri PANKAJ GAUR                                 | - Director                        |
| 3. Shri NAVEEN KUMAR SINGH                          | - Director                        |
| 4. Shri K.N. BHANDARI                               | - Director                        |
| 5. Shri S.D.M. NAGPAL                               | - Director                        |
| 6. Shri R.K. PANDEY                                 | - Director                        |
| 6. Shri R.K. SINGH                                  | - Director                        |
| 8. Shri HARISH K. VAID                              | - Director                        |
| 9. Shri SHAILENDRA GUPTA                            | - Director                        |
| 10. Shri B.K. TAPARIA<br>(w.e.f. 18.05.2012)        | - Director                        |
| 11. Shri V. K. JAIN<br>(w.e.f. 18.05.2012)          | - Director                        |
| 12. Shri VINAYAK R MAVINKURVE<br>(Upto. 15.10.2012) | - Nominee Director<br>(IDFC Ltd.) |

**CFO**  
Shri H.K. Chhabra

**GM - LEGAL &  
COMPANY SECRETARY**  
Shri G. Tirupati Rao

**AUDITORS**  
**Chaturvedi & Partners**  
Chartered Accountants  
New Delhi.

**BANKERS**  
State Bank of Mysore  
Yes Bank Limited  
Karur Vysya Bank Limited  
Axis Bank  
State Bank of India

**FINANCIAL INSTITUTIONS**  
HDFC Limited  
IDFC Limited

**REGISTERED OFFICE**  
Durga Cement Works  
Durgapuram  
Dachepalli - 522 414  
Guntur Dist. (A.P)  
Ph & Fax : 08649-257429

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**Proxy and Attendance Slip****UNITS**

Durga Cement Works  
Durgapuram,  
Guntur Dist (A.P)

Visakha Cement Works  
Visakhapatnam (A.P)

**REGISTRAR & SHARE  
TRANSFER AGENT**

CIL Securities Ltd.  
214, Raghav Ratna Towers  
Chirag Ali Lane, Abids  
Hyderabad - 500 001  
Ph: 040-23202465

**E-MAIL ID FOR INVESTORS**  
investorcell@andhracements.com

**NOTICE**

NOTICE is hereby given that the Seventy Forth Annual General Meeting of the Members of the Company will be held on Saturday the 21st September, 2013 at 11.30 AM at the Registered Office of the Company at Durga Cement Works, Durgapuram, Dachepalli - 522 414, Guntur District (AP) to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the Year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri K.N. Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S.D.M. Nagpal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.K. Pandey, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Chaturvedi & Partners, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant section 81(3) and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as "the Act") and subject to all such approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board in respect of the Rupee Term Loans of an aggregate amount not exceeding Rupees Six Hundred and Seventy One Crore from Housing Development Finance Corporation Ltd (HDFC) and IDFC Ltd ("IDFC") such that only in the event of default by the Company under the lending arrangements, HDFC and IDFC at its option may be able to convert the facility to ordinary equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board of Directors of the Company is hereby authorized to do all such actions, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares to HDFC and IDFC.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the Lenders pursuant to its exercising the right of conversion shall rank pari passu in all respects with the then existing equity shares of the Company and be listed on the Stock Exchange where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee of directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."

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

**Place : New Delhi  
Date : 27th April, 2013**

**G. TIRUPATI RAO  
GM - Legal & Company Secretary**

**NOTES:**

1. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 in relation to the resolutions set out in item no. 6, is annexed hereto and forms part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Proxy form duly completed must be lodged at the Registered Office of the Company at least 48 hours before the time fixed for the meeting. A Blank Proxy Form is enclosed.
4. Corporate Members intending to send their respective authorized representatives are requested to send a duly certified copy of the Board/Governing Body resolution authorizing such representatives to attend and vote at the Annual General Meeting.
5. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment / reappointment at the meeting are annexed.
6. Members are requested to notify immediately their e-mail ID, change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Registrar /Share Transfer Agents in respect of their shareholding in physical segment by mentioning folio nos. etc.
7. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2013 to 21.09.2013 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
9. All documents referred to in the Notice and accompanying Explanatory Statement, are open for inspection at the Registered Office of the Company on all working days,

except Sunday and other holidays, between 11.00 AM and 1.00 PM upto the date of the Annual General Meeting.

10. Members desiring any information as regards the accounts are requested to write to the Company at least 10 days before the date of the Meeting, so as to enable the Management to keep the information ready.
11. Members are requested to kindly bring their copies of the Annual Report to the Meeting. Copies of the Annual Report will not be distributed at the Annual General Meeting. No gifts / coupons shall be distributed at the Annual General Meeting.
12. M/s CIL Securities Ltd, 214, Raghava Ratna Towers, Chirag Ali lane, Abids, Hyderabad - 500001, Tel No. 040-23202465, Fax No. 040-23203028, continues to act as the Registrar and Share Transfer Agent (RTA) to undertake all investor-servicing activities for the share in demat and physical segments. Investors are requested to write to RTA on all share related matters i.e transfer, transmission, change of address, nomination, power of attorney, demat / remat etc.
13. **The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green Initiative of the Government in full measure, the Company initiated steps to send the various notices / documents meant for the shareholders electronically on their e-mail addresses as obtained from Depositories / other sources, unless specially requested to be sent in physical form. The members who have not registered / updated their e-mail addresses so far, are requested to register / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold their shares in physical form and who are desirous of receiving the communications / documents in electronic form are requested to promptly register their e-mail addresses with the Company.**
14. Members can avail of the nomination facility in terms of section 109A of the Companies Act, 1956 by nominating in Form 2B, as prescribed under Companies (Central Government's) General Rules and Forms, 1956, any person to whom their shares shall vest on occurrence of events stated in the said Form. Blank Forms can be supplied on request. Form 2B submitted in duplicate: (a) in case of shares held in physical form, to the Company and (b) in case of shares held in dematerialized form, to the respective Depository Participants.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No. 6

To support the growth plans and to raise resources for its expansion project envisaging increase in the cement manufacturing capacity from 1.4 million tonne per annum to 3.0 million tonne to met the additional cost, your Board of Directors ("Board") has approved for availing of the financial facilities by way of Rupee Term Loans from time to time not exceeding Rupees Six Hundred and Seventy One Crores from Housing Development Finance Corporation Limited (HDFC) and IDFC Ltd (IDFC) in one or more tranches upon such terms and conditions as may be deemed appropriate by the Board. One of the terms is that in case of event of default by the Company under the lending arrangements of HDFC and IDFC may be entitled to exercise the option to convert whole or part of their outstanding into fully paid-up ordinary equity shares of the Company at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

The resolution has been proposed under the provisions of section 81 (3) and other applicable provisions of the Companies Act, 1956 ("Act") in view of the fact that under the lending arrangements, in the Event of Default (as may be specified by HDFC and IDFC under lending documents) HDFC and IDFC may be entitled at its option to convert the entire or part of the outstandings into ordinary equity shares of the Company in accordance with the applicable SEBI Regulations and hence prior approval of the members is required in general meeting by a Special Resolution.

None of the directors of the Company is, in any way, concerned or interested in the said Resolution.

The Board recommends the resolution for your approval.

**By Order of the Board**

**Place: New Delhi**  
**Date : 27th April, 2013**

**G. TIRUPATI RAO**  
**GM - Legal & Company Secretary**

**Registered Office:**  
Durga Cement Works  
Durgapuram, Dachepalli - 522414  
Guntur District (AP)

**ANNEXURE**  
**Details of Directors seeking appointment at the forthcoming Annual General Meeting of the Company**  
**(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)**

Particulars	Shri K.N. Bhandari	Shri S.D.M. Nagpal	Shri R. K. Pandey
Date of Birth	01.03.1942	02.02.1942	20.01.1940
Date of Appointment	21.08.2007	15.11.2011	15.11.2011
Qualifications	BA, LLB	MA, AICWA	M.Com, LL.B, FCS, DBA
Expertise in specific functional area (experience in approx. years)	Finance and Insurance Management. (51 Years)	Finance, Accounts and Systems (49 Years)	Finance, Legal & Corp. Advisory Services, (51 Years)
Directorships held in other public & private companies	<ul style="list-style-type: none"> <li>• Hindalco Incls. Ltd.</li> <li>• Suraj Diamonds &amp; Jewellery Ltd</li> <li>• Agriculture Insurance Co. Ltd</li> <li>• Saurashtra Cements Ltd</li> <li>• Shrisri Infrastructure Development Corp. Ltd</li> <li>• Credence Logistics Ltd</li> <li>• Magna Fin. Corp. Ltd</li> <li>• Magna HDI General Insurance Co. Ltd</li> <li>• NRC Ltd</li> <li>• Jaybharat Textiles &amp; Real Estate Ltd.</li> <li>• Midas Asset Reconstruction Co. Pvt.Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• NTPC-SAIL Power Company Pvt Ltd.</li> <li>• Bhilai Jaypee Cement Ltd.</li> <li>• Kanpur Fertilizers &amp; Cement Ltd.</li> <li>• Jaypee Uttar Bharat Vikas Pvt.Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• PTC Incls. Ltd.</li> <li>• Precise Laboratories Pvt.Ltd.</li> <li>• Kamdhenu Ispat.Ltd.</li> <li>• British Health Products (India) Ltd</li> <li>• Hanung Toys &amp; Textiles Ltd.</li> <li>• Shree Rajasthan Syntax Ltd.</li> <li>• Morgan Ventures Ltd.</li> <li>• Jindal Polyfilms Ltd</li> <li>• Metcom Capital Markets Ltd</li> <li>• Rich India Ltd</li> <li>• Webcare Drugs &amp; Pharmaceuticals Ltd</li> <li>• Sangli Incls. Ltd</li> <li>• Kanpur Fertilizers &amp; Cement Ltd</li> <li>• Jaypee Uttar Bharat Vikas Pvt.Ltd.</li> <li>• Uninet Infra Technologies Pvt.Ltd</li> <li>• Steren Impex Pvt.Ltd</li> <li>• Jaypee Development Corporation Ltd</li> </ul>
Chairmanship/ Membership of Board Committees of other companies	Chairmanship - 1 Membership - 2	Chairmanship - 3 Membership - 2	Chairmanship - 1 Membership - 1
Number of shares held	Nil	Nil	Nil

**Directors' Report**

To  
The Members,  
Your Directors have pleasure in presenting the 74th Annual Report and the Audited Accounts of your Company for the year ended 31st March 2013.

**FINANCIAL RESULTS**

(Rs in Lakhs)

	<b>Current Year 2012-13 (12 Months)</b>	Previous Period 2011 – 12 (9 Months)
Gross Sales	-	3.40
Net Sales	-	2.78
Other Income	<b>530.13</b>	228.19
PBIDT	<b>(2645.76)</b>	(2476.37)
Finance Cost	<b>620.63</b>	887.16
Depreciation	<b>136.23</b>	67.51
Profit/(Loss) before exceptional items	<b>(3402.62)</b>	(3431.04)
Exceptional Items (Income)	-	5508.87
Profit/(Loss) before Tax	<b>(3402.62)</b>	2077.83
Deferred Tax	<b>(1334.16)</b>	1111.12
Net Profit / (Loss)	<b>(2068.46)</b>	966.71

**DIVIDEND**

In view of the absence of operations during the period under review, the Directors regret their inability to recommend any dividend.

**SHARE CAPITAL**

During the year under report, there was no change in the Paid-up Equity Share Capital of the Company.

Thus, as on March 31, 2013 the Paid-up Capital of the Company stood at Rs. 293,52,04,920/- divided in to 293520492 Equity Shares of Rs. 10/- each.

**OPERATIONS**

During the year under review, Durga Cement Works (DCW) plant of the Company was recommenced its trail run operations on 6th October 2012 by lighting up the Kiln. Due to the power holiday imposed by the State Government the plant operations were not continued in full swing.

The production activities at Visakha Cement Works (VCW) plant could not be commenced during the period under review. However, trial run would be expected to commence from the month of May 2013.



**OUTLOOK**

After the taking over of management by the new Promoters and infusion of funds by them, the work on revival of the Plants started in its right earnest. The commercial production of the Cement is expected to be commenced during the current financial year. Thus, the future outlook for the Company is bright.

**DIRECTORATE**

During the period under report M/s IDFC Ltd has withdrawn nomination of Shri Vinayak Mavinkurve as their nominee w.e.f 15.10.2012 and he ceased to be Director of the Company.

Your Directors wish to place on record their appreciation for the contribution made by Shri Vinayak Mavinkurve during his tenure on the Board.

Shri K.N. Bhandari, Shri S.D.M. Nagpal and Shri R.K. Pandey Directors of the Company who retire by rotation and being eligible offer themselves for re-appointment. Proposals for their re-appointment have been included in the Notice of the Annual General Meeting for your approval.

**AUDITORS****Statutory Auditors:**

M/s. Chaturvedi & Partners, Chartered Accountants, Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

The observations of the Auditors and the Notes on Financial Statement are self explanatory. The observations in para 4 of the Auditors' Report are further explained by the Management as follows:

Since the production activities were suspended during the period and there being limitation & constrains and non-availability of employees & their support, confirmation/verification, reconciliation of various assets and liabilities could not be carried out. These shall be carried out upon resumption of normal production. Adjustments with respect to advances, debtors, claims, interest and other charges/expenses etc. shall be accounted for after negotiation/settlement/finalisation of the related matters. Interest on borrowing has been capitalised and necessary allocation/adjustment shall be carried out on completion of the project and certain bills, claims relating to project supplies/services shall also be accounted for on complete documentation, negotiation, etc. In view of the proposed recommencement of production and emerging certainty with respect to the profitability, there would be sufficient taxable income to claim the deferred tax credit, as explained in the Note Nos. 36, 38 and 39.

**Cost Auditors:**

Since the production at both the plants of the Company stood suspended during the year under review, Cost Auditor had not been appointed to conduct the Cost Audit for the financial year ended 31st March, 2013.

**INSURANCE**

During the period under review, all the properties of the Company including its buildings, plant and machinery and stocks are adequately insured.

**LISTING**

All the shares of the Company are listed on National Stock Exchange of India (NSE) and BSE Ltd. (BSE).

**CORPORATE GOVERNANCE**

A report on Corporate Governance and Management Discussion & Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed and form part of this Annual Report. A certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is also annexed.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, certification by the CFO to the Board of Directors and after due enquiry, confirm in respect of the audited annual accounts for the year ended 31st March, 2013:

- a. that in the preparation of the accounts in respect of the period under report, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the reporting period and of the Loss for the period ended 31st March 2013;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d. that the accounts have been prepared on a going concern basis.

**REDEMPTION OF PREFERENCE SHARES**

A sum of Rs.1.92 lacs towards redemption of Preference Shares remains unclaimed. It has not been possible to locate the addresses of the shareholders, despite notices being published in daily newspapers. These are being paid as and when claimed. There is no liability for dividend on these shares.

**REPAYMENT OF FIXED DEPOSITS**

In accordance with the Modified Rehabilitation Scheme (MS-08), the Company is settling the claims lodged by fixed deposit holders. During the period Fixed Deposit claims amounting to Rs. 0.28 lacs were settled.

**REDEMPTION OF DEBENTURES**

In terms of MS-08, Debentures amounting to Rs. 1.51 lacs were redeemed during the period. An amount of Rs.193.80 lacs being balance of principal remain unclaimed and deposited with bank, under lien in favour of Debenture Trustees (Canara Bank).

**INVESTOR EDUCATION AND PROTECTION FUND**

Repayment of the matured fixed deposits and debentures are covered by the BIFR Sanctioned Scheme (MS-08).

**PARTICULARS OF EMPLOYEES**

A Statement showing the particulars of employees, pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is annexed and forms an integral part of this Report.

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

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to those matters is appended hereto and forms part of this Report.

**EMPLOYEES RELATIONS**

Employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company worked at all sites and other offices and achieved commendable progress.

**ACKNOWLEDGEMENTS**

Your Directors express their sincere gratitude for the continued support and guidance received by the Company from various State & Central Government Authorities, Financial Institutions and Banks.

**On behalf of the Board**

**Place : New Delhi**  
**Date : 27th April 2013**

**MANOJ GAUR**  
**Chairman**

**ANNEXURE TO DIRECTORS' REPORT**

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given below:

**A) EMPLOYED THROUGHOUT THE FINANCIAL PERIOD AND IN RECEIPT OF REMUNERATION AGREEGATING Rs.60,00,000/- OR MORE PER ANNUM.**

**Nil**

**B) EMPLOYED FOR A PART OF THE FINANCIAL PERIOD AND IN RECEIPT OF REMUNERATION AGREEGATING Rs. 5,00,000/- OR MORE PER MONTH.**

**Nil**

**ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to Section 217(l)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

**A. Conservation of Energy :**

- (a) Additional investments and proposals considered for reduction of consumptions of energy

The measures for energy conservation could not be fully implemented due to discontinuation of operations at Plants till February 2013. The trail run activity commenced during March 2013 and accordingly pre-operative expenses and trail run production capitalized during the year.

- (b) Total energy consumption and energy consumption per unit of production: Given in Form 'A' annexed.

B. Technology Absorption, Adaptation and Innovation.	:	Given in Form -B annexed.	
C. Foreign Exchange Earnings & Outgo	:	Current year	Previous period
i) Total Foreign Exchange outflow (Rs.lacs)		<b>40.45</b>	<b>Nil</b>
ii) Total Foreign Exchange inflow (Rs. lacs)		<b>Nil</b>	<b>Nil</b>

## FORM "A"

## Form for Disclosure of particulars with respect to conservation of energy.

	Current Year (12 Months)	Previous Period (9 Months)
<b>A. Power and Fuel Consumption:</b>		
<b>1. POWER:</b>		
a) Purchased:		
Units (KWH in lacs)	6.41	Nil
Total Amount (in Rs. lacs)	61.86	Nil
Rate / Unit (in Rs.)	9.65	Nil
b) Own Generation :		
Through D.G. Sets		
Net Units (KWH in lacs)	Nil	Nil
Unit / Lt of Diesel/Furnace Oil	Nil	Nil
Cost / Unit (in Rs.)	Nil	Nil
<b>2. COAL :</b>		
Quantity (Tonnes)	Nil	Nil
Total Cost (in Rs. lacs)	Nil	Nil
Average Rate per MT (Rs.)	Nil	Nil
<b>3. FURNACE OIL :</b>		
Quantity (K.Lts)	Nil	Nil
Total Cost (in Rs/lacs)	Nil	Nil
Average Rate (Rs./K.Ltr)	Nil	Nil
<b>B. Consumption per unit of production:</b>		
Production - OPC/PPC/PSC/GGBS (in MT)	Nil	Nil
Power Consumption in Kwh/MT of cement	Nil	Nil
Coal Consumption to Clinker (Others Specify)	Nil	Nil

## FORM "B" (See Rule 2)

(Form for disclosure of particulars with respect to absorption)

- Research & Development (R&D) : The Company has not undertaken any Research and Development activities and no expenditure have been incurred.
- Technology Absorption, Adaptation & Innovation : NA

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

**1. Company's Philosophy**

The Company's philosophy on corporate governance is to enhance long term share holders' value, achieve operational efficiencies and business results in all areas of Company's operations, with compliance of all statutory and regulatory provisions. The Company believes in transparency, openness and disclosure of information consistent with the business environment in which the Company operates.

**2. Board of Directors**

- i) The composition of the Board is in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges.
- ii) The Company has a Non-Executive Chairman belonging to Promoters' Group.
- iii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all companies in which he is Director.
- iv) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year i.e from 1st April, 2012 to 31st March 2013 and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies is given below. Other Directorships do not include alternate Directorships, Directorships of Private Limited Companies, Directorships in Companies registered under section 25 of the Companies Act, 1956 and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit Committee and Shareholders'/Investors' Grievance Committee.

Name	Category	Board Meeting Attendance	Last AGM Attendance	No. of other Directorships	No. of other Committee	
					Member	Chairman
Shri Manoj Gaur	NED	03	No	13	0	0
Shri Pankaj Gaur	NED	Nil	No	06	0	0
Shri Naveen Kumar Singh	NED	Nil	No	03	0	0
Shri K.N. Bhandari	NED & ID	04	No	11	1	1
Shri Sain Ditta Mal Nagpal	NED & ID	04	No	02	1	1
Shri Radha Krishna Pandey	NED & ID	04	No	13	1	1
Shri Ravindra Kumar Singh	NED & ID	02	No	03	0	0
Shri Harish K Vaid	NED	04	No	03	2	0
Shri Shailendra Gupta	NED	04	No	0	0	0
Shri B.K. Talaria	NED & ID	04	No	03	1	2
Shri V.K. Jain	NED	Nil	Yes	02	0	0
Shri Vinayak R Mavinkurve*	NED & ID	01	No	0	0	0

\* Ceased to be a Director, NED: Non-Executive Director, ID: Independent Director

**Notes:**

- Shri Vinayak R Mavinkurve - Nomination withdrawn by IDFC Ltd as their Nominee w.e.f 15.10.2012
- Shri B.K. Taparia - appointed as Director w.e.f 18.05.2012
- Shri V.K. Jain. - appointed as Director w.e.f 18.05.2012

**3. Number of Board Meetings held and Dates thereof**

During the Financial Year ended 31st March 2013 Four Meetings of the Board of Directors were held on 18.05.2012, 01.08.2012, 12.11.2012 and 13.02.2013.

**4. Details of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement.**

Pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given as an Annexure to the Notice convening the Annual General Meeting.

**5. Code of Conduct**

The Board of Directors has laid down Code of Conduct for all the Board Members and Senior Management personnel of the Company.

All the Board Members and Senior Management personnel have on March 31, 2013, affirmed compliance with the Code of Conduct. Since the Company is presently Board managed, pending appointment of a CEO, a declaration to this effect, duly signed by the CFO is annexed.

**6. Audit Committee**

- (i) The Board constituted an Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956. Its terms of reference are in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Statutory Auditors and Internal Auditors are regular invitees to the Committee Meetings.

Shri K.N. Bhandari, Chairman of the Audit Committee could not attend the last Annual General Meeting held on 15th September 2012.

- (ii) The terms of reference of the Audit Committee are broadly as under :
- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Appointment and remuneration of Internal Auditors
  - Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
  - Reviewing with management on the annual financial statements before submission to the Board, focusing primarily on :
    - Any changes in accounting policies and practices
    - Major accounting entries based on exercise of judgment by management

- Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.
- e. Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and fixing the remuneration of the Internal Auditors.
- g. Discussion with internal auditors any significant findings and follow up thereon.
- h. Reviewing the findings of any internal investigations by 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.
- i. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- j. Reviewing the company's financial risk management policies.
- (iii) The Audit Committee was constituted by the Board and presently, the Audit Committee consists of Mr. K.N. Bhandari, Mr R.K. Pandey and Mr. Shailendra Gupta, Two members are Non-executive and Independent Directors and one member is Non-executive Director. Mr. K.N. Bhandari is the Chairman of the Committee. In the opinion of the Board, all the members of the Audit Committee have accounting or related financial management expertise. The Company Secretary acts as the Secretary to the Committee.
- During the Financial Year ended 31st March 2013, the Audit Committee has met 4 times, i.e., on 18.05.2012, 01.08.2012, 12.11.2012 and 13.02.2012

The attendance details for the Committee Meetings are as follows:

Name	Designation	No. of Meetings attended
Mr. K.N. Bhandari	Chairman	04
Mr. R.K. Pandey	Member	04
Mr. Shailendra Gupta	Member	04



**7. Remuneration Committee**

- (i) The Board constituted a Remuneration Committee in accordance with the requirements of Schedule XIII of the Companies Act, 1956, its terms of reference being in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- (ii) Brief description of terms of reference of the Remuneration Committee:
- (a) To determine, on behalf of the Board of Directors, the Company's policies on the remuneration of the Executive Directors.
- (b) To approve all elements of the remuneration package of all the Executive Directors i.e. salary, benefits, bonus, commission, stock options, etc.
- (iii) The Remuneration Committee was constituted by the Board and presently, the Remuneration Committee consists of Mr. Ravindra Kumar Singh and Mr. S.D.M. Nagpal as members. Mr. Ravindra Kumar Singh is the Chairman of the Committee. Both the members are Non-executive and Independent Directors. The Company Secretary acts as the Secretary to the Committee.
- (iv) No Remuneration Committee Meeting was held during the Financial Year ended 31st March 2013.

**v) Remuneration of Directors:**

- (a) The terms of appointment of the Whole time / Executive Directors are governed by resolutions passed by the Remuneration Committee, Board of Directors and the Shareholders of the Company and approval of the Central Government if required, and subject to the provisions of the Companies Act 1956. Presently, there is no whole time Director in the Company.

The details of Sitting Fee / remuneration Paid to Non- Executive Directors during the Financial Year ended 31st March 2013 were as follows:

Sl. No	Name of Director (Non- Executive Directors)	Sitting fee	Other Benefits	Total (Rs.)
1	Shri Manoj Gaur	21,000	Nil	21,000
2	Shri Pankaj Gaur	Nil	Nil	Nil
3	Shri Naveen K. Singh	Nil	Nil	Nil
4	Shri K.N. Bhandari	55,500	Nil	55,500
5	Shri S.D.M. Nagpal	1,29,000	Nil	1,29,000
6	Shri R.K. Pandey	83,250	Nil	83,250
7	Shri R.K. Singh	14,250	Nil	14,250
8	Shri Harish K. Vaid	1,36,500	Nil	1,36,500
9	Shri Shailendra Gupta	83,250	Nil	83,250
10	Shri B.K. Taparia	27,750	Nil	27,750
11	Shri V.K. Jain	Nil	Nil	Nil
12	Shri Vinayak Mavinkurve	6,750	Nil	6,750
	<b>Total</b>	<b>5,57,250</b>		<b>5,57,250</b>

(b) The remuneration to Non-Executive Directors is restricted only to Sitting Fee for attending the meetings of the Board and its Committees. The Company pays sitting fee of Rs. 7,500/- per meeting to Non-Executive Directors for attending the meetings of the Board / or its Committees, besides reimbursement of traveling and out-of-pocket expenses incurred by the Directors for attending the meetings.

(v) Non-Executive Directors of the Company do not have any share holding in the Share Capital of the Company.

#### 8. Investors' Grievance / Share Transfer Committee

(i) The Board constituted an Investor Grievance & Share Transfer Committee in accordance with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. This Committee approves share transfer requests; oversees the redressal of shareholders' and investors' grievances like delay in the transfer of shares, non-receipt of the Annual Report and approves the sub-division, transmission and issue of duplicate shares etc.

(ii) The Investors' Grievance & Share Transfer Committee was constituted by the Board and presently consists of Mr. S.D.M. Nagpal, Mr. Ravindra Kumar Singh and Mr. Harish K. Vaid. Mr. S.D.M. Nagpal is the Chairman of the Committee. Two members are Non-executive and Independent Directors and third one is Non-executive Director. The Company Secretary acts as the Secretary to the Committee. During Financial Year 2012-13 fifteen meetings of the Committee were held.

(iii) The Company has received 48 complaints during the Financial Year ended 31st March 2013, all of which were resolved / addressed leaving no complaints pending at the end of the year.

#### 9. Risk Management

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are regularly apprised regarding key risk assessment and risk mitigation mechanisms.

#### 10. CEO / CFO Certification

In the absence of the appointment of CEO, the CFO has submitted necessary certificate to the Board of Directors stating the particulars specified under Clause 49(V) of the Listing Agreement. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meeting held on 27th April 2013.

#### 11. General Body Meetings

(i) Particulars of the last three Annual General Meetings

Year	Date of AGM	Time	Venue
2009-10	30.08.2010	02.00 PM	Regd. Off: Durga Cement Works, Durgapuram, Dachepalli, 522414, Guntur District, AP
2010-11	30.12.2011	11.30 AM	
2011-12	15.09.2012	03.30 PM	

**(ii) Details of Special Resolution(s) passed in previous three Annual General Meetings:**

- (a) At the Annual General Meeting held on 30th August, 2010, Special Resolutions were passed for :
- i) Approving the appointment of Mr. P.K. Goyenka, and re-appointment of Mr. Shrivardhan Goenka, as Executive Directors and
  - ii) Issue of 7764401 equity shares of Rs. 10/- each aggregating to Rs. 18.64 crore to IDFC & HDFC by way of preferential issue.
- (b) At the Annual General Meeting held on 30th December 2011, no Special Resolution was passed.
- (c) At the Annual General Meeting held on 15th September, 2012, Special Resolution was passed for :
- i) Approving the alteration of Article - 5 and Article - 103 of the Articles of Association of the Company.

**(iii) Details of Resolution(s) passed last year through Postal Ballot**

Special Resolutions were passed on 20th December 2011 through Postal Ballot on the following matters:

- i) to increase authorized capital from Rs. 170 crores to Rs. 450 crores divided into 40,00,00,000 equity shares of Rs. 10/- each and 50,00,000 cumulative redeemable preference shares of Rs. 100/- each,
- ii) Issue and allotment of 14,75,00,000 equity shares of Rs. 10/- each at premium of Rs. 2/- per share to Jaypee Development Corporation Ltd on preferential basis.

The requisite particulars in respect of the said exercise of Postal Ballot are as under:

S.No	Particulars	Details/Dates
1	Date of Board Meeting	15.11.2011
2	Scrutinizer appointed by the Board of Directors at its meeting	Ms. Latika Jetey, Practicing Company Secretary New Delhi
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Mr. Sudarsan Pahi, Practicing Company Secretary New Delhi
4	Date of Notice seeking Shareholders approval	15.11.2011
5	Date of Completion of Dispatch of Notice	18.11.2011
6	Last date of receipt of duly filled Postal Ballot Form	19.12.2011
7	Date of submission of Scrutinizer's report to the Chairman	20.12.2011
8	Date of declaration of Result	20.12.2011

**Particulars of Resolution Passed:****Ordinary Resolution**

1	Alteration of Memorandum of Association -Increase of Authorised Share Capital from Rs. 170 crores to 450 crores
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**Special Resolution**

2	Alteration of Articles of Association - Increase of Authorised Share Capital from Rs. 170 crores to 450 crores
3	Approval for Issue and allotment of 147500000 equity shares of Rs. 10/- at a premium of Rs. 2/- per share to Jaypee Development Corporation Ltd on Preferential Basis

The Voting pattern on the resolutions:

Particulars	Total Votes	Total Valid Votes Cast	Total Valid votes cast in favour of the Resolution	Total Valid votes cast against the resolution
Resolution .1	84634470	84612104	84588998	23106
Resolution. 2	84634470	84612717	84603501	9216
Resolution. 3	84634470	84613983	84589563	24420

The result of the Postal Ballot was announcement at the Registered Office of the Company, through Stock Exchanges and Newspapers - Business Standard (English), Hyderabad Edition as well as Prajashakthi (Telugu), Hyderabad & Guntur Editions.

**12. Disclosures**

- (i) In the bonafide opinion of the Board of Directors there are no related party transactions that may have potential conflict with the interest of the company at large. Related party transactions in terms of 'AS-18 Related Parties' were disclosed in the Annual Accounts.
- (ii) The company does not have a Whistle Blower Policy since the same is non-mandatory under Clause 49 of the Listing Agreement. However, no employee is denied access to the Audit Committee.
- (iii) The Company has complied with all the mandatory requirements of Clause 49 as detailed herein. As regards adoption of non-mandatory requirements under said clause, a Remuneration Committee of the Directors, as detailed hereinabove, is already in existence. Also please see para 16 hereinafter.

**13. Management Discussion & Analysis Report**

The Management Discussion and Analysis Report is attached to the Annual Report.

**14. Compliance Officer**

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

Address - 'White House' 3rd Floor, Block-III,  
H. No. 6-3-1192/1/1  
Begumpet, Hyderabad - 500016, AP

e-mail	- gtrao@andhracements.com
Phone	- 040-67272727
Fax	- 040-67272728

### 15.Means of Communication

The Quarterly, Half yearly and Annual Financial Results of the Company are normally published in Business Standard (English), Andhra Prabha and Praja Shakti (Telugu) News Papers.

#### GENERAL SHAREHOLDER INFORMATION

i). Annual General Meeting:

Date and Time	: 21.09.2013, at 11.30 AM
Venue	: at Regd. Off, Durga Cement Works Durgapuram, Dachepalli - 522414 Guntur(Dist), AP.

ii) Financial Year : 2012-13 (01.04.2012 to 31.03.2013)

iii). Book Closure Dates : 16.09.2013 to 21.09.2013  
(both days inclusive)

iv) Dividend Payment Date : No dividend proposed.

v). Financial Calendar 2013 -14

Consideration & publication of Financial Results

For the quarter ended 30.06.2013	: 2nd week of August, 2013
For the quarter ended 30.09.2013	: 2nd week of November, 2013
For the quarter ended 31.12.2013	: 2nd week of February, 2014
For the quarter ended 31.03.2014	: 2nd week of May, 2014

vi). Listing of Equity Shares on : BSE Limited  
Stock Exchanges: P. J. Towers, Dalal Street, Fort  
Mumbai - 400 001  
National Stock Exchange of India Ltd  
Plot No. C/1, G-Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400051

vii).Stock Code:

Bombay Stock Exchange (BSE)	: 532141
National Stock Exchange (NSE)	: ANDHRACEMT
ISIN Numbers in NSDL & CDSL	: INE666E01012

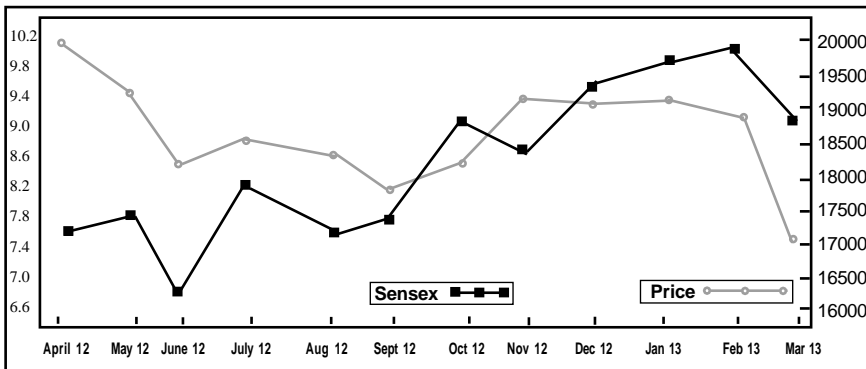
Listing fees for and up to the year 2013-14 have been paid to the BSE and NSE, where shares are listed and also paid the custodian fee for the year 2013-14 to NSDL and CDSL.

## viii).Market Price Data

The following is the data of high and low closing quotations of equity shares of the Company during the period April 2012 to March 2013.

Month & Year	Bombay Stock Exchange (BSE)	
	Month's High Price(Rs.)	Month's Low Price(Rs.)
April, 2012	10.28	8.81
May, 2012	10.00	8.00
June, 2012	9.65	8.12
July, 2012	9.80	8.35
August, 2012	9.70	7.90
September, 2012	9.70	8.05
October, 2012	10.25	8.77
November, 2012	9.45	8.50
December, 2012	9.50	8.76
January, 2013	9.90	9.01
February, 2013	9.50	7.50
March, 2013	7.99	6.15

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



## ix) Share Transfer System :

The Company's Shares which are in compulsory dematerialised (demat) list are transferable through the depository system. Shares received in physical mode are processed by the Registrars and Transfer Agent (RTA), CIL Securities Limited and approved by the Investors Grievance and Share Transfer Committee of the Company. The Shares received for transfer are transferred expeditiously, provided the documents are complete and the relative Shares are not under any dispute. The Share Certificates duly endorsed in favour of the Transferees are returned promptly to Shareholders. Confirmations in respect of the requests for dematerialisation of Shares are expeditiously sent to the respective depositories i.e. NSDL and CDSL.

**x) Reconciliation of Share Capital Audit :**

Reconciliation of Share Capital Audit is being carried out every quarter by a Practicing Company Secretary and the Audit Report is placed before the Board for its perusal and filed with the Stock Exchanges periodically within the stipulated time.

**xi) Distribution of Shareholding and Shareholding Pattern as on 31st March 2013:**

a) Distribution of shareholding:

No. of Shares held	No. of Shares	% of share capital	No. of share holders	% of total No. of share holders
Up to 500	3590323	1.22	48969	91.82
501 to 1000	1794738	0.61	2062	3.87
1001 to 2000	1712042	0.58	1064	1.99
2001 to 3000	939493	0.32	356	0.67
3001 to 4000	684826	0.23	187	0.35
4001 to 5000	951347	0.33	198	0.37
5001 to 10000	1924750	0.66	251	0.47
10001 and above	281922973	96.05	246	0.46
<b>TOTAL</b>	<b>293520492</b>	<b>100.00</b>	<b>53333</b>	<b>100.00</b>

b) Shareholding pattern as on 31<sup>st</sup> March, 2013

Category	No. of Shares(*)	% to total
Promoters	176013352	59.97
Financial Institutions	297620	0.10
FIs	7390000	2.52
Mutual Funds	12753	0.0
Banks	5432	0.0
Body Corporate	93021273	31.69
NRIs	789787	0.27
Resident Individuals	15990275	5.45
<b>Total</b>	<b>293520492</b>	<b>100.00</b>

**Holding Company - Jaypee Development Corporation Ltd (JDCL)**

JDCL share holding increased to 59.97% as on 31st March 2013. As JDCL holds more than 51% of the share capital of the Company, JDCL became Holding Company and Andhra Cements Ltd became a subsidiary of JDCL and also of Jaypee Infra Ventures (A private company with unlimited liability).

**xii) Dematerialisation of Shares and liquidity:**

The shares of the Company are admitted in dematerialized form with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. (CDSL). As on 31st March, 2013 - 284794378 shares of the Company (97.03 %) had been dematerialized. The entire shareholding of the Promoters in the Company is held in demat form.

The Company's shares are being regularly traded on the BSE and NSE.

**(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

Not Applicable

**xiv). Plant Locations:**

<b>Durga Cement Works (DCW)</b> Durgapuram, Dachepalli (Mandal) Guntur Dist, (AP). PIN – 522414	<b>Visakha Cement Works, (VCW)</b> Parlupalem (Village) Durganagar (Post) Visakhapatnam, (AP) PIN - 530029
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**xv). Registrar & Share Transfer Agent :**

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

**xvi). Address for Correspondence:**

Shri G.T. Rao, Company Secretary & Compliance Officer  
Andhra Cements Limited (Jaypee Group)  
3rd Floor, Block-III, "White House"  
H.No. 6-3-1192/1/1, Begumpet, Hyderabad - 500016, (A.P).  
(Telephone Nos. 040-67272727, Fax No. 040-67272728)  
e-mail: investorcell@andhracements.com

**16. Non-mandatory Requirements****(a) Remuneration Committee**

The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in para 7 of this Report.

**(b) Training of Board of Directors**

As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields. They keep themselves abreast with the latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars etc.

**(c) Shareholders' Rights**

The Company uploads its Quarterly, Half - Yearly and Annual Results, shareholding information, statutory communication with the Stock Exchanges, press releases and presentations on the web site of BSE and NSE, which is accessible to all. The Results are also reported to Stock Exchanges and published in National Newspapers in English and Telugu, having wide circulation.



**CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Andhra Cements Limited**

We have examined the compliance of conditions of Corporate Governance by M/s ANDHRA CEMENTS LIMITED for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance of conditions of the Certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the Management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that no investor grievances are pending against the Company as per the records maintained by the shareholders / Investors Grievance Committee.

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

**For Savita Jyoti Associates**  
Company Secretaries

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

**Place : Secunderabad**

**Date : 27<sup>th</sup> April 2013**

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for the Board Members and senior management personnel.

We confirm that the Company has, in respect of the Financial Year 2012-13 received from the members of the Board and the senior management personnel of the Company a declaration of compliance with the Code of Conduct as applicable to them.

**Place : New Delhi**  
**Date : 27<sup>th</sup> April 2013**

**R.D. Pal Garg**  
**CFO**

**MANAGEMENT DISCUSSION AND ANALYSIS**

(Forming part of the Report of Directors for the Year ended 31st March, 2013)

**1. Industry Structure and Developments**

The Government of India plans to increase its investment in infrastructure to US \$1 trillion in the Twelfth Five Year Plan (2012-17) as compared to US \$ 514 billion (estimated figure) spent on infrastructure development under the Eleventh Five Year Plan (2007-12). Further, infrastructure projects such as the dedicated freight corridors, upgraded and new airports and ports are expected to enhance the scale of economic activity, leading to a substantially increased in cement demand. Housing sector and road also provide significant opportunities. The cement demand is likely to be sensitive to the growth in these sectors and also the policy initiatives.

In view of the demand and installed capacity growth projections, the additional installed capacity requirement during the next 15 years (up to 2027) would be approx. 1035 million tons. Global Cement Production has continued to expand at an average rate of 6.4% in the last five years. China (with an average annual growth of 11.4% and India (with an average annual growth of 9.8%) have been the drivers of the growth in global cement output.

Domestic demand for cement has been increasing in India. Among the states, Maharashtra has the highest share in consumption at 12.2%, followed by Uttar Pradesh, while in terms of production; Andhra Pradesh is leading with 14.7% of total production followed by Rajasthan. The cement industry is one of the major beneficiaries of the infrastructure boom. Cement has virtually no substitutes and there is hardly any credible threat to the sector from other products with similar uses.

Private housing sector is the major consumer of cement (53%) followed by the government infrastructure sector. A step up in demand of the sectors, which are major users of cement, could provide some stimulus to the cement sector as well.

Planning Commission has identified Roads as one of the thrust areas for infrastructure development and creation of a sound and durable road infrastructure in the country. Even after this, the condition of our roads network is poor. One of the reasons for the poor road conditions is the adoption of conventional 'Bitumen Roads', which results in numerous problems during operation, particularly after rains. Consequently, a substantial amount of expenditure is to be incurred repeatedly on maintaining these roads every year, entailing extra costs. A better option to solve this problem is opting for technoeconomically superior cement concrete roads and thus ensuring a quality network of roads, which need almost no maintenance throughout their life, apart from generating fuel savings, being environment friendly and facilitating free and smooth flow of traffic.

Thus with a view to creating a world-class road infrastructure in the country for the rapid and inclusive growth of the economy, the Working Group recommended that:

- i. All new expansions in the National and State Highways may be made of cement concrete as a Policy. To begin with, this percentage could be 30% of the total allocations.
- ii. All existing National and State Highways constructed by using bitumen should be replaced with concrete surface wherever strengthening is required, by adopting the technology of concrete overlays, popularly known as White Topping.

- iii. Use of PPC may be made mandatory in the construction of roads as policy not only for National and State Highways but also in the construction of roads by all agencies including CPWD, State PWDs etc. This has already been permitted by the Indian Roads Congress.
  - iv. All existing city roads having bitumen surface be converted gradually to cement concrete and new ones should preferably be constructed with cement concrete technology.
  - v. All connection roads in villages must be done with cement concrete technology.
- Thus, the attention of the Government is very clear on infrastructure development and cement being an integral part of this development process, its importance and value will increase more in the days to come.

### Road Ahead

Developments in the domestic environment and a huge number of infrastructure projects are likely to boost demand for cement consumption in India, which is bound to increase manifold in the coming years.

Yours management is of the view that the Indian Cement Industry had witnessed an incredible growth in the past few years, led by the growth in the real estate, infrastructure and industrial construction. However, in recent period, cement demand growth took a slight breather. The cement industry has registered a drop in margins mainly due to input cost rise and lack of pricing power. The Industry has been facing a chronic problem of insufficient availability of the main fuel coal, driving the manufacturers to resort to use of alternatives at steep cost. As the economic growth is expected to be stable, the cement demand is expected to sustain an average growth in demand. The key drivers of this demand shall be the continued expansion in infrastructure, real estate and industrial sectors.

## 2. Review of Financial and Operational Performance

### (i) Financial Performance

During the period under review the Company recorded a net loss of Rs. 2068.46 lacs. Financial performance of the Company, in brief, is as under: (Rs in Lakhs)

	Current Period 2012-13 (12 Months)	Previous Period 2011-12 (9 Months)
Gross Sales	-	3.40
Net Sales	-	2.78
Other Income	<b>530.13</b>	228.19
PBIDT	<b>(2645.76)</b>	(2476.37)
Finance Cost	<b>620.63</b>	887.16
Depreciation	<b>136.23</b>	67.51
Profit/(Loss) before exceptional items	<b>(3402.62)</b>	(3431.04)
Exceptional Items (Income)	-	5508.87
Profit/(Loss) before Tax	<b>(3402.62)</b>	2077.83
Deferred Tax	<b>(1334.16)</b>	1111.12
Net Profit / (Loss)	<b>(2068.46)</b>	966.71

**(ii) Operational Performance**

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

Durga Cement Works (DCW) plant of the Company was commenced its trial run operations on 6th October 2012 by lighting up the Kiln. Due to the power holiday imposed by the State Government the plant operations were not continued in full swing.

The production activities at Visaka Cement Works (VCW) plant could not be commenced during the period under review. However, trial runs will be expected to commence by the end of May 2013.

**3. Outlook**

After the taking over of management by the new Promoters and infusion of funds by them, the work on revival of the Plants started in its right earnest. The production is expected to be resumed during the current financial year. Thus, the future outlook for the Company is bright.

**4. Opportunities and Threats**

Cement consumption and demand in India has been growing during the last few years due to Government's continuous thrust on infrastructure development. However, due to market conditions, the selling price had been under pressure during the year under review and for the present as well. Further, series of recent increase in interest rates, fuel prices and key raw materials are the major constraining factors for increase in demand and have significant impact on the profitability margins of the industry.

The threats of the Industry arise from rising input costs, restricted availability of coal from domestic market, restricted wagon availability and increase in logistics costs due to increase in fuel cost and railway fright.

**5. Risks and Concerns**

Cement industry being highly energy intensive, any possible rise in energy cost might affect Company's business adversely. Cement consumption is a function of macro external factors such as economic growth, Government policies etc. The growth in cement demand is directly co- related to the economic development. In the event of slowdown in economy or infrastructure development activities, cement demand gets adversely affected, thereby putting the selling price of cement under pressure..

Cement being a bulky material, both input and output transportation cost is significant in the industry. With international crude prices firming up, transportation cost is scaling new heights in the country. Another area of concern is transportation bottle-neck due to loading restrictions. The road transportation fleet capacity needs to be increased substantially to cater to the increasing need of transport of cement and other industries.

Further cement sector being directly affected by coal shortage, coal prices too have been climbing up. Freight, power and coal being major components of cost, any increase in their prices adversely affects the profit margins of the industry.

## 6. Internal Control Systems and their adequacy

The Internal Control System is an essential element of the Corporate Governance and plays a key role in identifying, minimizing and managing risks that are significant for the Company, contributing to the safeguarding of stakeholders investments and the Company's assets.

Your Company has established and is maintaining adequate internal control system commensurate with its size and nature of business to ensure the completeness, accuracy, and authority of all financial information and of all other information that forms the basis for calculation of financial information or is used for management control and accountability besides ensuring optimum utilization of resources and adequate protection of Company's assets. The adequacy and effectiveness of internal controls are monitored regularly by the Internal Auditors and the Audit Committee and remedial measures are being taken, wherever necessary. However, during the period under review, due to suspension of production for substantial part of the year, there being limitations and constrains, controls could not be exercised effectively.

The Audit Committee of the Company meets periodically to review and recommend quarterly, half yearly and annual financial statements of the Company. The Audit Committee also reviews the important findings of the Internal Auditors during their audits, periodically. The Committee also holds discussions with the internal auditors, statutory auditors and the management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope and results of the audits.

## 7. Human Resource and Industrial Relations

The Company believes that employees are the key to achieving goals and are the primary source of competitive advantage.

The Company believes that training is an important tool to enhance the capabilities of people and performance of the organization.

## 8. Health & Safety

The Company places considerable emphasis on health and safety of its employees, contractors, third party and visitors and displays commitment to ensure the high standards being maintained in compliance with applicable laws and regulations.

The Company's Safety Policy comprises a statement of the Organization's objectives regarding safety of Man and Equipment in operation at work sites. The Management's endeavour is to establish Risk-Free and zero accident work environment.

### Cautionary Statement

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

**CHATURVEDI & PARTNERS**

Chartered Accountants  
212A, Chiranjiv Towers  
Nehru Place  
New Delhi-110 019

**AUDITORS' REPORT****The Members of  
ANDHRA CEMENTS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of ANDHRA CEMENTS LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

*Attention is drawn to Note 36, 38 and 39 regarding balances of Trade payables, other creditors, Deposits, advances and Trade receivables, which are subject to confirmation and reconciliation, continuance of capitalization of borrowing costs and recognition of deferred taxes on business losses. We are unable to obtain appropriate audit evidence about the carrying amount of the same. Consequently, we are unable to determine whether any adjustments to these amounts were necessary.*

**Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*
- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and*
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**R N CHATURVEDI**  
Partner  
Membership No. 092087

**New Delhi**  
**April 27, 2013**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

- i.
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. A major portion of the fixed assets has been physically verified by the management during the year pursuant to a programme for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- ii.
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- iii.
  - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of the clause (iii)(b), (iii)(c) and (iii)(d) Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
  - b. The Company had taken unsecured loan from two erstwhile promoter companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1017 lacs and yearend balance was Rs. Nil.
  - c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken are not prima facie prejudicial to the interest of the Company.
  - d. The Company has repaid the principal amount and interest thereon, as stipulated.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company.
  - a. In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act have been so entered.



- b. In our opinion according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the company has not complied with the provisions of section 58A and 58AA of the Act and Companies (Acceptance of Deposits) Rules, 1975 with regard to the repayment of the deposits accepted from the public and maintenance of liquid assets, and filing its Annual Return of Deposits. According to the information furnished to us, the Company Law Board (Southern Regional Bench) has by its Order dated July 07, 2001, under Section 58AA, directed the company to repay the said deposits in accordance with the scheme sanctioned by the BIFR. The BIFR in its Modified Rehabilitation Scheme dated July 21, 2008 directed the fixed deposits holders to accept the outstanding principal amount, in four annual installments, on interest free basis. Further, no other Order against the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. During the year, there were no commercial operations of the Company. Accordingly no cost records were maintained by the Company pursuant to the Companies (Cost accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- ix. a. According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable excepting those mentioned hereunder:

<b>Name of statute</b>	<b>Nature of the Dues</b>	<b>Amount (Rs. lacs)</b>	<b>Period to which amount relates</b>
Uttarakhand VAT Act	VAT	32.25	September 2010
TN VAT Act	VAT	0.25	August 2010 - November 2010

- c. According to information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute excepting those mentioned hereunder:

S. No	Name of the Statute	Nature of disputed amount	Amount not remitted (Rs in lakhs)	Asst. Year/ Year of demand	Pending before
1	Central Excise Act, 1944	Interest on duty demanded kept in abeyance pursuant to BIFR order.	73.11	2005-06	High Court
2	Central Excise Act, 1944	Central Excise duty -do- -do- -do- -do- -do-	8.00 53.79 653.81 371.50 24.65 11.31	2004-05 2006-07 2011-12 2012-13 2012-13 2011-12	High Court CESTAT CESTAT CESTAT Commissioner (Appeals) Commissioner (Appeals)
3	Finance Act,	Service Tax -do-	1.98 0.87 -do-	2010 2011-12 398.64	CESTAT Commissioner (Appeals) 2012-13 CESTAT
4	APGST Act/CST Act	Sales Tax Sales Tax Sales Tax Sales Tax Sales Tax Sales Tax (CST) Sales Tax (CST) Sale Tax (CST)	35.43 37.66 18.34 26.96 8.11 16.65 6.53 53.45	1990-91 1991-92 1992-93 1995-96 2001-02 1991-92 1992-93 2008-09	High Court High Court High Court High Court Tribunal Tribunal Tribunal Commissioner (Appeals)
5	Orissa Sales tax Act	Sales Tax (ET) Sales Tax (ET)	0.21 2.77	2000-01 2003-04	Tribunal Tribunal
6	Tamil Nadu Sales Tax Act	Sales Tax (CST) Sales Tax Sales Tax Sales Tax Sales Tax Sales Tax	12.30 13.26 5.83 18.93 9.17 6.09	1988-89 1991-92 1992-93 1996-97 1988-89 1989-90	Tribunal Tribunal Tribunal Tribunal Commissioner (Appeals) Commissioner (Appeals)

- x. According to the information and explanations given to us and without considering the effect of matters described in the Basis for Qualified opinion paragraph, accumulated losses of the company are not more than fifty percent of its net worth. Further, the Company has incurred cash losses during the period covered by our report. It has also incurred cash losses in the immediately preceding financial period.

- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders excepting the following instances of defaulted interest and principal payment:

Nature of Dues	Amount (in Lakhs)	Period of delay (in days)
Interest on Debentures	2.21 384.86	19 15 to 349
Interest on Term Loans	110.76 833.67	9 to 19 12 to 165
Repayment of Term Loans -Principal	1312.50 677.08	74 to 165 23
Repayment to Debenture holders -Principal	20.83 583.33	23 74 to 349

- xii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**R N CHATURVEDI**  
Partner  
Membership No. 092087

New Delhi  
April 27, 2013

**BALANCE SHEET AS AT MARCH 31, 2013**

(Rs. in Lakhs)

Note	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' FUND</b>		
Share Capital	2 29,352.44	29,352.44
Reserves & Surplus	3 3,887.36	6,580.65
	<b>33,239.80</b>	35,933.09
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	4 55,138.57	30,000.00
Long term provisions	5 313.27	80.82
	<b>55,451.84</b>	30,080.82
<b>CURRENT LIABILITIES</b>		
Short term borrowings	6 5,217.96	2,771.42
Trade Payables	3,239.80	1,764.31
Other current liabilities	7 14,553.83	15,719.10
Short term provisions	8 17.64	410.71
	<b>23,029.23</b>	20,665.54
<b>TOTAL</b>	<b><u>111,720.87</u></b>	<b><u>86,679.45</u></b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Fixed Assets		
Tangible Assets	9 6,607.87	6,253.37
Intangible Assets		
Capital work-in-progress	36 79,177.34	55,962.25
	<b>85,785.21</b>	62,215.62
Non current investment	10 0.02	0.02
Deferred Tax Assets (Net)	11 8,590.07	7,255.91
Long term loans and advances	12 5,248.97	3,726.14
Other non-current assets	13 97.12	371.17
	<b>13,936.18</b>	11,353.24
<b>CURRENT ASSETS</b>		
Inventories	14 4,367.33	1,142.96
Trade Receivables	15 531.67	531.67
Cash and Bank balances	16 2,656.91	10,362.29
Short term loans and advances	17 2,335.50	479.93
Other current assets	18 2,108.07	593.74
	<b>11,999.48</b>	13,110.59
<b>TOTAL</b>	<b><u>111,720.87</u></b>	<b><u>86,679.45</u></b>

Significant accounting policies and notes forming an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

**For CHATURVEDI & PARTNERS**Chartered Accountants  
Firm Registration No.307068E**Manoj Gaur**  
Chairman**Shailendra Gupta**  
Director**R N Chaturvedi**Partner  
Membership No.092087**G. Tirupati Rao**  
Company SecretaryNew Delhi  
April 27, 2013

**STATEMENT OF PROFIT AND LOSS**

for the year ended on March 31, 2013

(Rs. in Lakhs)

Particulars	Note	For the Year ended March 31, 2013	9 months period ended March 31, 2012
Revenue from operations	19	-	2.78
Other Income	20	530.13	228.19
<b>Total Revenue (I)</b>		<b>530.13</b>	<b>230.97</b>
<b>Expenses:</b>			
Cost of materials consumed	21	-	-
Changes in inventories of finished goods and work-in-progress	22	-	-
Employee benefit expenses	23	1,045.65	2,164.93
Finance costs	24	620.63	887.16
Depreciation and amortization expenses	25	136.23	67.51
Other expenses	26	2,130.23	543.03
Excise Duty Paid		-	(0.62)
<b>Total Expenses (II)</b>		<b>3,932.75</b>	<b>3,662.01</b>
Profit before exceptional and extraordinary items and tax [III = (I-II)]		<b>(3,402.62)</b>	<b>(3,431.04)</b>
Exceptional Items (IV)		-	5,508.87
Profit before extraordinary items and tax (V = III + IV)		<b>(3,402.62)</b>	2,077.83
Extraordinary Items (VI)		-	-
Profit before tax (VII = V - VI)		<b>(3,402.62)</b>	2,077.83
<b>Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		<b>(1,334.16)</b>	1,111.12
<b>Total (VIII)</b>		<b>(1,334.16)</b>	<b>1,111.12</b>
Profit/(Loss) for the period from continuing operations (IX = VII - VIII)		<b>(2,068.46)</b>	966.71
Profit/(Loss) from discontinuing operations (X)		-	-
Tax expense of discounting operations (XI)		-	-
Profit/(Loss) from Discontinuing operations (XII = X-XI)		-	-
<b>Profit/(Loss) for the period (XII = IX + XII)</b>		<b>(2,068.46)</b>	<b>966.71</b>
Earning per equity share:			
(1) Basic	45	<b>(0.70)</b>	0.56
(2) Diluted		<b>(0.70)</b>	0.56
Significant accounting policies and notes forming an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board

**For CHATURVEDI & PARTNERS**Chartered Accountants  
Firm Registration No.307068E**Manoj Gaur**  
Chairman**Shailendra Gupta**  
Director**R N Chaturvedi**Partner  
Membership No.092087New Delhi  
April 27, 2013**G. Tirupati Rao**  
Company Secretary

**SIGNIFICANT ACCOUNTING POLICIES****a) Method of Accounting**

The financial statements are based on historical cost convention (except for revaluation of certain Fixed Assets) and prepared in accordance with Generally Accepted Accounting Principles prevalent in India (Indian GAAP) and in compliance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

**b) Use of Accounting Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Examples of such estimates include provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Actual results could differ from those estimates and are given effect to as and when determine.

**c) Fixed Assets**

Fixed Assets are stated at cost/revaluation less accumulated depreciation and amortisation. Direct costs inclusive of inward freight, duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalised until the fixed assets are ready for its intended use.

Capital Work in Progress indicates the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.

**d) Investments**

Long term Investments are stated at cost with appropriate provision for diminution in value and the carrying value is reduced accordingly. Current Investments are stated at lower of cost and fair value.

**e) Revenue Recognition**

- i) Sales are inclusive of Excise duty, packing charges and freight recovered thereon and exclusive of sales tax, rebates and discounts.
- ii) Income from interest is accounted for on time proportion basis when the right to receive income is established, taking into account the amount outstanding and the applicable rate of interest, when the collection is reasonably certain.

**f) Foreign Exchange Transactions**

A. Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

B. At each Balance Sheet date

- i) Foreign currency monetary items are reported using the closing rate of exchange on the balance sheet date
- ii) Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized

In respect of forward exchange contracts

- iii) Premium or discount on the contract is amortized over the term of the contract
- iv) Exchange differences on the contract are recognized as profit or loss in the period in which they arise

**g) DEPRECIATION:**

Depreciation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956, as per the following method:

a) Under Straight line method in respect of

All assets (excepting Transport vehicles, Furniture and office Equipment) at Visakha Cement Works (VCW), Durga Cement Works (DCW) and Assets acquired under modernisation scheme at Jayanthipuram Mines.

b) In respect of assets other than those mentioned above, under written down value method.

A. Depreciation on increase in value of fixed assets due to revaluation is provided under the straight line method at the rates prescribed in Schedule XIV and is transferred from Asset Revaluation Reserve to the Statement of Profit and Loss Account

B. Plant and Machineries have been considered as continuous process plant on the basis of technical assessment

C. In respect of inter unit transfer of assets, depreciation is computed on the same basis as in the Transferor unit.

**h) IMPAIRMENT OF ASSETS**

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated recoverable amount is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent the carrying amount would have been determined (net of depreciation) had no impairment loss being recognized for the asset in prior year

**i) EMPLOYEES BENEFITS**

**(a) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc., and the expected cost of bonus, ex-gratia is recognized in the period in which the employee renders the related service.

**(b) Post-Employment Benefits:**

1. *Defined Contribution Plans:* Contributions to Provident Fund Scheme is made to the Statutory Authorities/ fund administered by the management and Employees State Insurance Scheme which are in the nature of defined contribution plans are

charged to the Statement of Profit and Loss account as and when incurred during the year in which the employee renders the related service.

2. *Defined Benefit Plans:*

**Gratuity**

The company provides for obligation towards Gratuity, a defined benefit plan, covering eligible employees on the basis of an actuarial valuation using the projected unit credit method as at the year end.

**Leave Encashment**

Liability for leave encashment is provided on the basis of actuarial valuation using the projected unit credit method as on the Balance Sheet date. Actuarial Gain/Losses, if any, are immediately recognized in the Statement of Profit and Loss account.

**j) Taxes on Income**

Tax Expenses for the year comprises both current tax and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and law enacted or substantively enacted by the reporting date. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**k) Borrowing Costs**

Borrowing costs incurred in connection with the funds borrowed for acquisition/ erection of assets that necessarily take a substantial period of time to get ready for intended use are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

**l) Earnings per Share**

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive. Dilutive earnings per share include the dilutive effect of potential equity shares under Stock options.

**m) Provisions, Contingencies 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 and a reliable estimate can be made of the amount of the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes after a careful evaluation of the concerned facts and issues involved thereon.



## Notes on Financial Statements for the Period ended March 31, 2013 (Rs. in Lakhs)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>2 SHARE CAPITAL</b>		
<b>Authorized</b>		
<b>Equity Shares, Rs.10/- par value</b> 400,000,000 (400,000,000) Equity Shares	<b>40,000.00</b>	40,000.00
<b>Cumulative Redeemable Preference Shares, Rs.100/- par value 1,00,00,000</b> (5,000,000) Preference Shares	<b>10,000.00</b>	5,000.00
	<b>50,000.00</b>	45,000.00
<b>Issued, Subscribed and Paid-Up</b>		
<b>Equity Shares, Rs.10/- par value</b> 293,520,492 (293,520,492) Equity Shares of the above, Add: Forfeited Shares (Refer Note 2.5)	<b>29,352.05</b>	29,352.05
	<b>0.39</b>	0.39
<b>Total</b>	<b>29,352.44</b>	29,352.44

## 2.1 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of Rs.10 per share and each holder of equity shares is entitled to one vote per share.

In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

## 2.2 Shares held by the promoters of the Company:

Name of the Share Holder	No. of Shares at March 31, 2013	No. of Shares at March 31, 2012
Jaypee Development Corporation Ltd - Holding Company	<b>176,013,352</b>	175,529,192

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

Name of the Share Holder	No. of Shares As at March 31, 2013 (March 31, 2012)	% held As at March 31, 2013 (March 31, 2012)
Jaypee Development Corporation Ltd - Holding Company	<b>176,013,352</b> (175,529,192)	59.97 (59.80)
Infrastructure Development Finance Company Ltd	<b>28,784,722</b> (28,784,722)	9.81 (9.81)
Housing Development Finance Corporation Ltd.	<b>25,957,055</b> (25,957,055)	8.84 (8.84)
Boydell Media Pvt. Ltd	<b>25,913,054</b> (25,913,054)	8.83 (8.83)

**2.4 The Reconciliation of the number of shares outstanding is set-out below:**

Name of the Share Holder	No. of Shares As at March 31,2013	No. of Shares As at March 31,2012
Number of shares at the beginning	293,520,492	146,020,492
Add: Shares issued during the period	-	147,500,000
Number of shares at the end	<b>293,520,492</b>	293,520,492

**2.5 Forfeited shares (amount originally paid up) is Rs.38,860/- (Rs. in Lakhs)**

Particulars	As at March 31,2013	As at March 31,2012
<b>3 RESERVE &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per Last Balance Sheet		
(Refer Note No.3.1)	<b>10.00</b>	10.00
Closing Balance	<b>10.00</b>	10.00
<b>Capital Redemption Reserve</b>		
As per Last Balance Sheet	<b>1.94</b>	1.94
Closing Balance	<b>1.94</b>	1.94
<b>Securities Premium Reserve</b>		
As per Last Balance Sheet	<b>9,054.04</b>	6,104.04
Add: On issue of Shares	-	2,950.00
Closing Balance	<b>9,054.04</b>	9,054.04
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	<b>670.00</b>	250.00
Add/(Less): Appropriated from Surplus	<b>(670.00)</b>	420.00
Closing Balance	-	670.00
<b>Revaluation Reserve (Refer Note No.9.2)</b>		
As per Last Balance Sheet	<b>4,780.03</b>	5,248.65
Less: Utilized during the period	<b>624.83</b>	468.62
Closing Balance	<b>4,155.20</b>	4,780.03
<b>Quary Land Amortization Reserve</b>		
As per Last Balance Sheet	<b>0.29</b>	0.29
Closing Balance	<b>0.29</b>	0.29
<b>Surplus</b>		
<b>Profit &amp; Loss Account</b>		
As per Last Balance Sheet	<b>(7,935.65)</b>	(8,482.36)
Add: Profit/(Loss) during the year/period	<b>(2,068.46)</b>	966.71
	<b>(10,004.11)</b>	(7,515.65)
<b>Less : Appropriations</b>		
Less: Transferred (to)/from Debentures Redemption Reserve	<b>670.00</b>	(420.00)
Closing balance- Surplus	<b>(9,334.11)</b>	(7,935.65)
<b>Total</b>	<b>3,887.36</b>	6,580.65

- 3.1 Investment subsidy in respect of Visakha Unit received during the accounting year ended March 31, 1981. (Rs. in Lakhs)

	As at March 31,2013	As at March 31,2012
<b>4 LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>1. Debentures</b>		
15,00,000 - Secured Optionally Convertible Debentures - A (OCD-A) of Rs.100/- each	-	1,250.00
15,00,000 - Secured Optionally Convertible Debentures - B (OCD-B) of Rs.100/- each	-	1,250.00
-	-	
10,00,000, Secured Non Convertible Debentures of Rs.100/- each	-	833.33
	<u>-</u>	<u>3,333.33</u>
<b>2. Term Loans:</b>		
Housing Development Corporation Limited (HDFC Limited)	<b>23,538.57</b>	13,125.00
Infrastructure Development Finance Company Limited (IDFC Limited)	<b>31,600.00</b>	13,541.67
	<u>55,138.57</u>	<u>26,666.67</u>
<b>Total</b>	<u>55,138.57</u>	<u>30,000.00</u>
<b>5 LONG TERM PROVISIONS</b>		
<b>Provision for Employee benefits</b>		
Gratuity	<b>247.68</b>	9.10
Leave encashment	<b>65.59</b>	71.72
<b>Total</b>	<u>313.27</u>	<u>80.82</u>
<b>6 SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
<b>Secured</b>		
Working Capital Loans	<b>2,510.73</b>	64.19
<b>Unsecured</b>		
Sales Tax Loan from A.P.State Government	<b>7.23</b>	7.23
Loans and advances from related parties - Holding Company	<b>2,700.00</b>	2,700.00
<b>Total</b>	<u>5,217.96</u>	<u>2,771.42</u>

- 6.1 Working Capital Loans during the year are secured by first pari passu charge by way of hypothecation of the current assets and second charge on fixed assets of the Company is yet to be created. These loans are further secured by personal guarantee of the Chairman, Mr. Manoj Gaur.

(Rs. in Lakhs)

Particulars	As at March 31,2013	As at March 31,2012
<b>7 OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term debt</b>		
<b>Debentures</b>		
15,00,000 - Secured Optionally Convertible Debentures - A (OCD-A) of Rs.100/- each	-	250.00
15,00,000 - Secured Optionally Convertible Debentures - B (OCD-B) of Rs.100/- each	-	250.00
10,00,000, Secured Non Convertible Debentures of Rs.100/- each	-	166.67
	-	666.67
<b>Term Loans</b>		
- HDFC Limited	-	2,625.00
- IDFC Limited	-	2,708.33
Interest Accrued but not due on borrowings	263.91	1.86
Interest accrued and due on borrowings	28.89	-
Unpaid matured deposits (Refer Note 40 (c))	102.61	102.89
Unpaid matured debentures (Refer Note 7.1 & 40 (b))	193.98	195.68
Unclaimed Redeemable Cumulative Preference Share (Refer Note 7.2)	1.92	1.92
<b>Other Payables</b>		
Payable to erstwhile promotor Companies	-	1,017.00
Government & Other Statutory Dues	105.86	272.77
Sundry Creditors for Capital Goods	9,961.00	2,874.90
Deposits/ Advances from Contractors & Customers	810.45	1,163.11
Due to Trustees, Employees Provident Fund	8.00	54.95
Liability for Expenses	3,077.21	4,034.01
<b>Total</b>	<b>14,553.83</b>	<b>15,719.10</b>

7.1 Unpaid matured Debentures are secured to the extent of Rs.193.80 lakhs (Rs.195.31 lakhs) against deposit in a separate bank account with lien thereon in favour of Debenture Trustees. As per Modified Scheme 2008 (MS-08), Principal amount is payable as and when claimed by the Debenture Holders after adjusting the repayments made earlier, if any.

7.2 The Redeemable Cumulative First Preference Shares remain unclaimed aggregating to Rs.1.92 Lakhs (Rs.1.92 Lakhs). The payments against said shares are being made as and when claimed. The Company has been legally advised that in the absence of profits upto the date of redemption (i.e. June15,1993), it has no obligation to pay any dividend on the said preference shares.

## 8 SHORT TERM PROVISIONS

### Provision for Employee benefits:

Gratuity	11.99	272.58
Leave Encashment	3.98	0.99

### Others:

Provision for Income Tax	1.67	137.14
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<b>Total</b>	<b>17.64</b>	<b>410.71</b>
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		(Rs. in Lakhs)									
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at March 31, 2012	Additions During the year	Deductions during the year	As at March 31, 2013	Upto March 31, 2012	For the year	On Deductions	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012	
1. Land	679.90	-	-	679.90	-	-	-	-	679.90	679.90	
2. Buildings	3,746.29	0.27	-	3,746.55	1,860.85	106.73	-	1,967.58	1,778.97	1,885.44	
3. Plant & Machinery	19,765.07	906.18	30.81	20,660.44	16,114.74	612.83	13.44	16,714.13	3,946.31	3,670.34	
4. Furniture & Office Equipments	473.09	62.76	0.95	534.90	470.31	25.85	0.58	495.68	39.32	2.79	
5. Vehicles	65.77	164.45	6.39	223.83	60.40	15.64	6.38	69.66	154.16	5.37	
6. Railway Siding	190.44	-	6.36	184.08	180.90	-	6.04	174.88	9.20	9.53	
<b>TOTAL</b>	<b>24,940.56</b>	<b>1,133.65</b>	<b>44.51</b>	<b>26,029.70</b>	<b>18,867.19</b>	<b>761.06</b>	<b>26.44</b>	<b>19,421.83</b>	<b>6,607.87</b>	<b>6,253.37</b>	
Previous Year	24,937.52	5.05	2.02	24,940.56	18,151.43	536.13	0.37	18,687.19	6,255.37		

**NOTE:**

- Transport Vehicles includes 6 nos. of cars which are not in possession of the company, and the ownership these cars is not verifiable.
- Gross Block includes increase in value of Land, Buildings, Plant and Machinery, Electrical Installations, and Railway Siding consequent to revaluation by an approved valuer as on 31-03-1998 at the then replacement values aggregating to Rs.208.34 Crores. Depreciation for the period amounting to Rs.624.83 lacs (Rs.468.62 lacs) on the revalued depreciable assets has been withdrawn from the Asset Revaluation Reserve and reduced from the depreciation charged to the Profit and Loss Account.

(Rs. in Lakhs)

	As at March 31,2013	As at March 31,2012
<b>10 NON CURRENT INVESTMENTS</b>		
<b>Long term investments (un-quoted)- At cost</b>		
<b>Investments in Equity Shares</b>		
Investment in the Andhra Pradesh Heavy Machinery and Engineering Limited		
2500 fully paid up equity shares of Rs.10 each	<b>0.25</b>	0.25
Less: Provision for diminution in value of investments	<b>(0.25)</b>	(0.25)
Net Investment	-	
<b>Investment in Government securities</b>		
National Saving Certificates (Lodged as security with Govt.Depts.)	<b>0.02</b>	0.02
<b>Total</b>	<b>0.02</b>	0.02
Aggregate amount of the un-quoted Investment is Rs.0.27 lakhs		
Aggregate provision for diminution in value of Investments is Rs.0.25 lakhs		
<b>11 DEFERRED TAX ASSETS (Net)</b>		
(Refer Note No.38)		
Deferred Tax Asset	<b>9,071.87</b>	7,608.45
Deferred Tax Liability	<b>481.80</b>	352.53
<b>Total</b>	<b>8,590.07</b>	7,255.91
<b>12 LONG TERMS LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advances [Refer Note No. 36(iii)]	<b>4,414.70</b>	3,119.72
Security Deposits	<b>821.81</b>	593.22
Claims Recoverable & Others	<b>12.46</b>	13.20
<b>Total (A)</b>	<b>5,248.97</b>	3,726.14
<b>Unsecured Considered Doubtful</b>		
Security Deposits	<b>30.77</b>	30.77
Claims Recoverable & Others	<b>49.50</b>	49.50
Total	<b>80.27</b>	80.27
Less: Provision for Dimunition in Value	<b>80.27</b>	80.27
<b>Total (B)</b>	-	-
<b>Total (A+B)</b>	<b>5,248.97</b>	3,726.14
<b>13 OTHER NON-CURRENT ASSETS</b>		
Accrued Interest	-	6.03
Advance Income Tax and tax deducted at source	<b>68.05</b>	228.00
MAT credit entitlement	<b>29.07</b>	137.14
<b>Total</b>	<b>97.12</b>	371.17
<b>14 INVENTORIES</b>		
Raw Material	<b>394.29</b>	238.09
Work-In-Progress	<b>823.55</b>	66.00
Finished Goods	<b>39.19</b>	0
Stores and Spares	<b>3,117.32</b>	845.89
	<b>4,374.35</b>	1,149.97
Less: Provision for Obsolete Stores	<b>7.02</b>	7.02
<b>Total</b>	<b>4,367.33</b>	1,142.96

**Mode of valuation**

- a) Inventories are valued at cost or estimated net realizable value whichever is lower.  
 b) Cost for the purpose of Raw materials and stores and spares comprise of the respective purchase costs including non-reimbursible duties and taxes.  
 c) Costs in respect of work-in progress and finished goods comprises of their respective costs including appropriate overheads and excise duty wherever applicable. Cost of inventories is determined on weighted average basis.  
 d) Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortised over the life of the principal assets.  
 e) Scrap is valued at estimated net realisable value. (Rs. in Lakhs)

	<b>As at March 31,2013</b>	<b>As at March 31,2012</b>
<b>15 TRADE RECEIVABLES</b>		
[Refer Note No. 39]		
<b>Trade Receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured Considered Good	<b>531.67</b>	531.67
Considered Doubtful	<b>862.46</b>	862.46
Less: Provision for doubtful	<b>862.46</b>	862.46
<b>Total (A)</b>	<b>531.67</b>	531.67
<b>Other Debts</b>		
Unsecured Considered good	-	-
Considered Doubtful	-	-
<b>Total (B)</b>	-	-
<b>Total (A+B)</b>	<b>531.67</b>	531.67
<b>16 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	<b>34.52</b>	7.78
<b>Balances with banks</b>		
-- In Current accounts	<b>570.34</b>	10,030.85
- Term Deposits maturing for a period less than 3 Months	<b>1,500.00</b>	-
<b>Other Bank Balances</b>		
<b>Earmarked Balances</b>		
- Margin Money against Bank Guarantees	<b>32.40</b>	21.21
- Security against unpaid matured Debentures	<b>193.80</b>	195.31
- Savings Bank Account with Mining Department	<b>0.80</b>	0.80
<b>Other Bank Balances</b>		
- Margin Money against Guarantees with maturity of more than 3 months but less than 12 months.	<b>325.05</b>	106.34
<b>Total</b>	<b>2,656.91</b>	10,362.29

(Rs. in Lakhs)

Particulars		As at March 31,2013	As at March 31,2012
<b>17</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>Unsecured Considered Good</b>		
	Advances to suppliers	2,319.97	455.42
	Advances to employees	15.53	24.51
	<b>Total (A)</b>	<b>2,335.50</b>	<b>479.93</b>
	<b>Unsecured Considered Doubtful</b>		
	Advances to suppliers	357.54	357.54
	Less: Provision for Doubtful Debts	(357.54)	(-)357.54
	<b>Total (B)</b>	<b>-</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>2,335.50</b>	<b>479.93</b>
<b>18</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Unsecured Considered Good</b>		
	Accrued Interest	60.37	28.87
	Other Deposits	71.26	74.03
	Balance with Statutory/Government Authority (Including Input Tax Credit)	1,949.12	488.92
	Prepaid Expenses	27.32	1.92
	<b>Total</b>	<b>2,108.07</b>	<b>593.74</b>
Particulars		For the Year ended March 31,2013	For the 9 months ended March 31,2012
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products	-	3.40
	Less: Excise Duties	-	0.62
	<b>Total</b>	<b>-</b>	<b>2.78</b>
<b>20</b>	<b>OTHER INCOME</b>		
	Interest Income	342.50	193.07
	Other Receipts	187.63	35.12
	<b>Total</b>	<b>530.13</b>	<b>228.19</b>
<b>21</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Lime Stone	-	-
	Slag	-	-
	Gypsum	-	-
	Pozzolona and other Materials	-	-
	Clinker	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>



(Rs. in Lakhs)

	Particulars	For the Year ended	For the 9 months ended
		March 31,2013	March 31,2012
<b>22</b>	<b>CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
	Opening Stocks		
	Work-in-Progress	66.00	66.00
	Finished Goods	-	-
	Total (A)	66.00	66.00
	Closing Stocks		
	Work-in-Progress	823.55	66.00
	Finished Goods	39.19	-
	Total (B)	862.74	66.00
	Add: Transferred to capital work in progress during the period (C)	796.74	-
	Total (A - B+C)	-	-
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	[Refer Note No.34]		
	Salaries & Wages	729.49	1,817.25
	Contribution to Provident & Other Funds	75.37	137.19
	Staff Welfare Expenses	240.77	210.49
	Total	1,045.65	2,164.93

**23.1** The disclosure as required by Accounting Standard 15 relating to employee benefits recognised are set out below :

The employee Gratuity Scheme are defined plans. The present value of obligation are determined based on actuarial valuation using projected Unit Credit method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build-up the final obligation. The obligation for compensated absence is recognised in the same manner as gratuity.

**Disclosure for defined plan based on actuarial report as at March 31, 2013 is as follows:**

	Particulars	As at 31, March 2013		As at 31, March 2012	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>23.1.1</b>	<b>Reconciliation of Opening and Closing balances of Defined Benefit Obligation:</b>				
	Defined Benefit obligation at the beginning of the year	281.67	72.71	402.92	100.47
	Current Service Cost	12.58	5.11	8.47	7.35
	Interest Cost	23.95	6.18	27.22	6.33
	Actuarial (gain) / loss	14.94	9.45	(83.43)	(19.06)
	Benefits Paid	(73.47)	(23.88)	(73.51)	(22.38)
		259.67	69.57	281.67	72.71

Particulars	For the year ended 31, March 2013		For the period ended 31, March 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>23.1.2 Expenses recognised during the period</b>				
Current Service Cost	12.58	5.11	8.47	7.35
Interest Cost	23.94	6.18	27.22	6.33
Actuarial (gain) / loss	14.94	9.45	(83.43)	(19.06)
<b>Net Cost</b>	<b>51.46</b>	<b>20.74</b>	<b>(47.74)</b>	<b>(5.38)</b>
<b>23.1.3 Actuarial assumptions</b>				
Discount Rate (per annum)	8.5	8.5	8	8
Expected rate of return on plan assets (Per annum)	-	-	4	4
Rate of escalation in salary (per annum)	6	6	1	1
Average Balance Service	9.98 yrs	9.98 yrs	8.49 yrs	8.49 yrs
<b>23.1.4</b>	The employee benefits liability is not funded. Accordingly disclosures related to return on planned assets and fair value thereof is not ascertainable.			
<b>23.1.5</b>	Assumptions relating to future salary increases, attrition, interest rate for discount have been considered based on relevant economic factors such as inflation, market growth obligation is expected to be settled & other factors applicable to the period over which the obligation is expected to be settled. (Rs. in Lakhs)			
<b>24</b>	<b>FINANCE COSTS</b>			
	Interest on borrowings		620.63	887.16
	<b>Total</b>		<b>620.63</b>	<b>887.16</b>
<b>25</b>	<b>DEPRECIATION AND AMORTISATION</b>			
	Depreciation and amortisation on tangible assets		761.06	536.13
	Less: Transferred to Revaluation Reserve		624.83	468.62
	<b>Total</b>		<b>136.23</b>	<b>67.51</b>
<b>26</b>	<b>OTHER EXPENSES</b>			
	Consumption of Stores & Spares		270.22	-
	Power & Fuel		708.74	86.93
	Rent		14.48	9.35
	Repairs to Buildings		26.03	-
	to Machinery		572.55	52.26
	to Other Assets		20.73	1.58
	Insurance		53.90	0.28
	Rates & Taxes		54.39	148.21
	Advertisement & Business Promotion		5.64	3.84
	Freight, Loading etc.		59.68	-
	Directors Sitting Fee		6.45	2.63
	Payment to Auditors			
	- As Statutory Auditors		7.25	5.55
	- For reimbursement of Expenses		0.04	0.07
	Prior Period Expenses		7.29	41.50
	Loss on Sale of Assets		0.13	1.22
	Legal and Professional Expenses		52.35	61.77
	Printing & Stationery		9.65	4.32
	Telephone and other communication Expenses		16.13	9.33
	Travelling & Conveyance etc.,		140.47	84.05
	Transit Hostel Expenses		46.39	7.96
	General Office Expenses		21.88	12.98
	Horticulture Expenses		8.39	6.25
	Bank Charges		2.63	1.94
	Brokerage		-	0.41
	Others		24.83	0.61
	<b>Total</b>		<b>2,130.23</b>	<b>543.03</b>

(Rs. in Lakhs)

	Particulars	Year Ended March 31, 2013	Period Ended March 31, 2012
27.	<b>CIF Value of imports</b> Capital Goods	813.16	-
28.	<b>Expenditure in Foreign Currency</b> Professional / Consultancy Charges	40.45	-

29. **Value of Spare parts and components consumed during the year**

Particulars	Year Ended March 31, 2013		Period Ended March 31, 2012	
	Value	%	Value	%
Indigenous	270.22	100.00	-	-
Imported	-	-	-	-
Total	270.22	100.00	-	-

30. **Earnings in Foreign Exchange**

NIL

NIL

31. **(a)Consumption and Closing Stock of Lime Stone include among others**

Particulars	Year Ended March 31, 2013	Period Ended March 31, 2012
Salaries, Wages and Bonus	52.15	-
Contribution of PF etc.	1.19	-
Repairs and Maintenance to:		
- Machinery	5.86	-
- Other Assets	49.48	-
Royalty and Cess	72.48	-
Others	0.64	-
<b>(b)Raw Material consumed during the year*</b>		
Limestone	200.96	-
Gypsum	5.12	-
Clinker	100.11	-
<b>(c)Turnover during the year*</b>		
Cement	115.87	-

\*Sales and consumption during the trial run transferred to Capital Work-in-Progress.

## 32. Estimated amount of contracts to be executed on capital account (net of advances)

Rs.8,203.03 lakhs (P Y Rs.7,581.32 lakhs)

33. **Contingent Liabilities**

<b>(i) Claim against the Company not acknowledged as debts including contractual obligations</b>		
Government Claims for Non-Statutory dues	195.30	195.30
Electricity Claims	116.83	116.83
Claims of Project Customers	952.00	1,633.81
Other Claims (Suppliers etc.)	106.78	313.67
<b>(ii) Letter of Credit Outstanding:</b>		
Letter of Credit	1,173.43	-

(iii) Disputed demands under litigation:

Particulars	As at March 31, 2013	As at March 31, 2012	Amount paid under protest, if any As at March 31, 2013
APGST / VAT	173.47	173.47	46.96
C S T	76.63	23.18	-
TNGST	67.29	67.29	1.71
OST	3.48	8.25	0.50
Central Excise	1,124.05	177.30	1.00
Service Tax	401.48	268.65	-

(iv) Probable liability, if any, that may arise as a result of non-compliance with the requirements of Jute Packaging Materials (Compulsory Use of Packing Materials), Act, 1987, consequent on differing divergent decisions of different Courts and also representations of industry before the Government, as the same is not ascertainable at this stage.

(v) Excise authority, although accepted payment of their dues in installments in terms of BIFR Order (MS-08) has subsequently filed an appeal in AAI FR against the said order in respect of reliefs for interest etc., granted to the Company. The company has challenged the same and the matter is pending before Hon'ble Delhi High Court, pending this, the amount is presently not ascertainable in this respect. There are no dues in respect of installments as on the date of the Balance Sheet.

(vi) During the previous period, employee benefit expenses includes arrears of salaries and wages and other expenses of Rs.1,150 Lakhs in terms of Memorandum of Settlement u/s 18(1) of the Industrial dispute Act, 1947, entered into with the Labour Unions on 6th March, 2012. However, some of the workers have filed an application with Central Government Industrial Tribunal cum Labour Court under section 33(c)(2) of Industrial Dispute Act, 1947 demanding payment of Rs.59.34 Lakhs which had been waived off as per settlement with the registered labour union.

(vii) The Company has export obligation in connection with import of machineries under Export Promotion Capital Goods Scheme (EPCG). In the event of non-fulfillment of the export obligation upto FY 2016-17, the company may be held liable for differential custom duty of Rs.838.16 Lakhs (approximately) and interest thereon.

34. Remuneration amounting to Rs.39.51 Lakhs to ex whole time Directors and ex-Managing Director Payable for the earlier years are pending approval of Central Government.
35. Some of the records of the company like agreements with suppliers/agents, statements of Bank Accounts including those at some of the branches/depots for the period prior to June 1994, have still not been restored by the erstwhile promoters/management. The matter being pending since considerable long time, no material adjustment, in this respect, is likely to arise.

36. (i) Post acquisition by the present management, the plant layout, project costs, means of financing and schedule of implementation have been revised to execute balance upgradation and new installation to achieve phased increase in production capacity. Substantial progress has been made in respect of up gradation cum expansion project as per revised schedule. Accordingly, pre-operative incidental expenditure including borrowings costs continued to be capitalized.
- (ii) The pre-operative expenses including interest on borrowings amounting to Rs.4,941.61 Lakhs (Rs.3,275.91 Lakhs) have been capitalized during the year under Capital Work in Progress. Necessary allocation/adjustment with respect to above including as required in terms of Accounting Standard 16 on Borrowing Costs shall be carried out on ascertainment of amount thereof on completion of project.
- (iii) Capital Work in Progress does not include Rs.802.90 Lakhs (Rs.2,183.96 Lakhs) in respect of claims made/ bills raised towards cost of civil and other services and supplies pending verification and negotiation and shall be accounted for on finalization of amount payable with respective parties. Further, Capital Advances (Project) includes Rs.958.59 Lakhs (Rs.2,446 Lakhs) given for various Project supplies and related services, etc, which even though are outstanding for long period, steps for recovery since been taken has been considered good and recoverable. Adjustment with respect to the above will be given effect to on final settlement with the parties..
37. To the extent information were available with the Company, there are no outstanding as at the end of the year to the parties registered under the Micro, Small & Medium Enterprises Development Act, 2006.
38. Keeping in view the proposed recommencement of production of the Company and emerging certainty with respect to the profitability of the Company and considering that time limit for carry forward of losses in case of Company has been extended in terms of the MS-08 Scheme sanctioned by BIFR, the Deferred Tax Asset in respect of the carry forward business losses and depreciation has been continued to be recognized during the period. The details in this respect as required in terms of the Accounting Standard 22 on Accounting for Taxes on Income are as follows:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2013	Period Ended March 31, 2012
Tax impact of differences between carrying amount of the fixed assets in the financial statements and the income tax	<b>(481.80)</b>	(352.53)
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	<b>629.78</b>	753.32
Tax Impact of Carry Forward Business Losses	<b>5,279.39</b>	3,716.58
Tax Impact of Unabsorbed Depreciation under Income Tax Act	<b>3,162.70</b>	3,138.54
<b>Deferred Tax Asset /(Liability)</b>	<b>8,590.07</b>	7,255.91

39. The balances in Sundry Debtors, Deposits Retention Money, Sundry Creditors and Advances are subject to confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.
40. (a) The Hon'ble BIFR has discharged the Company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 vide its Order dated 22nd January 2010. In terms of the said Order, the unimplemented provisions of MS-08 (Modified Rehabilitation Scheme sanctioned by BIFR vide its Order dated 21st July 2008) would be implemented by the concerned agencies.
- b) In terms of MS-08, 13.5% Secured Redeemable Debentures are required to be settled by payment of principal amount only and interest stand waived. The Company has deposited an amount equivalent to the principal amount of these debentures marking a lien in favour of the Debenture Trustees. The unclaimed debentures at year end are shown under the head "Other Current Liabilities".
- c) In terms of the said Scheme, the fixed deposit holders are to accept outstanding principal amount in four annual installments commencing from financial year 2007-08 onwards, on interest-free basis. The unclaimed fixed deposits at year end are shown under the head "Other Current Liabilities".
41. (a) The Company does not have any outstanding derivative contract as on March 31, 2013.
- (b) Un-hedged foreign currency exposures of the company as on March 31, 2013 are as follows

Particulars	Year Ended March 31, 2013	Period Ended March 31, 2012
Creditors (Import)	<b>Rs.68.80 Lakhs</b>	Rs.61.06 Lakhs

42. As the Company is engaged in the manufacture of cement within India only, it operates in single primary business segment and single secondary geographical segment and therefore disclosure requirement of Accounting Standard 17 on Segment Reporting are not applicable to it.
43. Related Parties and transactions with them, as identified by the management in accordance with the Accounting Standard 18, as notified by the Companies Accounting Standard Rules, 2006, are as follows:

1. Key Managerial Personnel	Shri Manoj Gaur
2. Ultimate Holding Company Holding Company	M/s. Jaypee Infra Ventures Pvt. Ltd., being Holding Company of Jaypee Development Corporation Limited
3. Associate/ Co-subsidiary Company	Jaypee Development Corporation Limited ISG Traders Limited, (upto February 9, 2012) Boydell Media Private Limited, (Upto February 9, 2012) Jaiprakash Associates Limited
4. Enterprise over which, companies stated at S.No. (2) and (3) above have significant influence.	Jaypee Cement Corporation Limited Himalayaputra Aviation Limited JIL Information Technology Limited Bhilai Jaypee Cement Limited

The aggregate amount of transactions with each type of the above related parties  
(Rs. in Lakhs)

Particulars	Key Managerial Personnel (KMP)	Holding Company	Fellow Associates	Enterprises over which Ultimate holding and holding company having significant influence
<b>Interest expense (includes CWIP)</b>				
Jaypee Development Corporation Limited		378.00 (2.07)		
Jaypee Cement Corporation Limited				559.56 (-)
<b>Loans taken (Net)</b>				
ISG Traders Limited			-	
Jaypee Development Corporation Limited		(-)	(795.00)	
Jaypee Cement Corporation Limited		(2701.86)		17853.38 (-)
<b>Loans repaid</b>				
Jaypee Cement Corporation Limited				17624.00 (-)
<b>Purchase of Fixed Assets</b>				
Jaiprakash Associates Limited			8886.25 (-)	
Jaypee Cement Corporation Limited				46.04 (-)
JIL Information Technology Limited				7.56 (-)
Bhilai Jaypee Cement Limited				0.80 (-)
<b>Sale of Fixed Assets</b>				
Jaypee Cement Corporation Limited				19.43 (-)
Jaiprakash Associates Limited			0.33 (-)	
<b>Mobilisation Advances paid</b>				
Jaiprakash Associates Limited			636.18 (-)	
<b>Purchase of material</b>				
Jaypee Cement Corporation Limited				51.07 (-)
<b>Material Amount Recovered</b>				
Jaiprakash Associates Limited			186.10 (-)	
Expenses/Services rendered				
Himalayaputra Aviation Limited				26.70 (-)
Jaiprakash Associates Limited			6.10 (-)	
JIL Information Technology Limited				1.80 (-)

(Rs. in Lakhs)

Particulars	Key Managerial Personnel (KMP)	Holding Company	Fellow Associates	Enterprises over which Ultimate holding and holding company having significant influence
<b>Balances at the end of the period</b>				
(i) Loans, Interest payable & Advances Jaypee Cement Corporation Limited				229.38 (-)
Jaypee Development Corporation Limited		2728.89 (2701.86)		
ISG Traders Limited			- (582.62)	
Boydell Media Pvt Limited			- (434.38)	
- Mobilisation Advance Jaiprakash Associates Limited			565.86 (-)	
(ii) <b>Balances payable</b>				
Jaiprakash Associates Limited			7390.84 (-)	
Jaypee Cement Corporation Limited				64.03 (-)
JIL Information Technology Limited				5.51 (-)
Bhilai Jaypee Cement Limited				0.80 (-)

44. The Company has not made any loans or advances in the nature of loans whose particulars are required to be disclosed in terms of clause 32 of the listing agreement.
45. Working for the earnings per share in terms of AS 20 - "Earnings Per Share"

Particulars	Year Ended March 31, 2013	Period Ended March 31, 2012
Net Profit/(loss) attributable to shareholders (Rs.Lakhs)	<b>(2,068.46)</b>	966.71
Weighted average number of equity shares outstanding		
For Basic EPS	<b>29,35,20,492</b>	17,33,75,037
For Diluted EPS	<b>29,35,20,492</b>	17,33,75,037
Earnings Per Share (Face Value of Rs.10 each)		
Basic (Rupees)	<b>(0.70)</b>	0.56
Diluted (Rupees)	<b>(0.70)</b>	0.56

46. Current year figures relate to the period of twelve months from April 01, 2012 to March 31, 2013 and corresponding previous period represents nine months period ending with March 31, 2012. Hence, these figures are not comparable.



47. All amounts in the financial statements are presented in Rupees in Lakhs except per share data and as other wise stated. Figures in brackets represent corresponding previous period figures in respect of Statement of Profit and Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous period. Figures for the previous period have been regrouped /rearranged wherever considered necessary.

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As per our report of even date

For and on behalf of the Board

**For CHATURVEDI & PARTNERS**

Chartered Accountants  
Firm Registration No.307068E

**Manoj Gaur**  
Chairman

**Shailendra Gupta**  
Director

**R N Chaturvedi**

Partner  
Membership No.092087

**G. Tirupati Rao**  
Company Secretary

New Delhi  
April 27, 2013

## CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2013

(Rs. in Lakhs)

	For the year ended March 31, 2013		9 Months period ended March 31, 2012	
<b>A. Cash flow from operating activities</b>				
<b>Profit Before Tax and Extraordinary Items</b>		<b>(3,402.62)</b>		<b>2,077.83</b>
Adjustment for:				
Depreciation	136.23		67.51	
Extraordinary items (Reliefs & Concessions)	-		(5,508.87)	
Loss on sale of fixed assets	0.13		1.22	
Profit on sale of fixed assets	(0.67)			
Stores Written Off	-		41.50	
Excess Provision written back	(52.51)			
Liabilities no longer required written back	(121.10)		-	
Interest Income	(342.50)		(193.07)	
Interest Expense	620.63	240.21	887.16	(4,704.55)
<b>Operating Profit before working capital changes</b>		<b>(3,162.41)</b>		<b>(2,626.72)</b>
(Increase) in Inventories	(3,224.37)		5.71	
(Increase) in Debtors	-		-	
Decrease /(Increase) in Loans and Advances and Other Current Assets	(3,566.25)		(292.04)	
(Decrease)/Increase in Current Liabilities & Provisions	(916.38)	(7,707.00)	372.30	85.96
<b>Cash generated from operations</b> (A)		<b>(10,869.41)</b>		<b>(2,540.76)</b>
Direct Taxes paid		132.56		(21.06)
<b>Net Cash (used in) / generated from operations</b>		<b>(10,736.85)</b>		<b>(2,561.82)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(1,133.65)		(5.05)	
Sale of Fixed Assets	18.61		0.43	
Capital Work in Progress	(17,160.05)		(5,479.47)	
Interest Received	317.03		193.44	
<b>Net cash used in investing activities</b> (B)		<b>(17,958.06)</b>		<b>(5,290.66)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Equity Shares	-		14,750.00	
Proceeds from Securities Premium	-		2,950.00	
Proceeds from Secured Borrowings (Net)	21,583.42		(2,241.48)	
Proceeds from Unsecured Borrowings (Net)	(0.28)		3,283.91	

(Rs. in Lakhs)

	For the year ended March 31, 2013		9 Months period ended March 31, 2012	
	Interest and Finance Charges Paid	(593.61)		(885.30)
<b>Net cash generated from financing activities (C)</b>		<b>20,989.53</b>		<b>17,857.13</b>
Net increase / (decrease) in cash and cash equivalent <b>(A+B+C)</b>		(7,705.38)		10,004.66
Cash and cash equivalents at the beginning of the year		<b>10,362.29</b>		357.63
<b>Cash and cash equivalents at the end of the year</b>		<b>2,656.91</b>		<b>10,362.29</b>

**Notes :**

1. Cash and Cash equivalents includes:

As at 31.03.2013

As at 31.03.2012

a) Cash and Cheques on Hand		34.52		7.78
b) Balances with Scheduled Banks				
1. In Current Accounts		570.34		10,030.85
2. In Fixed Deposit Accounts				
- Term Deposits maturing for a period less than 3 Months	1,500.00		-	
- Margin Money	32.40		21.21	
- Others	193.80		195.31	
- Savings Bank Account with Mining Department	0.80	0.80	1,727.00	217.32
<b>Other Bank Balances</b>		<b>2,331.86</b>		<b>10,255.95</b>
Add: Fixed Deposits with maturity more than 3 months		325.05		106.34
		<b>2,656.91</b>		<b>10,362.29</b>

2. Bank balance includes restricted amount of Rs.227.00 lakhs (Rs.217.32 lakhs) towards Margin Money, Fixed Deposits with more than 3 months and others.

3. The Cash flow statement is prepared under 'indirect method' as set out in Accounting Standard -3 on Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.

4. Previous period's figures have been regrouped, wherever necessary.

As per our report of even date

For and on behalf of the Board

**For CHATURVEDI & PARTNERS**

Chartered Accountants  
Firm Registration No.307068E

**Manoj Gaur**  
Chairman

**Shailendra Gupta**  
Director

**R N Chaturvedi**

Partner  
Membership No.092087

**G. Tirupati Rao**  
Company Secretary

New Delhi  
April 27, 2013

**AUDITORS' CERTIFICATE**

To  
The Board of Directors  
ANDHRA CEMENTS LIMITED

We have examined the attached Cash Flow Statement of ANDHRA CEMENTS LIMITED for the year ended 31<sup>st</sup> March 2013. The Statement has been prepared by the Company in accordance with the requirements of listing agreement with Stock Exchanges where the Company's shares are listed and is based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet covered by our Report of even date to the members of the Company.

**For CHATURVEDI & PARTNERS**

Chartered Accountants  
Firm Registration No.307068E

**R N Chaturvedi**

Partner  
Membership No.092087

New Delhi  
April 27, 2013

**Andhra Cements Limited**



**Durga Cement Works, Durgapuram, Dachepalli - 522 414, Guntur Dist. A.P.**

**ATTENDANCE SLIP**

Particulars to be completed by Member / Proxy :

Name of the Member \_\_\_\_\_

Member's Regd. folio No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

DPID No. \_\_\_\_\_ No. of shares held \_\_\_\_\_ Name of Proxy, if attending on behalf of a Member \_\_\_\_\_

I hereby record my presence at the 74<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 21<sup>st</sup> September, 2013 at 11.30 AM at Durga Cement Works, Durgapuram, Dachepalli - 522 414, Guntur District, A.P.

Signature of Member / Proxy

Note :

- Members/ proxies attending must fill in this attendance slip and hand it over at the entrance of the venue of the meeting.
- Members/ Proxies are requested to bring their copy of the Annual Report for the meeting and no copy of Notice / Attendance slip will be supplied at the meeting.

**Andhra Cements Limited**



**Durga Cement Works, Durgapuram, Dachepalli - 522 414, Guntur Dist. A.P.**

**PROXY FORM**

I / We \_\_\_\_\_

of \_\_\_\_\_

being member(s) of the Andhra Cements Limited bearing folio No. \_\_\_\_\_

DP-ID NO. \_\_\_\_\_ Client ID No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_ hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him / her \_\_\_\_\_

of \_\_\_\_\_ or failing him / her \_\_\_\_\_

of \_\_\_\_\_ as my / our proxy to attend and vote for me / us

and on my / our behalf as indicated below at the 74<sup>th</sup> Annual General Meeting of the

Company to be held on Saturday, the 21<sup>st</sup> September, 2013 at 11.30 AM at Durga Cement

Works, Durgapuram, Dachepalli - 522 414, Guntur District, A.P. and at any adjournment

thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_

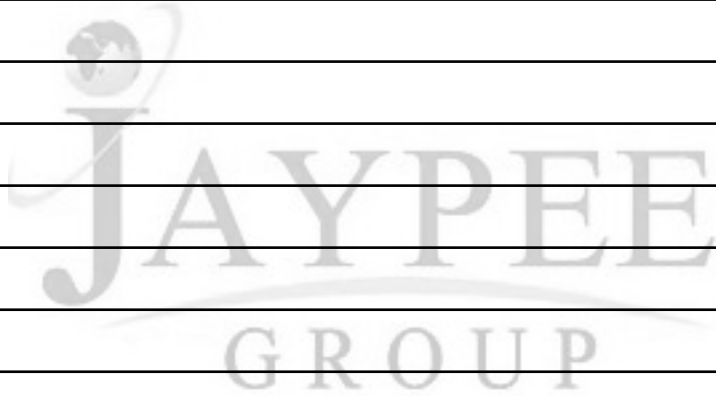
Affix Re.1/- Revenue Stamp
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Note :

A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the Company. Proxies should be lodged with the company at least 48 hours before the time fixed for the meeting.



Notes



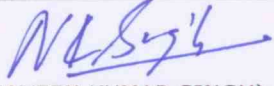


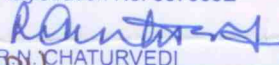

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The Secretarial Department  
**Andhra Cements Limited,**  
"White House", 3rd Floor, Block-III,  
H.No. 6-3-1192/1/1, Begumpet,  
Hyderabad - 500016, (A.P).







6.	Additional Comments from the board / audit committee chair.	No comment
7.	Signed by	
	CEO / Managing Director	 (NAVEEN KUMAR SINGH)
	CFO	 (H.K. CHHABRA)
	Audit Committee chairman	 (K.N. BHANDARI)
	Audit of the Company	 (R.N. CHATURVEDI)
	Company Secretary	 (G. TIRUPATI RAO)

For CHATURVEDI & PARTNERS  
Chartered Accountants  
Registration No. 307068E  
R.N. CHATURVEDI  
Partner  
Membership No. 092087

