

Andhra Cements Limited



75th

Annual Report 2013-14

BOARD OF DIRECTORS

Manoj Gaur, (upto 09.08.2014)	Chairman
K. N. Bhandari, (w.e.f. 11.08.2014)	Chairman
Sujit Kumar Mandal, (w.e.f 11.08.2014)	Managing Director
Pankaj Gaur	Director
Naveen Kumar Singh	Director
S. D. M. Nagpal	Director
R. K. Pandey	Director
Ravindra Kumar Singh	Director
Harish K. Vaid	Director
Shailendra Gupta	Director
V. K. Jain	Director
B. K. Taparia (upto 05.09.2013)	Director

COMPANY SECRETARY

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

STATUTORY AUDITORS

M/s Chaturvedi & Partners
Chartered Accountants, New Delhi

INTERNAL AUDITORS

M/s Lodha & Co,
Chartered Accountants, Hyderabad

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

Andhra Cements Limited
Durga Cement Works
Sri Durgapuram,
Dachepalli - 522414
Guntur (Dist), (AP)
CIN: L26942AP1936PLC002379
Ph: +91-8649-257428
Fax: +91-8649-257449
Website: www.andhracements.com
E-mail: investorcell@andhracements.com

CORPORATE OFFICE

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

BANKERS/LENDERS

IDFC Limited
HDFC Limited
State Bank of Mysore
Yes Bank Limited
Karur Vysya Bank Limited
Andhra Bank
Axis Bank
State Bank of India
Vijaya Bank
DBS Bank

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DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the **75th Annual Report** and the Audited Accounts of your Company for the year ended **31st March 2014**.

FINANCIAL RESULTS

	(₹ in Lacs)	
	Current Year 2013-14	Previous Year 2012-13
Gross Sales	-	-
Net Sales	-	-
Other Income	308.92	530.13
PBIDT	(1175.83)	(2645.76)
Finance Cost	788.48	620.63
Depreciation	249.43	136.23
Profit/(Loss) before exceptional items	(2213.74)	(3402.62)
Profit/(Loss) before Tax	(2213.74)	(3402.62)
Deferred Tax	5607.63	(1334.16)
Net Profit/(Loss)	(7821.37)	(2068.46)

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, 2014 the Paid-up Capital of the Company stood at ₹ 293,52,04,920/- divided in to 29,35,20,492 Equity Shares of ₹ 10/- each.

OPERATIONS

During the year under review, Durga Cement Works (DCW) and Visakha Cement Works (VCW) plants of the Company commenced trail run. However, due to the power holiday imposed by the State Government, the plants could not continue trail runs in full swing.

OUTLOOK

After taking over of management in February, 2012 by the new Promoters (Jaypee Group) and infusion of funds, the work on revival of the Plant operations 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 year under Report, Shri B.K. Taparia ceased to be Director of the Company w.e.f. 5th September, 2013, due to his untimely death in an accident.

The Board places on record its appreciation for the invaluable contribution of late Shri B.K. Taparia during his tenure as Director and pays rich tributes to his humane qualities.

In view of the restrictions on the maximum number of Directorships under the Companies Act, 2013, Shri Manoj Gaur resigned as Director/Chairman of the Company w.e.f. 9th August, 2014. The Board places on record its appreciation for the valuable contribution and leadership provided by Shri Manoj Gaur in revival and rehabilitation of the plants of the Company.

Shri K. N. Bhandari, Independent Director has been elected as Chairman of the Company w.e.f. 11th August, 2014.

Shri Sujit Kumar Mandal, was co-opted on the Board as additional Director and also appointed as Managing Director of the Company with effect from 11th August, 2014. His appointment/confirmation as Director/Managing Director has been included in the Notice convening the ensuing Annual General Meeting.

Shri Pankaj Gaur and Shri Naveen Kumar Singh, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, Shri K.N. Bhandari, Shri S.D.M. Nagpal, Shri R.K. Pandey and Shri Ravindra Kumar Singh are proposed to be appointed as Independent Directors, for a term of three consecutive years from 30th September, 2014 to 29th September, 2017. The resolutions in respect of appointment of each of such Independent Directors have been included in the notice convening ensuing Annual General Meeting.

AUDITORS

Statutory Auditors:

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

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the Auditors to the effect that their appointment, if made, would be in conformity with the limits specified in Section 141 (3)(g) of the Companies Act,

2013 and they fulfill the criteria laid down under Section 141 of the Companies Act, 2013.

Further, a Resolution has been included in the notice for ensuing AGM for their appointment as Statutory Auditors of the Company for a continuous period of 5 years, from the conclusion of this AGM till the conclusion of 80th AGM of the Company to be held in the year 2019, subject to ratification at every subsequent AGM.

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

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 completion of documentation, negotiation, etc. (with reference to the Note No. 36).

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, 2014.

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, 2014:

- 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 2014;

- 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 ₹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 ₹ 0.38 lacs were settled.

PARTICULARS OF EMPLOYEES

During the year under report, none of the employees was in receipt of remuneration prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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.

EMPLOYEE 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 : Noida

K. N. BHANDARI

Date : 11th August, 2014

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 ₹ 60,00,000/- OR MORE PER ANNUM.**
Nil
- B) **EMPLOYED FOR A PART OF THE FINANCIAL PERIOD AND IN RECEIPT OF REMUNERATION AGREEGATING ₹ 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 suspension of operations at both the Plants. The trail run activity commenced and continued during year 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 year |
|--|--------------|---------------|
| i) Total Foreign Exchange outflow (₹ Lacs) | 358.84 | 40.45 |
| ii) Total Foreign Exchange inflow (₹ Lacs) | Nil | Nil |

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	Current Year	Previous Year
A. Power and Fuel Consumption:		
1. POWER:		
a) Purchased:		
Units (KWH in Lacs)	619.21	6.41
Total Amount (in ₹ Lacs)	4109.49	61.86
Rate/Unit (in ₹)	6.64	9.65
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 ₹)	Nil	Nil
2. COAL :		
Quantity (Tonnes)	Nil	Nil
Total Cost (in ₹ Lacs)	Nil	Nil
Average Rate per MT (₹)	Nil	Nil
3. FURNACE OIL :		
Quantity (K.Lts)	Nil	Nil
Total Cost (in ₹ /Lacs)	Nil	Nil
Average Rate (₹ /K.Ltr)	Nil	Nil
B. Consumption per unit of production:		
Production - OPC/PPC/PSC/GGBS (in MT)	Nil	Nil
Power Consumption in Kwh/MT of cement	Nil	Nil
Coal Consumption to Clinker	Nil	Nil
Others (Specify)	-	-

FORM "B" (See Rule 2)

(Form for disclosure of particulars with respect to absorption)

1. Research & Development (R&D) : The Company has not undertaken any Research and Development activities and no expenditure have been incurred.
2. 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.
- 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, 2013 to 31st March, 2014 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 positions held	
					Member	Chairman
Shri Manoj Gaur	NED	01	No	12	0	0
Shri Pankaj Gaur	NED	Nil	No	06	0	1
Shri Naveen Kumar Singh	NED	Nil	Yes	03	0	0
Shri K. N. Bhandari	NED & ID	03	No	11	2	1
Shri Sain Ditta Mal Nagpal	NED & ID	03	No	02	2	1
Shri Radha Krishna Pandey	NED & ID	03	No	13	1	1
Shri Ravindra Kumar Singh	NED & ID	01	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. Taparua*	NED & ID	02	No	03	1	2
Shri V. K. Jain	NED	Nil	Yes	02	0	0

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

Notes:

(*) Shri B.K. Taparua - passed away and ceased to be Director w.e.f 05.09.2013

3. Number of Board Meetings held and Dates thereof

During the Financial Year ended 31st March, 2014 Four Meetings of the Board of Directors were held on 27.04.2013, 12.08.2013, 14.11.2013 and 10.02.2014.

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, 2014, 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 Chairman 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 21st September, 2013.

(ii) The terms of reference of the Audit Committee are broadly as under :

The Audit Committee, inter-alia, reviews:

- Financial Statements before the submission to the Board for approval;
- Statutory Audit Report and Internal Audit Reports;
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Recommendations for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Annual Budget and Variance Reports;
- Management discussion and analysis of financial conditions and results of operations;
- Review of Financial Statements/Investments in subsidiary companies;
- Evaluation of internal financial controls and risk management systems;

(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 2014, the Audit Committee has met 4 times, i.e., on 27.04.2013, 12.08.2013, 14.11.2013 and 10.02.2014

The attendance details for the Committee Meetings are as follows:

Name	Designation	No. of Meetings attended
Mr. K. N. Bhandari	Chairman	03
Mr. R. K. Pandey	Member	03
Mr. Shailendra Gupta	Member	04

7. Remuneration Committee

The Remuneration Committee, now known as Nomination and Remuneration Committee, constitution of which is a mandatory requirement under Section 178 of the Companies Act, 2013, is already constituted by the Board and it shall perform roles and functions as per provisions of Companies Act, 2013 and the rules framed thereunder.

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.

No Remuneration Committee Meeting was held during the Financial Year ended 31st March 2014.

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 (inclusive of TDS) to Non- Executive Directors during the Financial Year ended 31st March 2014 were as follows:

Sl. No.	Name of Director (Non-Executive)	Sitting fee	Other Benefits	Total (₹)
1	Shri Manoj Gaur	7500	Nil	7500
2	Shri Pankaj Gaur	Nil	Nil	Nil
3	Shri Naveen K. Singh	Nil	Nil	Nil
4	Shri K. N. Bhandari	45000	Nil	45000
5	Shri S. D. M. Nagpal	90000	Nil	90000
6	Shri R. K. Pandey	60000	Nil	60000
7	Shri R. K. Singh	22500	Nil	22500
8	Shri Harish K. Vaid	127500	Nil	127500
9	Shri Shailendra Gupta	75000	Nil	75000
10	Shri B. K. Taparia	15000	Nil	15000
11	Shri V. K. Jain	Nil	Nil	Nil
	Total	442500		442500

- (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 ₹ 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.

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

8. Investors' Grievances/Share Transfer Committee

The Shareholders'/Investors' Grievance Committee, now known as Stakeholders' Relationship & 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 2013-14 11 meetings of the Committee were held.
- (iii) The Company has received 21 complaints during the Financial Year ended 31st March 2014, 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 Certification

In the absence of the appointment of CEO, the Chairman 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 meetings held on 26th May 2014.

11. General Body Meetings

(i) Particulars of the last three Annual General Meetings

Year	Date of AGM	Time	Venue
2010-11	30.12.2011	11.30 AM	Regd. Off: Durga Cement Works Sri Durgapuram, Dachepalli, 522414 Guntur District, AP
2011-12	15.09.2012	03.30 PM	Regd. Off: Durga Cement Works Sri Durgapuram, Dachepalli, 522414 Guntur District, AP
2012-13	21.09.2013	11.30 AM	Regd. Off: Durga Cement Works Sri Durgapuram, Dachepalli, 522414 Guntur District, AP

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

- (a) At the Annual General Meeting held on 30th December 2011, no Special Resolution was passed.
- (b) At the Annual General Meeting held on 15th September, 2012, Special Resolution was passed for:
 - Approving the alteration of Article - 5 and Article - 103 of the Articles of Association of the Company.
- (c) At the Annual General Meeting held on 21st September, 2013, Special Resolution was passed for:
 - Approving the conversion of Term Loans in to Equity Shares in case of default at the option of HDFC and IDFC.

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

No Special Resolutions were passed during last year through Postal Ballot.

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, please see para 16 hereinafter.

13. Management Discussion & Analysis Report

The Management Discussion and Analysis Report 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, Begumpet, Hyderabad - 500016.

e-mail - gtrao@andhracemts.com

Phone - 040-67272727

Fax - 040-67272728

15. Means of Communication

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

GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:

Date and Time : 30.09.2014 at 12.30 pm
Venue : at Regd. Off, Durga Cement Works
 Sri Durgapuram,
 Dachehalli - 522414,
 Guntur (Dist), AP.

ii) **Financial Year** : 2013-14 (01.04.2013 to 31.03.2014)

iii) **Book Closure Dates** : 27.09.2014 to 30.09.2014 (both days inclusive)

iv) **Dividend Payment Date** : No dividend proposed.

v) Financial Calendar 2014-15 Consideration & publication of Financial Results

For the quarter ended 30.06.2014 : 2nd week of August, 2014
For the quarter ended 30.09.2014 : 2nd week of November, 2014
For the quarter ended 31.12.2014 : 2nd week of February, 2015
For the quarter ended 31.03.2015 : 2nd week of May, 2015

vi) Listing of Equity Shares on Stock Exchanges

: **BSE Limited**
 : 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

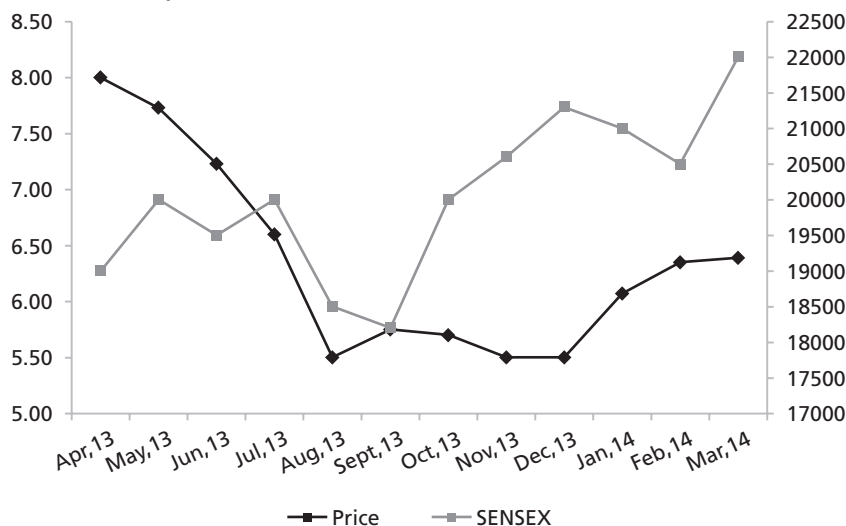
Listing fees for and up to the year 2014-15 have been paid to the BSE and NSE, where shares are listed and also paid the custodian fee for the year 2014-15 to NSDL and CDSL.

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 2013 to March 2014.

Month & Year	Bombay Stock Exchange (BSE)	
	Month's High Price (₹)	Month's Low Price (₹)
April, 2013	8.00	6.45
May, 2013	7.73	6.55
June, 2013	7.23	5.25
July, 2013	6.60	4.60
August, 2013	5.50	4.55
September, 2013	5.75	4.41
October, 2013	5.70	4.61
November, 2013	5.50	4.91
December, 2013	5.50	4.61
January, 2014	6.07	4.65
February, 2014	6.35	4.85
March, 2014	6.39	5.11

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



ix) Share Transfer System :

The Company's shares which are in compulsory dematerialized (demat) list are transferable through the depository system. Shares received in physical mode are processed by the Registrar 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 dematerialization 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 2014:

a) Distribution of shareholding:

No. of Shares held	No. of Shares	% of share capital	No. of shareholders	% of total No. of shareholders
Up to 500	3476860	1.18	48170	91.86
501 to 1000	1720188	0.59	1985	3.79
1001 to 2000	1680682	0.57	1048	2.00
2001 to 3000	896738	0.31	339	0.65
3001 to 4000	712785	0.24	196	0.37
4001 to 5000	939736	0.32	195	0.37
5001 to 10000	1918008	0.65	253	0.48
10001 and above	282175495	96.14	244	0.48
Total	293520492	100.00	52440	100.00

b) Shareholding pattern as on 31st March, 2014

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	4685	0.0
Body Corporate	92473244	31.50
NRIs	763563	0.33
Resident Individuals	16365275	5.58
Total	293520492	100.00

Holding Company - Jaypee Development Corporation Ltd (JDCL)

JDCL share holding stood at 59.97% as on 31st March 2014. As JDCL holds more than 51% of the share capital of the Company, Andhra Cements Ltd is considered being a subsidiary of JDCL and also of Jaypee Infra Ventures (A private company with unlimited liability), being the holding Company of JDCL.

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, 2014 - 284815164 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:

Durga Cement Works (DCW)

Sri Durgapuram,
Dachepalli (Mandal)
Guntur Dist, (AP).
PIN - 522414

Visakha Cement Works (VCW)

Parlupalem (Village)
Durganagar (Post)
Visakhapatnam, (AP)
PIN - 530029

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.
(Telephone Nos. 040-67272727, Fax No. 040-67272728)
e-mail: investorcell@andhracements.com

16. Non-mandatory Requirements

(a) 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.

(b) 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, 2014 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 procedures and implementations 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 my 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 Share Holders/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: 26th May, 2014

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 2013-14 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 : Noida

Date : 26th May, 2014

Manoj Gaur
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of the Report of Directors for the Year ended 31st March, 2014)

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.

India is the second largest Cement Producer in the world, with nearly 250 MT of Cement production capacities. By 2020 Cement production is expected to reach 550 MT. The Sector is dominated by private players. Of the total capacity, 98% lies with the private sector and the rest with public sector.

Cement production in India increased at a compound annual growth rate (CAGR) of 9.7% to 272 MT over FY 2006-13. As per the 12th Five Year Plan, the Cement production is expected to reach 407 MT by 2017. Currently, India has 185 large Cement plants spread across all States. Andhra Pradesh is the leading state with 37 large Cement plants, followed by Rajasthan and Tamil Nadu with 21 and 19 Plants, respectively.

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 techno-economically 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 ₹ 7821.37 Lacs. Financial performance of the Company, in brief, is as under:

	(₹ in Lacs)	
	Current Year 2013-14	Previous Year 2012-13
Gross Sales	-	-
Net Sales	-	-
Other Income	308.92	530.13
PBIDT	(1175.83)	(2645.76)
Finance Cost	788.48	620.63
Depreciation	249.43	136.23
Profit/(Loss) before Tax	(2213.74)	(3402.62)
Deferred Tax	5607.63	(1334.16)
Net Profit/(Loss)	(7821.37)	(2068.46)

(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) and Visakha Cement Works (VCW) plants of the Company were commenced its trial run operations and continued during the financial year 2013-14. Due to the power holiday imposed by the State Government the plant trial run operations were not continued in full swing.

3. Outlook

After the taking over of management by the new Promoters (Jaypee Group) and infusion of funds, 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 constraints, 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.

The Company as on 31st March 2014 has 731 employees.

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.

INDEPENDENT AUDITORS' REPORT

To 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, 2014, 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') read together with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 regarding continuance of capitalization of borrowing costs in the Capital Work in Progress for the reasons stated therein. We are unable to determine the amount of adjustment if any in this respect.

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, 2014;
- 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 read together with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken

on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 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

Noida

May 26, 2014

Membership No. 092087

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. Fixed assets have been physically verified by the management during the previous year pursuant to a programme for physical verification of fixed assets once in a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company is in the process of reconciling the same with the fixed asset register and we are informed by the management that based on the reconciliation being performed, discrepancies if any are not likely to be material.
- 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) of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

- b. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from 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)(f) and (iii)(g) of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

- 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.

- v. 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, if any, 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. We have broadly reviewed the cost records 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 and are of the opinion that, *prima facie*, the prescribed cost records have been made & maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. a. According to the information and explanations given to us, the Company has generally been 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, 2014 for a period of more than six months from the date they became payable excepting those mentioned hereunder:

Name of statute	Nature of Dues	Amount (₹ in Lacs)	Period to which amount relates
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 Dues	Amount (₹ in Lacs)	Period to which amount relates	Forum where dispute is Pending
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	8.00	2003-04	High Court
		Central Excise duty	53.79	2003-04	CESTAT
		Central Excise duty	651.97	2011-12	CESTAT
		Central Excise duty	1.74	2011-12	CESTAT
		Central Excise duty	140.50	2006-09	CESTAT
		Central Excise duty	231.00	2007-11	CESTAT
		Central Excise duty	1.82	2010-11	CESTAT
		Central Excise duty	5.62	2006-12	CESTAT
		Central Excise duty	3.88	2009-10	CESTAT
		Central Excise duty	23.84	2007-11	CESTAT
3	Finance Act, 1994	Service Tax	1.74	2008-10	CESTAT
		Service Tax	298.64	2007-10	CESTAT
4	APGST Act/CST Act	Sales Tax	35.43	1990-91	High Court
		Sales Tax	37.66	1991-92	High Court
		Sales Tax	18.34	1992-93	High Court
		Sales Tax	26.96	1995-96	High Court
		Sales Tax	8.11	2001-02	Tribunal
		Sales Tax (CST)	16.65	1991-92	Tribunal
		Sales Tax (CST)	6.53	1992-93	Tribunal
		Sale Tax (CST)	53.45	2008-09	Commissioner (Appeals)
		Sales Tax (CST)	193.47	2009-10	Commissioner (Appeals)
5	Orissa Sales tax Act	Sales Tax (ET)	0.21	2000-01	Tribunal
		Sales Tax (ET)	2.77	2003-04	Tribunal
6	Tamil Nadu Sales Tax Act	Sales Tax (CST)	12.30	1988-89	Tribunal
		Sales Tax	13.26	1991-92	Tribunal
		Sales Tax	5.83	1992-93	Tribunal
		Sales Tax	18.93	1996-97	Tribunal
		Sales Tax	9.16	1988-89	Commissioner (Appeals)
		Sales Tax	6.09	1989-90	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.
- 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 fund raised on a short term basis have been used for long term investment except utilization of bridge loan of ₹ 10,000 Lacs for capital expenditure.
- 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

Noida
May 26, 2014

BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	NOTE	(₹ in Lacs)	
		AS AT 31.03.2014	AS AT 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' fund			
Share Capital	2	29,352.44	29,352.44
Reserve and surplus	3	(4,558.84)	3,887.37
		<u>24,793.60</u>	<u>33,239.81</u>
NON-CURRENT LIABILITIES			
Long term borrowings	4	45,139.08	55,138.57
Long term provisions	5	539.95	313.27
Other Non Current Liabilities	6	663.63	88.17
		<u>46,342.66</u>	<u>55,540.01</u>
CURRENT LIABILITIES			
Short term borrowings	7	5,257.27	5,217.96
Trade payables	40	5,588.44	3,239.80
Other Current Liabilities	8	41,802.98	14,465.65
Short term provisions	9	89.15	17.64
		<u>52,737.84</u>	<u>22,941.05</u>
TOTAL		1,23,874.10	1,11,720.87
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10	6,408.34	6,607.87
Intangible Assets		-	-
Capital work-in-progress (Refer Note No. 36)		98,105.03	79,177.34
		<u>1,04,513.37</u>	<u>85,785.21</u>
Non current Investment	11	0.07	0.02
Deferred tax assets (net)	12	2,982.44	8,590.07
Long term loans and advances	13	4,015.11	5,248.97
Other non-current assets	14	172.52	129.52
		<u>7,170.14</u>	<u>13,968.58</u>
CURRENT ASSETS			
Inventories	15	3,367.97	4,367.33
Trade Receivables	16	2,306.68	531.67
Cash and Cash Equivalents	17	2,155.58	2,624.51
Short term loans and advances	18	2,859.12	2,335.50
Other current assets	19	1,501.24	2,108.07
		<u>12,190.59</u>	<u>11,967.08</u>
TOTAL		1,23,874.10	1,11,720.87

Accompanying Notes forming part of the Financial Statements

1-48

As per our report of even date attached

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

FOR AND ON BEHALF OF THE BOARD

R N Chaturvedi
Partner
Membership No. 092087

Manoj Gaur
Chairman

V. K. Jain
Director

G. Tirupati Rao
Company Secretary

Place : Noida
Date : May 26, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

PARTICULARS	NOTE	(₹ in Lacs)	
		FOR THE YEAR ENDED MARCH 31, 2014	FOR THE YEAR ENDED MARCH 31, 2013
Revenue from operations (Net of Excise Duty)	20	-	-
Other Income	21	308.92	530.13
Total Revenue (I)		308.92	530.13
Expenses:			
Cost of materials consumed		-	-
Changes in inventories of finished goods, work-in-progress.	22	-	-
Employee Benefit Expenses	23	353.82	1,045.64
Finance Cost	24	788.48	620.63
Depreciation and Amortization Expenses	25	249.43	136.23
Other Administrative Expenses	26	1,130.92	2,130.24
Excise Duty Paid		-	-
Total Expenses (II)		2,522.66	3,932.75
Profit before exceptional and extraordinary items and tax [III = (I-II)]	(I - II)	(2,213.74)	(3,402.62)
Exceptional Items (IV)		-	-
Profit before extraordinary items and tax (V = III +IV)		(2,213.74)	(3,402.62)
Extraordinary Items (VI)		-	-
Profit before tax (VII = V- VI)		(2,213.74)	(3,402.62)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		5,607.63	(1,334.16)
Total (VIII)		5,607.63	(1,334.16)
Profit/(Loss) for the period from continuing operations (IX = VII - VIII)		(7,821.37)	(2,068.46)
Profit/(Loss) from discontinuing operations (X)		-	-
Tax expense of discounting operations (XI)		-	-
Profit/(Loss) from Discontinuing operations (XII = X-XI)		-	-
Profit/(Loss) for the period (XII = IX + XII)		(7,821.37)	(2,068.46)
Earning per equity share:			
(1) Basic		(2.66)	(0.70)
(2) Diluted		(2.66)	(0.70)

Accompanying Notes forming part of the Financial Statements

1-48

As per our report of even date attached

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

FOR AND ON BEHALF OF THE BOARD

R N Chaturvedi
Partner
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Director

G. Tirupati Rao
Company Secretary

Place : Noida
Date : May 26, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. 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 read together with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013.

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 Proress 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.

1. 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
2. Plant and Machineries have been considered as continuous process plant on the basis of technical assessment
3. 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.

n) Lease Rentals

i) Operating Leases: Rentals are expensed with reference to lease terms.

ii) Finance Leases: The lower of the fair value of the assets or present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as the lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

NOTE 2 - SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorized		
Equity Shares, ₹ 10/- par value		
400,000,000 (400,000,000) Equity Shares	40,000	40,000
Cumulative Redeemable Preference Shares, ₹ 100/- par value		
10,000,000 (10,000,000) Preference Shares	10,000	10,000
	<u>50,000</u>	<u>50,000</u>
Issued, Subscribed and Paid-Up		
Equity Shares, ₹ 10/- par value		
293,520,492 (293,520,492) Equity Shares	29,352.05	29,352.05
Of the above,		
- 176,013,352 Nos (176,013,352) Equity shares are held by M/s. Jaypee Development Corporation Ltd., holding company.		
Add: Forfeited Shares (Refer Note 2.5)	0.39	0.39
	<u>29,352.44</u>	<u>29,352.44</u>

2.1 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹10 per Share and each holder of equity shares is entitled to one vote per share. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holdings.

2.2 Share held by the Promoters of the Company

Name of the Share holder	No. of Shares at March 31, 2014	No. of Shares at March 31, 2013
Jaypee Development Corporation Limited - Holding Company	17,60,13,352	17,60,13,352

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

Name of the Share holder	No. of Shares As at March 31, 2014 (March 31, 2013)	% held As at March 31, 2014 (March 31, 2013)
Jaypee Development Corporation Ltd - Holding Company	17,60,13,352 (17,60,13,352)	59.97 (59.97)
Infrastructure Development Finance Company Ltd	2,87,84,722 (2,87,84,722)	9.81 (9.81)
Boydell Media Pvt. Ltd .	2,59,13,054 (2,59,13,054)	8.83 (8.83)
Housing Development Finance Corporation Ltd.	2,59,57,055 (2,59,57,055)	8.84 (8.84)

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

Details	No. of Shares at March 31, 2014	No. of Shares at March 31, 2013
Number of shares at the beginning	29,35,20,492	29,35,20,492
Add: Shares issued during the period	-	-
Number of shares at the end	29,35,20,492	29,35,20,492

2.5 Forfeited shares (amount originally paid up) is ₹ 0.39 Lacs/-

NOTE 3 - RESERVES & SURPLUS

	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Capital Reserve		
As per last Balance Sheet (Refer Note No.3.1)	10.00	10.00
Closing Balance	<u>10.00</u>	<u>10.00</u>
Capital Redemption Reserve		
As per last Balance Sheet	1.94	1.94
Closing Balance	<u>1.94</u>	<u>1.94</u>
Securities Premium Reserve		
As per Last Balance Sheet	9,054.05	9,054.05
Add: On issue of Shares	-	-
Closing Balance	<u>9,054.05</u>	<u>9,054.05</u>
Debenture Redemption Reserve		
As per last Balance Sheet	-	670.00
Add: Appropriated from Surplus	-	-
Less: Transfer to General Reserve		670.00
Closing Balance	<u>-</u>	<u>-</u>
Revaluation Reserve		
As per last Balance Sheet	4,155.19	4,780.03
Less: Utilized during the period	624.83	624.83
Closing Balance	<u>3,530.36</u>	<u>4,155.20</u>
Quary Land Ammortization Reserve		
As per last Balance Sheet	0.29	0.29
Closing Balance	<u>0.29</u>	<u>0.29</u>
Surplus		
Profit & Loss Account		
As per Last Balance Sheet	(9,334.11)	(7,935.65)
Add: Profit/(Loss) during the year/period	(7,821.37)	(2,068.46)
	<u>(17,155.48)</u>	<u>(10,004.11)</u>
Appropriations:		
Add: Transferred from Debentures Redemption Reserve	-	670.00
Closing balance - Surplus/(Deficit)	<u>(17,155.48)</u>	<u>(9,334.11)</u>
TOTAL	(4,558.84)	3,887.37

Note 3.1

Investment subsidy in respect of Visakha Unit received during the accounting year ended March 31, 1981.

NOTE 4. LONG TERM BORROWINGS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
SECURED		
Term Loans:		
Housing Development Corporation Limited	23,267.39	23,538.57
Infrastructure Development Finance Company Limited	21,871.69	31,600.00
Total	45,139.08	55,138.57

Note 4.1

Details of Borrowing Outstandings as on March 31, 2014

Nature of Loan	As at March 31, 2014		As at March 31, 2013	Rate of Interest	Nature of Security	Terms of Repayment	(₹ in Lacs)
IDFC Limited							
Term Loan	15,100	15,100		Current Rate of Interest - 11.5%, reset on change of lender's CPLR.	Refer Note 4.2	Repayable in 41 quarterly instalments w.e.f. September 15, 2014 : first 35 quarterly installment of ₹342.77 Lacs each, next 4 quarterly installment of ₹377.50 Lacs each and last 2 instalments of ₹789.73 Lacs and ₹803.33 Lacs.	
Term Loan	4,000	4,000		Current Rate of Interest - 12.55%, reset on change of lender's CPLR.	Refer Note 4.2	Repayable in 40 quarterly installment of ₹100 Lacs each w.e.f. December 15, 2014	
Sub Debt	4,000	4,000		Current Rate of Interest - 11.5%, reset on change of lender's CPLR Defer interest payment of 6.5%	Refer Note 4.3	Repayable in 19 quarterly instalments w.e.f. April 1, 2020 : first 18 quarterly installment of ₹235.25 Lacs(including deferred interest) each and last instalment of ₹229.25Lacs.	
Bridge Loan	10,000	8,500		Current Rate of Interest - 12.6%, reset on change of lender's CPLR.	Refer Note 4.2	Repayable in bullet payment on June 30, 2014	
HDFC Limited							
Term Loan	18,100	17,500		Current Rate of Interest - 11.5%, reset on change of lender's CPLR.	Refer Note 4.2	Repayable in 41 quarterly instalments w.e.f. September 15, 2014 : first 35 quarterly installment of ₹410.87 Lacs each, next 4 quarterly installment of ₹452.50 Lacs each and last 2 instalments of ₹ 946.63 Lacs and ₹962.92 Lacs	
Term Loan	2,000	2,000		Current Rate of Interest - 12.8%, reset on change of lender's CPLR.	Refer Note 4.2	Repayable in 40 quarterly installment of ₹50 Lacs each w.e.f. December 15, 2014	
Sub Debt	4,500	4,039		Current Rate of Interest - 11.5%, reset on change of lender's CPLR Defer interest payment of 6.5%	Refer Note 4.3	Repayable in 20 quarterly instalments w.e.f. January 31, 2021: 1st quarterly installment of ₹ 37 Lacs, next 17 quarterly installment of ₹ 250 Lacs each and last 2 instalments of ₹213 Lacs and ₹ 803.33 Lacs.	
Bridge Loan	10,000	-		Current Rate of Interest - 13.75% on ₹ 3,000 Lacs, & 14.25% on ₹ 7,000 Lacs respectively, reset on change of lender's CPLR.	Refer Note 4.2	Repayable in bullet payment on Aug 02, 2014	
	67,700	55,139					

Note 4.2

Term Loan are secured by first charge by way of mortgage, on immovable properties and hypothecation of all movable properties, machinery, machinery spares, tools, furniture fixture & accessories present and future, and second charge on current assets including inventories, stores and spares, book debts, operating cash flow receivables etc., Further secured by first charge on Intangible Assets and other reserve relating to the project, and pledge of 55% Shares of Promoter Holding (Minimum of 33% of Total Company Paid up Capital).

Note 4.3

Sub Debt are secured by residual charge by way of mortgage, on immovable properties and hypothecation of all movable properties, machinery, machinery spares, tools, furniture fixture & accessories present and future, and residual charge on current assets including inventories, stores and spares, book debts, operating cash flow receivables etc., Further secured by residual charge on Intangible Assets and other reserve relating to the project, and pledge of 55% Shares of Promoter Holding (Minimum of 33% of Total Company Paid up Capital)

Note 4.4

Deferred Interest of 6.5% on Sub-debt of IDFC & HDFC has been shown under the Head "Other Non current Liabilities" of ₹361.40 Lacs (₹ 87.38 Lacs) & ₹ 302.23 Lacs (₹ 0.80 Lacs) respectively.

NOTE 5. - LONG TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Provision for Employee benefits		
Gratuity	451.35	247.68
Leave encashment	88.60	65.59
	539.95	313.27

NOTE 6. OTHER NON CURRENT LIABILITIES

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Interest on Sub Debts (Refer Note No. 4.4)		
Housing Development Corporation Limited	302.23	0.80
Infrastructure Development Finance Company Limited	361.40	87.37
Total	663.63	88.17

NOTE 7. - SHORT TERM BORROWINGS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand		
Secured		
Working Capital Loans from Banks	2,550.04	2,510.73
Unsecured		
Sales Tax Loan from A.P.State Government	7.23	7.23
Loans and advances from related parties		
- Holding Company	2,700.00	2,700.00
Total	5,257.27	5,217.96

Note 7.1

Working Capital Loans are secured by first pari passu charge by way of hypothecation of the current assets and second charge on fixed assets of the company. These loans are further secured by Personal guarantee of Chairman, Mr. Manoj Gaur.

NOTE 8. - OTHER CURRENT LIABILITIES

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt		
Term Loans		
- Housing Development Corporation Limited	11,332.61	-
- Infrastructure Development Finance Company Limited	11,228.31	-
Interest Accrued but not due on borrowings	184.47	175.74
Interest accrued and due on borrowings	311.31	28.89
Unpaid matured deposits	102.23	102.61
Unpaid matured debentures	193.65	193.98
Unclaimed Reedemable Cumulative Preference Share	1.92	1.92
Other Payables		
Government & Other Statutory Dues	1,095.81	113.86
Sundry Creditors for Capital Goods	8,796.25	9,961.00
Deposits/ Advances from Contractors & Customers	1,460.89	810.45
Liability for Expenses	7,095.53	3,077.20
Total	41,802.98	14,465.65

8.1 Unpaid matured Debentures are secured to the extent of ₹193.65 Lacs (₹193.98 Lacs) 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.

8.2 The redeemable Cumulative First Preference Shares remain unclaimed aggregating to ₹1.92 Lacs (₹1.92 Lacs). The payment against these shares are being made as and when claimed by the holders. The company has been legally advised that in the absence of profits upto the date of redemption (i.e., June 15, 1993), it has no obligation to pay any dividend on these Shares.

NOTE 9. - SHORT TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Provision for Employee benefits		
Provision for Gratuity	70.67	11.99
Provision for Leave Encashment	16.81	3.98
Others:		
Provision for Income Tax	1.67	1.67
Total	89.15	17.64

NOTE 10 - FIXED ASSETS SCHEDULE

(₹ in Lacs)

Name of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2013	Additions during the year	Deductions during the year	Cost upto 31.03.2014	upto 31.03.2013	for the Year	on deductions	Total upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
1. Land	679.90	-	-	679.90	-	-	-	-	679.90	679.90
2. Buildings	3,746.55	-	-	3,746.55	1,967.58	91.09	-	2,058.67	1,687.87	1,778.97
3. Plant & Machinery	20,660.44	568.12	(2.45)	21,226.11	16,714.14	697.86	-	17,412.00	3,814.13	3,946.32
4. Furniture & Office Equipments	534.90	52.08	2.45	589.43	495.58	32.64	-	528.22	61.20	39.32
5. Vehicles	223.83	54.58	-	278.41	69.66	52.66	-	122.32	156.08	154.16
6. Railway Siding	184.08	-	(1.04)	183.04	174.88	-	0.98	173.90	9.16	9.20
Total	26,029.70	674.78	(1.04)	26,703.44	19,421.84	874.25	0.98	20,295.11	6,408.34	6,607.87
Previous Year	24,940.56	1,133.65	44.51	26,029.70	18,687.19	761.06	26.44	19,421.83	6,607.87	6,253.37

NOTE:

- Transport Vehicles includes 6 nos.of cars which are not in possession of the company, and the ownership of 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 ₹ 208.34 Crores. Depreciation for the period amounting to ₹ 313.27 Lacs (₹ 624.83 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.

NOTE 11. - NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Long term investments (un-quoted)- At cost		
Investments in Equity Instruments		
Investment in the Andhra Pradesh Heavy machinery and Engineering limited 2500 fully paid up equity shares of ₹ 10 each	0.25	0.25
Less: Provision for diminution in value of investments	0.25	0.25
Net Investment	-	-
Investment in Government securities		
National Saving Certificates (Lodged as security with Govt.Depts.)	0.07	0.02
Total	0.07	0.02

Aggregate amount of the un-quoted Investment is ₹0.32 Lacs

Aggregate provision for diminution in value of Investments is ₹0.25 Lacs

NOTE-12. DEFERRED TAX ASSETS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Deferred Tax Asset	3,780.41	9,071.87
Less: Deferred Tax Liability	797.97	481.80
Total	2,982.44	8,590.07

NOTE 13. - LONG TERM LOANS & ADVANCES

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Unsecured Considered Good		
Capital Advances {Refer Note No.36 (iii) }	3,112.99	4,414.70
Security Deposits	889.66	821.81
Claims Recoverable & Others	12.46	12.46
Total (A)	4,015.11	5,248.97
Unsecured Considered Doubtful		
Security Deposits	0.50	30.77
Claims Recoverable & Others	-	49.50
Total	0.50	80.27
Less: Provision for Dimunition in Value	0.50	80.27
Total (B)	-	-
Total (A+B)	4,015.11	5,248.97

NOTE 14. - OTHER NON CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Accrued Interest	2.50	-
Advance Income Tax & TDS	110.34	68.05
MAT credit available for set-off	29.07	29.07
Earmarked Balances		
- Margin Money against Bank Guarantees (More than One Year)	30.61	32.40
Total	172.52	129.52

NOTE 15. - INVENTORIES

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Raw Material	328.62	394.29
Work-In-Progress	686.51	823.55
Finished Goods	662.75	39.19
Stores and Spares	1,697.11	3,117.32
	3,374.99	4,374.35
Less: Provision for Obsolete Stores	7.02	7.02
Total	3,367.97	4,367.33

Mode of valuation

- Inventories are valued at cost or estimated net realizable value whichever is lower.
- Cost for the purpose of Raw materials and stores and spares comprise of the respective purchase costs including non-reimbursable duties and taxes.
- 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.
- 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.
- Scrap is valued at estimated net realisable value.

NOTE 16. - TRADE RECEIVABLES

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Trade Receivables outstanding for a period exceeding six months		
Unsecured Considered Good	494.12	531.67
Considered Doubtful	396.62	862.46
	<u>890.74</u>	<u>1,394.13</u>
Less: Provision for doubtful	396.62	862.46
Total (A)	494.12	531.67
Other Debts		
Unsecured Considered good	1,812.56	-
Considered Doubtful	-	-
Total (B)	1,812.56	-
Total (A+B)	2,306.68	531.67

NOTE 17. - CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Cash on hand	3.71	34.52
Balances with banks		
- In Current accounts	1,109.90	570.34
- Term Deposits maturing for a period less than 3 Months	-	1,500.00
Earmarked Balances		
- Security against unpaid matured Debentures	222.60	193.80
- Savings Bank Account with Mining Department	0.80	0.80
Other Bank Balances		
Margin Money against Guarantees with maturity of more than 3 months but less than 12 months	818.57	325.05
Total	2,155.58	2,624.51

NOTE 18. - SHORT TERM LOANS & ADVANCES

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Unsecured Considered Good		
Advances to suppliers	1,171.77	2,319.97
Advances to Related Parties	1,663.74	-
Advances to employees	23.61	15.53
Total (A)	2,859.12	2,335.50
Unsecured Considered Doubtful		
Advances to suppliers	56.86	357.54
Less: Provision for Doubtful Debts	56.86	357.54
Total (B)	-	-
Total (A+B)	2,859.12	2,335.50

NOTE 19. - OTHER CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Considered Good		
Accrued Interest	44.46	60.37
Other Deposits	227.99	71.26
Excise Duty, Royalty etc. paid in Advance	1,201.16	1,949.12
Prepaid Expenses	27.63	27.32
Total	1,501.24	2,108.07

NOTE 20. - REVENUE FROM OPERATIONS

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Products	-	-
Less: Excise Duties	-	-
Total	-	-

NOTE 21. - OTHER INCOME

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income	193.55	342.50
Other Receipts	71.00	187.63
Credit balance written back	44.37	-
Total	308.92	530.13

NOTE 22. - CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stocks		
Work-in-Progress	823.55	66.00
Finished Goods	39.19	0.00
Total (A)	862.74	66.00
Closing Stocks		
Work-in-Progress	686.51	823.55
Finished Goods	662.75	39.19
Total (B)	1,349.26	862.74
(A - B) Increase in Stocks	(486.52)	(796.74)
Less: Increase/Decrease in Excise Duty on Stocks		
Add: Transferred to CWIP during the year	486.52	796.74
Total	-	-

NOTE 23. - EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries & Wages	258.83	678.03
Contribution to Provident & Other Funds	12.72	75.37
Gratuity Paid	67.74	51.46
Staff Welfare Expenses	14.53	240.77
Total	353.82	1,045.64

Note 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, 2014 is as follows:

Note 23.1.1. - Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

Particulars	(₹ in Lacs)			
	As at March 31, 2014		As at March 31, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at the beginning of the year	259.67	69.57	281.67	72.71
Current Service Cost	26.27	7.52	12.58	5.11
Interest Cost	22.07	5.91	23.95	6.18
Actuarial (gain) / loss	275.51	32.87	14.94	9.45
Benefits Paid	(61.50)	(10.46)	(73.47)	(23.88)
	522.02	105.41	259.67	69.57

Note 23.1.2. - Expenses recognised during the year

Particulars	(₹ in Lacs)			
	For the Year Ended March 31, 2014		For the Year Ended March 31, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	26.27	7.52	12.58	5.11
Interest Cost	22.07	5.91	23.94	6.18
Actuarial (gain) / loss	275.51	32.87	14.94	9.45
Net Cost	323.85	46.30	51.46	20.74

Note 23.1.3. - Actuarial assumptions

Particulars	(₹ in Lacs)			
	For the Year Ended March 31, 2014		For the Year Ended March 31, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Actuarial assumptions				
Discount Rate (per annum)	8.5	8.5	8.5	8.5
Expected rate of return on plan assets (Per annum)	0	0	0	0
Rate of escalation in salary (per annum)	6	6	6	6
Average Balance Service	7.54 Yrs	7.54 Yrs	9.98 Yrs	9.98 Yrs

Note 23.1.4

The employee benefits liability is not funded. Accordingly disclosures related to return on planned assets and fair value thereof is not ascertainable.

Note 23.1.5

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.

NOTE 24. - FINANCE COST

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest on Borrowings	788.48	620.63
Total	788.48	620.63

NOTE 25. - DEPRECIATION AND AMORTISATION

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Depreciation and Amortisation	874.26	761.06
Less: Transferred from Revaluation Reserve	624.83	624.83
Total	249.43	136.23

NOTE 26. - OTHER EXPENSES

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
1. Consumption of Stores & Spares	241.84	270.22
2. Power & Fuel	116.15	708.74
3. Rent	-	14.48
4. Repairs to Buildings	75.56	26.03
to Machinery	75.22	572.55
to Other Assets	10.83	20.73
5. Insurance	45.63	53.90
6. Rates & Taxes	43.72	54.39
7. Advertisement & Business Promotion	-	5.64
8. Freight Loading etc., on Sales	-	59.68
9. Directors Sitting Fee	4.43	6.45
10. Payment to Auditors		
- As Statutory Auditor	6.20	7.25
- For reimbursement of Expenses	2.65	0.04
11. Prior period expenses (Refer Note No.27)	0.65	7.29
12. Loss on Sale of Assets	-	0.13
13. Bad Debts Written Off	905.65	
Less: Provision on Doubtful Debts/Adv	849.20	
14. Legal & Professional Expenses	28.15	52.35
15. Printing & Stationery	9.00	9.65
16. Telephone & Other Communication Expenses	26.10	16.13
17. Travelling & Conveyance	70.87	140.47
18. Bank Charges	28.88	2.63
19. Miscellaneous Expenses	288.59	101.51
Total	1,130.92	2,130.24

NOTE 27. - PRIOR PERIOD EXPENSES

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Sales Tax Paid	-	7.29
Repairs to Other Assets	(0.27)	
Miscellaneous Expenses	0.01	
Salaries & Wages	0.65	
Telephone Charges	0.26	-
Total	0.65	7.29

NOTE 28. - CIF VALUE OF IMPORTS

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Capital Goods	1874.84	813.16
Stores & Spares	51.67	-
Raw Material	252.20	-

NOTE 29. - EXPENDITURE IN FOREIGN CURRENCY

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Professional / Consultancy Charges	78.62	40.45

NOTE 30. - VALUE OF SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

Particulars	(₹ in Lacs)			
	For the year ended March 31, 2014		For the year ended March 31, 2013	
	Value	%	Value	%
Indigenous	2256.10	98.00	270.22	100.00
Imported	49.50	2.00	-	-
Total*	2305.60	100.00	270.22	100.00

* Spares Parts & Components of ₹ 2063.76 Lacs has been transferred to Capital Work-in-Progress, as plant is under Trial Run.

NOTE 31. - EARNINGS IN FOREIGN EXCHANGE

NIL

NIL

NOTE 32. -
(a) Consumption and Closing Stock of Lime Stone include among others

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, Wages and Bonus	36.43	52.15
Contribution of PF etc.	1.08	1.19
Repairs and Maintenance to:		
- Machinery	0.51	5.86
- Other Assets	2.04	49.48
Royalty and Cess	371.85	72.78
Others	387.23	0.64

(b) Raw Material consumed during the year*

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Limestone	695.93	200.96
Gypsum	460.19	5.12
Clinker	178.28	100.11
Laterite	308.82	19.16
Iron Ore	30.39	-
Slag	589.53	-

(c) Turnover during the year*

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Cement	23,117.21	115.87
Clinker	434.68	-

* Sales and Raw Material consumption including Limestone has been transferred to Capital Work-in-Progress, under Trial Run production.

NOTE 33. -

Estimated amount of contracts to be executed on capital account (net of advances) ₹5199.90 Lacs (PY ₹8203.03 Lacs)

NOTE 34. - CONTINGENT LIABILITIES**(i) Claim against the Company not acknowledged as debts including contractual obligations**

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Government Claims for Non-Statutory dues	195.30	195.30
Electricity Claims	116.83	116.83
Claims of Project Customers	952.00	952.00
Other Claims (Suppliers etc.)	75.37	106.78

(ii) Letter of Credit Outstanding:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Letter of Credit	1465.80	1173.43

(iii) Disputed demands under litigation:

Particulars	(₹ in Lacs)		
	As at March 31, 2014	As at March 31, 2013	Amount paid under protest, if any As At March 31, 2014
APGST / VAT	173.47	173.47	46.96
C S T	270.10	76.63	-
TNGST	67.29	67.29	1.71
OST	3.48	3.48	0.50
Central Excise	1123.15	1124.05	1.00
Service Tax	402.35	401.48	101.98

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

- (v) Excise authority, although accepted payment of their dues in installments in terms of BIFR Order (MS-08) has subsequently filed an appeal in AAIFR against the said order in respect of reliefs for interest etc., granted to the Company. The company has challenged and 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. An amount of ₹ 73.11 Lacs is kept in abeyance pursuant to the order of Hon'ble BIFR.
- (vi) The Company has export obligation in connection with import of machineries under Export Promotion Capital Goods Scheme (EPCG). In the event of non-fulfillment of the export obligation upto FY 2016-17, the company may be held liable for differential custom duty of ₹838.16 Lacs (approximately) and interest thereon.
- (vii) During the previous period, employee benefit expenses includes arrears of salaries and wages and other expenses of ₹1,150 Lacs 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 ₹59.34 Lacs which had been waived off as per settlement with the registered labour union.

NOTE 35. -

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

NOTE 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 ₹7,598.50 Lacs (₹4,941.61 Lacs) have been capitalized during the year under Capital Work in Progress. Necessary allocation with respect to above including adjustment, if any, 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 ₹783.20 Lacs (₹802.90 Lacs) 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 ₹958.59 Lacs (₹958.59 Lacs) 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, if any, will be given effect to on final settlement with the parties. The management, however, does not expect any material adjustment on account of such verification/negotiation/settlement with the parties.

NOTE 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.

NOTE 38. -

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

NOTE 39. - DEFERRED TAX ASSET (NET)

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Tax impact of differences between carrying amount of the fixed assets in the financial statements and the income tax	(797.97)	(481.80)
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	542.80	629.78
Tax Impact of Carry Forward Business Losses	-	5,279.39
Tax Impact of Unabsorbed Depreciation under Income Tax Act	3,237.61	3,162.70
Deferred Tax Asset /(Liability)	2,982.44	8,590.07

The company has recognized deferred tax asset on Unabsorbed Depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets as per the Income Tax Act 1961.

NOTE 40. -

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.

NOTE 41. -

- (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".

NOTE 42. -

- (a) The Company does not have any outstanding derivative contract as on March 31, 2014.
- (b) Un-hedged foreign currency exposures of the company as on March 31, 2014 are as follows

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Creditors (Import)	₹ 100.55	₹ 68.80

NOTE 43. -

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.

NOTE 44. -

In accordance with "Accounting Standard 19-Accounting for Lease", the company has taken Asset on Operating Lease, the total of Future minimum lease payment under non cancellable operating lease for each of the following periods:

- | | |
|---|---------------|
| - Not later than one Year | ₹ 56.46 Lacs |
| - Later than one year and not later than five years | ₹ 183.49 Lacs |

Lease payments recognized in the statement of Profit and loss for the year is ₹20.28 Lacs and thereby transferred to capital work in progress as the Plant is under Trial run and these assets are being used for the Production purpose.

Leasing Arrangement clause

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

NOTE 45. -

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	M/s. Jaypee Infra Ventures Pvt. Ltd., being Holding Company of Jaypee Development Corporation Limited
Holding Company	Jaypee Development Corporation Limited
3. Associate/ Co-subsidiary Company	Jaypee Development Corporation Limited 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 Bokaro Jaypee Cements Limited

The aggregate amount of transactions with each type of the above related parties.

(₹ in Lacs)				
Particulars	Key Managerial Personnel (KMP)	Holding Company	Fellow Associates	Enterprises over which Ultimate holding and holding company having significant Influence
Interest expense				
Jaypee Development Corporation Limited		379.08 (378.00)		
Jaypee Cement Corporation Limited				- (559.56)
Loans taken (Net)				
Jaypee Development Corporation Limited		-		
Jaypee Cement Corporation Limited				- (17853.38)
Loans repaid				
Jaypee Cement Corporation Limited				- (17624.00)
Purchase of Fixed Assets				
Jaiprakash Associates Limited			465.41 (8886.25)	
Jaypee Cement Corporation Limited				325.32 (46.04)
JIL Information Technology Limited				- (7.56)
Bhilai Jaypee Cement Limited				- (0.80)
Bokaro Jaypee Cements Limited				3.07 (-)
Sale of Fixed Assets				
Jaypee Cement Corporation Limited				- (19.43)
Jaiprakash Associates Limited			0.05 (0.33)	

(₹ in Lacs)

Particulars	Key Managerial Personnel (KMP)	Holding Company	Fellow Associates	Enterprises over which Ultimate holding and holding company having significant Influence
Mobilisation and Other Advances paid				
Jaiprakash Associates Limited			28.72 (636.18)	
Jaypee Cement Corporation Limited				731.75 (-)
Bhilai Jaypee Cements Limited				941.92 (-)
Purchase of material				
Jaypee Cement Corporation Limited				1175.48 (51.07)
Jaiprakash Associates Limited			859.95 (-)	
Sale of Material				
Jaiprakash Associates Limited			332.89 (186.10)	
Jaypee Cement Corporation Limited				544.01 (-)
Expenses/Services rendered				
Himalayaputra Aviation Limited				- (26.70)
Jaiprakash Associates Limited			- (6.10)	
JIL Information Technology Limited				- (1.80)
Services Received				
Jaiprakash Associates Limited			2585.60 (-)	
Advances Received				
Jaiprakash Associates Limited			2077.44 (-)	
Jaypee Cement Corporation Limited				- (-)
Balances at the end of the period				
(i) Loans, Interest payable & Advances				
Jaypee Cement Corporation Limited				- (229.38)
Jaypee Development Corporation Limited		3011.58 (2728.89)		
(ii) Balances Receivable				
Bhilai Jaypee Cement Limited				941.11 -
Jaiprakash Associates Limited (Mobilization Advance)			163.35 (565.86)	
(iii) Balances payable				
Jaiprakash Associates Limited			9992.49 (7390.84)	
Jaypee Cement Corporation Limited				635.25 (64.03)

(₹ in Lacs)

Particulars	Key Managerial Personnel (KMP)	Holding Company	Fellow Associates	Enterprises over which Ultimate holding and holding company having significant Influence
JIL Information Technology Limited				- (5.51)
Himalayaputra Aviation Limited				26.70 (26.70)
Bhilai Jaypee Cement Limited				- (0.80)
Bokaro Jaypee Cements Limited				3.07 (-)

NOTE 46. -

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.

NOTE 47. - WORKING FOR THE EARNINGS PER SHARE IN TERMS OF AS 20 – “EARNINGS PER SHARE”

Particulars	Year ended March 31, 2014	Period ended March 31, 2013
Net Profit/(loss) attributable to shareholders (₹ Lacs)	(7,821.37)	(2,068.46)
Weighted average number of equity shares outstanding		
For Basic EPS	29,35,20,492	29,35,20,492
For Diluted EPS	29,35,20,492	29,35,20,492
Earnings Per Share (Face Value of ₹ 10 each)		
Basic (Rupees)	(2.66)	(0.70)
Diluted (Rupees)	(2.66)	(0.70)

NOTE 48. -

All amounts in the financial statements are presented in Rupees in Lacs except per share data and as otherwise 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.

As per our report of even date attached

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

FOR AND ON BEHALF OF THE BOARD

R N Chaturvedi
Partner
Membership No. 092087

Manoj Gaur
Chairman

V. K. Jain
Director

G. Tirupati Rao
Company Secretary

Place : Noida
Date : May 26, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
A. Cash flow from operating activities				
Loss Before Tax and Extraordinary Items		(2,213.74)		(3,402.62)
Adjustment for:				
Depreciation	249.42		136.23	
Loss on sale of fixed assets	-		0.13	
(Profit)/Loss on sale of Investments	-		(0.67)	
Provision for doubtful debts, advances and deposits	56.45		-	
Excess provision written back	-		(52.51)	
Liabilities no longer required written back	44.38		(121.10)	
Interest income	(193.55)		(342.50)	
Interest expense	788.48	945.18	620.63	240.21
Operating Profit before working capital changes		(1,268.57)		(3,162.41)
Decrease / (Increase) in Inventories	999.36		(3,224.37)	
Decrease / (Increase) in Debtors	(1,831.47)		-	
Increase in Loans & Advances and Other Current Assets	(57.00)		(3,566.25)	
(Decrease) / Increase in Current Liabilities & Provision	8,308.95	7,419.84	(916.38)	(7,707.00)
Cash generated from operations		6,151.27		(10,869.41)
Direct Taxes paid		(42.29)		132.56
Net Cash (used in) / generated from operations		6,108.98		(10,736.85)
B. Cash flow from investing activities				
Purchase of Fixed Assets	(674.77)		(1,133.65)	
Sale of Fixed Assets	0.05		18.61	
Capital Work in Progress	(18,206.55)		(17,160.05)	
Purchase of Investments	(0.05)		-	
Net investment in Bank Fixed Deposit	(520.53)		(228.40)	
Interest Received	206.96		317.03	
Net cash used in investing activities		(19,194.89)		(18,186.46)
C. Cash flow from financing activities				
Proceeds from Secured Borrowings (net of repayments)	12,561.43		21,583.42	
Proceeds from Unsecured Borrowings	-		(0.28)	
Proceeds from Short Term Borrowings (net of repayments)	39.32		-	
Interest and Finance Charges Paid	(506.07)		(593.61)	
Net cash generated from financing activities		12,094.68		20,989.53
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(991.23)		(7,933.78)
Cash and cash equivalents at the beginning of the year		2,104.85		10,038.63
Cash and cash equivalents at the end of the period / year		1,113.62		2,104.85

1. Bank balance includes restricted amount of ₹ 1041.96 Lacs (₹ 519.66 Lacs) towards Fixed Deposit and margin money.
2. 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.
3. Previous year's figures have been regrouped, wherever necessary

As per our report of even date attached

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

FOR AND ON BEHALF OF THE BOARD

R N Chaturvedi
Partner
Membership No. 092087

Manoj Gaur
Chairman

V. K. Jain
Director

G. Tirupati Rao
Company Secretary

Place : Noida
Date : May 26, 2014

**BOOK POST
PRINTED MATTER**

If undelivered, please return to :

The Secretarial Department

ANDHRA CEMENTS LIMITED

"White House", 3rd Floor, Block-III,

H. No. 6-3-1192/1/1, Begumpet,

Hyderabad - 500016.



ANDHRA CEMENTS LIMITED

CIN: L26942AP1936PLC002379

Regd. Office: Durga Cement Works, Sri Durgapuram, Dachehalli - 522414, Guntur Dist, (AP)

Tel:+91-8649-257428/29, Fax.:+91-8649-257449

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

NOTICE

NOTICE is hereby given that the **Seventy Fifth Annual General Meeting** of the members of **ANDHRA CEMENTS LIMITED** will be held on Tuesday, the **30th September, 2014** at **12.30 P.M.** at the Registered Office of the Company at **Durga Cement Works, Sri Durgapuram, Dachehalli-522414, Guntur Dist, (AP)** to transact the following business:

Ordinary Business

1. To receive, consider and adopt the **Audited Balance Sheet** as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of **Shri Pankaj Gaur (DIN: 00008419)**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Naveen Kumar Singh (DIN: 00215393)**, who retires by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, **M/s. Chaturvedi & Partners, Chartered Accountants (Firm Regn. No. 307068E)**, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Eightieth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket expenses, etc. as may be fixed by the Board of Directors of the Company."

Special Business

5. APPOINTMENT OF SHRI SUJIT KUMAR MANDAL AS DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, **Shri Sujit Kumar**

Mandal (DIN: 00086235), be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. APPOINTMENT OF SHRI SUJIT KUMAR MANDAL AS MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals, as may be necessary, the approval of the Company be and is hereby accorded to the appointment of **Shri Sujit Kumar Mandal** as Managing Director of the Company for a period of 3 years w.e.f. 11th August, 2014 on the following remuneration: -

Salary:

Salary ₹ 4,50,000/- (Rupees Four Lac Fifty Thousand only) per month in the pay scale of ₹ 2,00,000-20,000-3,00,000-30,000- 4,50,000-45,000-6,75,000.

with annual increment on 11th August every year starting from 11th August 2015.

Perquisites and other benefits:

Besides the above salary, **Shri Sujit Kumar Mandal**, Managing Director shall be entitled to the perquisites which may include accommodation/HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, insurance premium, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half month's salary for each completed year of service and leave encashment at the end of the tenure etc. Perquisites save and except the following, would be restricted to an amount equal to the annual salary.

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (iii) Encashment of leave at the end of the tenure as per rules/policy of the Company.

Shri Sujit Kumar Mandal shall also be entitled to a Car with driver, Telephone at Residence and Mobile Phone for Company's business at Company's expense.

"RESOLVED FURTHER THAT pursuant to all applicable provisions of the Companies Act, 2013, the aforesaid remuneration, be paid as minimum remuneration to Shri Sujit Kumar Mandal, in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment."

"RESOLVED FURTHER THAT the Chairman of the Company be and is hereby authorized to fix ceilings/limits of various perquisites to be given to the appointee."

"RESOLVED FURTHER THAT the Board of Directors of the Company might alter or vary the terms of appointment of Shri Sujit Kumar Mandal, Managing Director, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory amendment or re-enactment thereof."

7. APPOINTMENT OF SHRI K.N. BHADARI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Shri K.N. Bhandari (DIN: 00191219), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 30th September, 2014 to 29th September, 2017 and whose period of office shall not be liable to rotation."

"RESOLVED FURTHER THAT the letter of appointment, setting out the terms and conditions, be issued to the Independent Director, as finalized by the Board."

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

8. APPOINTMENT OF SHRI SAIN DITTA MAL NAGPAL AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass with or without

modification(s), the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Shri Sain Ditta Mal Nagpal (DIN: 00131037), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 30th September, 2014 to 29th September, 2017 and whose period of office shall not be liable to rotation."

"RESOLVED FURTHER THAT the letter of appointment, setting out the terms and conditions, be issued to the Independent Director, as finalized by the Board."

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

9. APPOINTMENT OF SHRI RADHA KRISHNA PANDEY AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Shri Radha Krishna Pandey (DIN: 00190017), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 30th September, 2014 to 29th September, 2017 and whose period of office shall not be liable to rotation."

"RESOLVED FURTHER THAT the letter of appointment, setting out the terms and conditions, be issued to the Independent Director, as finalized by the Board."

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

10. APPOINTMENT OF SHRI RAVINDRA KUMAR SINGH AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Shri Ravindra Kumar Singh (DIN: 0859229), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 30th September, 2014 to 29th September, 2017 and whose period of office shall not be liable to rotation."

"RESOLVED FURTHER THAT the letter of appointment, setting out the terms and conditions, be issued to the Independent Director, as finalized by the Board."

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

11. BORROWING POWERS OF THE BOARD

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, in supersession of all the earlier Resolutions passed in this regard under the Companies Act, 1956(earlier in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereafter referred to as "the Board", which expression shall be deemed to include any Committee duly constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to borrow, on behalf of Company, any sum or sums of money, from time to time, as it may deem fit, in any manner, and without prejudice to the generality thereof, by way of term loans, non-convertible debentures, bonds, advances, credits, acceptance deposits or otherwise in Indian rupees or any foreign currency, from any bank(s) any financial institution(s) other entity(ies), body(ies) corporate(s), person(s) etc., in India or abroad, and whether the same may be secured or unsecured, and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any respect of all, or any, of the Company's

assets and effects or properties including uncalled capital, stock-in-trade(including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company and remaining un-discharged at any given time, will or may exceed the aggregate of its paid-up capital and free reserves of the Company, apart from temporary loans obtained from Company's bankers in the ordinary course of business, so however that the total amount upto which the money may be borrowed by the Board under this Resolution, at any one time shall not exceed, in the aggregate, the sum of ₹ 2,000 Crores (Rupees Two Thousand Crore Only) including foreign currency in equivalent Indian rupees."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to delegate to the duly constituted Committee to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time including as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

12. CREATION OF CHARGE/MORTGAGE ON THE MOVEABLE AND/OR IMMOVEABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE IN FAVOUR OF LENDERS

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, the consent of the Company be and is hereby accorded to the Board of Directors (hereafter referred to as "the Board", which expression shall be deemed to include any Committee duly constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to create mortgage and /or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as may be deemed fit, on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or moveable assets, comprised in any undertaking of the Company, as may be agreed to in favour the bank(s), financial institution(s) or other body(ies) corporate(s), other entity(ies), person(s) etc., in India or abroad, hereinafter referred to as the lender(s), and/or trustees to secure borrowings upto an aggregate amount not exceeding ₹ 2,000 crores (Rupees Two Thousand Crore Only) together with interest at the respect agreed rates,

compound interest, additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, created or entered into by the Company from time to time, in respect of the said debentures/ bonds/term loans/ other instruments evidencing borrowings.”

“**RESOLVED FURTEHR THAT** the securities/mortgages to be created by the Company aforesaid may rank prior/ pari passu with or second/subservient /subordinate with/ to the mortgages and /or charges already created or to be created from time to time in future by the Company and as may be agreed to between the concerned above mentioned parties.”

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

G. TIRUPATI RAO
General Manager -Legal &
Company Secretary
(Membership No.FCS-2818)

Place: Noida

Date: 11th August, 2014

NOTES:

- (i) Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Resolutions set out under Item Nos. 4 to 12 is annexed hereto.
- (ii) **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 A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
- A person can act as the Proxy on behalf of the member, not exceeding fifty and holding in the aggregate not more than 10% of the total Share Capital of the Company, carrying voting rights. However, a member holding more than 10% of the total Share Capital of the Company, carrying voting rights, may appoint a single person as the Proxy and such person shall not act as the Proxy of any other person or Shareholder. A Blank Proxy Form in Form No. MGT11 is enclosed.
- (iii) Corporate Member(s) intending to send their Authorized Representative(s) are requested to send a duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.
- (iv) All documents referred to in the Notice and the accompanying Statement, as well as the Annual Report and Annual Accounts of the Company, are open for inspection at the Registered Office of the Company on all working days, except Sundays and other holidays, between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
- (v) Any query relating to the Financial Statements must be sent to the Company's Registered Office at Durga Cement Works, Sri Durgapuram, Dachepalli – 522414 (AP) so as to reach at least seven days before the date of the Annual General Meeting. The envelope may please be superscribed “AGM Queries - Attn. Shri G. Tirupati Rao, General Manager - Legal & Company Secretary.”
- (vi) Members who are holding Shares in Physical Form are requested to notify the change, if any, in their addresses or Bank details to the Company's Registrar and Transfer Agent (RTA) and always quote their Folio Numbers in all correspondences with the Company and RTA. In respect of holding Shares in Electronic Form, members are requested to notify any change in addresses or Bank details to their respective Depository Participants.
- (vii) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35-B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide the members facility to exercise their right to vote by electronic means and the business may be transacted through e-voting Services provided by **Central Depository Services (India) Limited (CDSL)**, the Instructions and Procedure for the same are given in a separate communication being sent alongwith this Notice.
- (viii) The Board of Directors has appointed Shri Mahadev Tirunagari, Practicing Company Secretary, as the Scrutinizer and Shri Ashish Kumar Gaggar, Practicing Company Secretary as Alternative Scrutinizer, for conducting e-voting and ballot paper process in a fair and transparent manner;
- (ix) The Register of Members and Share Transfer Books will remain closed from **Saturday, the 27th September, 2014 to Tuesday, the 30th September, 2014** (both days inclusive) for the purpose of Annual General Meeting.
- (x) In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of e-voting to the members, there shall be no voting by show of hands at the Annual General Meeting. The members who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
- (xi) The members can opt for only one mode of voting i.e. e-voting or physical polling at the meeting. In case of voting by both the modes, vote cast through e-voting will be considered final and voting through physical ballot will not be considered.
- (xii) The voting rights of members for e-voting and for physical voting at the meeting shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Friday, the 22nd August, 2014.**

(xiii) Members who are still holding Shares in Physical Form are advised to dematerialize their shareholdings to avail the benefits of dematerialization which beside others include easy liquidity (since trading is permitted only in Dematerialized Form), electronic transfer, savings in stamp duty, prevention of forgery etc.

(xiv) **The Ministry of Corporate Affairs has taken "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 effected through e-mail to its members. To support this green initiative of the Government in full measure, the Company is sending Annual Report electronically to the e-mail addresses of members as obtained from Depositories/ other sources, unless specifically 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 shall be sent hard copies of Annual Report and who are desirous of receiving the communications/ documents in Electronic Form are requested to promptly register their e-mail addresses with the Company.**

(xv) Members can avail of the nomination facility in terms of Section 72 of the Companies Act, 2013 by nominating, in **Form SH-13**, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014, any person to whom their shares shall vest on occurrence of events stated in the said Form. **Form SH-13** is to be submitted in duplicate: (a) in case of shares held in physical form, to the Company's Registrar and Transfer Agent, M/s. CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500001 and (b) in case of shares held in dematerialized form, to the respective Depository Participants.

(xvi) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in Electronic Form are, therefore, requested to submit the PAN to their Depository Participants with which they are maintaining their Demat Accounts. Members holding shares in Physical Form can submit their PAN details to the Company's Registrar and Transfer Agent.

(xvii) Members or their respective proxies are requested to:

- (a) Bring copies of the Annual Report sent to the members as copies of Annual Report shall not be distributed at the Annual General Meeting;
- (b) Quote their Folio no./ Client-ID & DP-ID in all correspondence; and
- (c) **Note that no gifts/ coupons shall be distributed at the Annual General Meeting.**

(xviii) (a) The shareholdings of all the Directors in the Company (including those of who are being re-appointed) have been disclosed in the Report on Corporate Governance.

(b) None of the Director(s) proposed to be appointed/ reappointed is related to the Key Managerial Personnel of the Company or their respective relatives.

(c) Additional details in terms of Clause 49 of the Listing Agreement in respect of Directors being appointed are given hereunder:

Shri Pankaj Gaur

Shri Pankaj Gaur aged about 43 years, holds Bachelor's Degree in Engineering (Instrumentation) and has over 21 years experience in construction and infrastructure management. He oversees the operations of various projects undertaken by the various companies of Jaypee Group.

Shri Pankaj Gaur is Managing Director of Jaypee Arunachal Power Ltd., Jt. Managing Director (Const.) of Jaiprakash Associates Ltd. and also Director on the Boards of Sangam Power Generation Co, Ltd, Jaypee Cement Corporation Ltd, Jaypee Meghalaya Power Ltd, Jaypee Infra Ventures (a private company with un-limited liability) and Jaypee Assam Cement Ltd.

Shri Pankaj Gaur is a Member of the Finance Committee of the Company.

Shri Pankaj Gaur does not hold any equity shares of the Company in own name and no share or convertible instrument in the Company is held by him either in his own name or in the name of any other person on a beneficial basis.

Shri Naveen Kumar Singh

Shri Naveen Kumar Singh aged about 39 years, holds Bachelor's Degree in Commerce and has over 16 years experience in construction and infrastructure management and cement plant operations. He oversees the Southern Cement & Infrastructure plant operations of various projects undertaken by the various companies of Jaypee Group.

Shri Naveen Kumar Singh is a Director on the Boards of Jaypee Cement Corporation Ltd, Sangam Power Generation Co. Ltd, and Jaypee Arunachal Power Ltd,

Shri Naveen Kumar Singh does not hold any equity shares of the Company in own name and no share or convertible instrument in the Company is held by him either in his own name or in the name of any other person on a beneficial basis.

STATEMENT

Following Statement, pursuant to the provisions of Section 102 of the Companies Act, 2013, sets out the material facts relating to the Item Nos. 4 to 12 mentioned in the accompanying Notice dated 11 August, 2014:

Item No.4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Chaturvedi & Partners, Chartered Accountants (Firm Regn. No. 307068E), Chartered Accountants, New Delhi were appointed as the Statutory Auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 21st September, 2013 .

M/s. Chaturvedi & Partners, Chartered Accountants have been the Statutory Auditors of the Company since 2009-10 and have completed a period of 5 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

In view of above, M/s. Chaturvedi & Partners, Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors had, at its meeting held on 26th May, 2014, recommended the appointment of M/s. Chaturvedi & Partners, Chartered Accountants as Statutory Auditors of the Company for a period of Five consecutive years to hold office from the conclusion of this AGM till the conclusion of the 80th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM).

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, financially or otherwise, in this Resolution.

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

Item No. 5 & 6

Appointment of Shri Sujit Kumar Mandal as Managing Director of the Company

Shri Sujit Kumar Mandal, aged about 64 years is the Managing Director and CEO of the Company. He holds a Bachelors' Degree in Mechanical Engineering from NIT, Durgapur and subsequently obtained Post-Graduate Diploma in Management from IIM, Ahmedabad and possesses 41 years of experience in all aspects of Management and in the Industrial and Financial Sectors. After having worked for more than 19 years in the areas of Project, Production, Operations Management and Corporate Planning in reputed Engineering Industries including Hindustan Aeronautics Ltd, joined IFCI Ltd, in 1992 and developed expertise in developing relationship with corporate and acquiring business from them across the Industry sectors, Project Finance, Product Development, Corporate & Infrastructure Advisory, Merchant Banking, Venture Capital Funding, Private Equity for Infrastructure projects, Factoring Services, Project Development in Infrastructure sector, Hard core NPA resolutions, NPA acquisitions and resolution, Asset reconstruction, Policy formulation, Strategic Management & Corporate Planning, turnaround strategy, Human resource

development etc., in IFCI and its subsidiaries till Jul, 2013 and then retired as Whole-time Director of the Company for a period of 5 years. The major achievement in IFCI is to turn it around from the verge of liquidation to a financially sound Company.

Shri Sujit Kumar Mandal does not have any interest or concern in any other Companies, bodies corporate, firms or other association of individuals and does not holds any Equity Shares of the Company in his own name and no share or convertible instrument in the Company is held by him either in his own name or in the name of any other person on a beneficial basis.

Keeping in view his rich experience of more than 41 years in all aspect of management in the Industrial and Financial Sectors, the Board in its meeting held on 11th August, 2014, had decided to appoint him as Managing Director for a period of 3 years w.e.f. 11th August, 2014, at the remuneration fixed by the Nomination and Remuneration Committee of the Board and set out in the Resolution.

The Board of Directors considers the appointment of Shri Sujit Kumar Mandal to be in the best interest of the Company.

His appointment, terms and remuneration are placed before the members for approval.

The Information as required by second proviso (iv) of Paragraph B of Section-II of Part-II of Schedule-V of the Companies Act, 2013, a statement of information is given below:-

I. GENERAL INFORMATION:

(1) Nature of Industry:

Cement Manufacturing.

(2) Date or expected date of commencement of commercial production:

The Company has two plants viz, Durga Cement Works at Sri Durgapuram, Guntur Dist, (AP) and Visakha Cement Works at Visakhapatnam (AP) both the plant were under shutdown Stage and non-operational for about two years w.e.f July 2010 due to financial and liquidity crises and also other reasons. The Jaypee Group has taken over the management control of the Company in February 2012. After that the company has been taking care of the required maintenance and repair works of both the plants. Now, the plants were under trail run Stage and the commercial production expecting during the current FY 2014-15.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

Particulars	FY-11-12	FY-12-13	FY-13-14
Turnover	2.68	-	-
EBITA	2964.99	(2781.99)	(1425.26)
PAT	966.71	(2068.46)	(7821.37)
EPS	0.56	(0.70)	(2.66)
Net Block of Fixed Assets [including CWIP]	62,215.62	85,785.21	104,513.37
Net worth	35,933.09	33,239.81	24,793.60

(5) Foreign Investments or collaborations, if any:

NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Shri Sujit Kumar Mandal, aged about 64 years is the Managing Director and CEO of the Company. He holds a Bachelors' Degree in Mechanical Engineering from NIT, Durgapur and subsequently obtained Post-Graduate Diploma in Management from IIM, Ahmedabad and possesses 41 years of experience in all aspects of Management and in the Industrial and Financial Sectors. After having worked for more than 19 years in the areas of Project, Production, Operations Management and Corporate Planning in reputed Engineering Industries including Hindustan Aeronautics Ltd, joined IFCI Ltd, in 1992 and developed expertise in developing relationship with corporate and acquiring business from them across the Industry sectors.

The Nomination and Remuneration Committee in its Meeting held on 11th August, 2014, had approved the appointment for a period of three years w.e.f. 11th August, 2014, and remuneration of Shri Sujit Kumar Mandal w.e.f. 11th August, 2014, for a period of 3 years.

(2) Past remuneration:

₹ 7.48 Lacs per month (inclusive of all allowances and perks)

(3) Recognition or Awards:

The Company does not have any Recognition or Awards.

(4) Job profile and his suitability:

To manage the day to day affairs of the Company, both at site level of all Plants/ Projects of the Company and at Head Office under superintendence, control and directions of the Board of Directors, for which he is considered more suitable.

(5) Remuneration proposed:

Salary:

Salary ₹ 4,50,000/- (Rupees Four Lac Fifty Thousand only) per month in the pay scale of ₹ 2,00,000-20,000-3,00,000-30,000-4,50,000-45,000-6,75,000. (Annual increment on 11th August every year starting from 11th August 2015)

Perquisites and other benefits:

Besides the above salary, Shri Sujit Kumar Mandal, Managing Director shall be entitled to the perquisites which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, insurance premium, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half month's salary for each completed year of service and leave encashment at the end of the tenure etc. Perquisites save and except the following, would be restricted to an amount equal to the annual salary.

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (iii) Encashment of leave at the end of the tenure as per rules/policy of the Company.

Shri Sujit Kumar Mandal shall also be entitled to a Car with driver, Telephone at Residence and Mobile Phone for Company's business at Company's expense.

The Chairman is authorized to fix the inter-se limits of the aforesaid perquisites.

The above remuneration shall be paid as minimum remuneration in the event of absence or inadequacy of profits in any year during the tenure of Shri Sujit Kumar Mandal.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Managing Director.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Shri Sujit Kumar Mandal is the Managing Director and thus receives Directors' remuneration. Apart from above, he and his relatives is/ are also entitled to various benefits in respect of his/their shareholdings, if any, in

the Company and other group companies of Jaypee Group in which he/ his relatives is/ are holding shares.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

The Company's net loss after tax increased from ₹ 2068.46 Lacs during FY 2012-13 to ₹ 7821 Lacs during FY 2013-14 due to the plants were under trial run stage and not in commercial production stage.

(2) Steps taken or proposed to be taken for improvement:

After completion of the project and plants stability, the Company is expected to record the profits.

(3) Expected increase in productivity and profits in measurable terms:

Though the Cement Sector in general has been under tremendous economic pressure, in anticipation of revival of over all economy in future, the aforesaid steps taken by the Company and with the coming into operation of the Company's Plants, the Company's performance and profitability is expected to improve.

IV. DISCLOSURES:

(1) The following disclosures shall be mentioned in the Board of Directors' Report under the heading "Corporate Governance", if any, attached to the Annual Report:

(i) All elements of remuneration packages such as salary, benefits, bonuses, stock options, pension etc. of all the Directors:

Salary and benefits are being disclosed in the Annual Report. The Company did not give any bonuses, stock options, pension etc, to the Directors.

(ii) Details of fixed component and performance linked incentives along with the performance criteria:

Salary and benefits are being disclosed in the Annual Report. The Company does not give any performance linked incentives to the Directors.

(iii) Service contracts, notice period, severance fees:

Not Applicable.

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:

Not Applicable.

Except Shri Sujit Kumar Mandal, being appointee himself, none of the Directors and Key Managerial Personnel of the

Company and their respective relatives may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board commends the Resolution No.5 for approval of the members as an Ordinary Resolution and Resolution No.6 as a Special Resolution.

ITEM NO. 7 - 10

Appointment of Independent Directors on the Board of the Company

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, which became effective from 1st April, 2014 and as per provisions of the Listing Agreement, Independent Directors appointed by the Company can hold office for a term upto Five (5) consecutive years and retirement of Directors by rotation shall not be applicable to appointment of Independent Directors. In view of the changed provisions, on the recommendations of Nomination and Remuneration Committee, the Board has decided to appoint the existing Independent Directors, namely Shri K.N. Bhandari, Shri Sain Ditta Mal Nagpal, Shri Radha Krishna Pandey and Shri Ravindra Kumar Singh as Independent Directors on the Board of the Company, for a term of three consecutive years from 30th September, 2014 to 29th September, 2017. Each of the proposed appointees have submitted a Declaration to the Board that they meet the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013 and are eligible for appointment as the Independent Directors. In the opinion of the Board, the Directors proposed to be appointed as the Independent Directors fulfill the conditions specified under the Companies Act, 2013 and the rules made thereunder. They also meet the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges for their appointment as the Independent Directors and are also independent for the management. The Independent Directors, so appointed shall be not be liable to retire by rotation.

The particulars of the persons proposed to be appointed as Independent Directors, are as under:

Shri K.N. Bhandari

Shri K.N. Bhandari aged about 72 years, holds Bachelor's Degree in Arts and Law and has over 52 years experience in Finance & Insurance management. He has served in various key positions in various organizations.

Shri K.N. Bhandari is a Director on the Boards of Jaiprakash Associates Ltd, Hindalco Industries Ltd, Agriculture Insurance Company Ltd, Saurashtra Cements Ltd, Shristi Infrastructure Development Corp. Ltd, Magma HDI General Insurance Co, Ltd, and NRC Ltd.

Shri K.N. Bhandari is Audit Committee Chairman of Agriculture Insurance Company Ltd, and Audit Committee Member of Hindalco Industries Ltd and Shristi Infrastructure Development Corp. Ltd. He is also a Chairman of the Board and Audit Committee of the Company.

Shri K.N. Bhandari does not hold any equity share in his own name and no share or convertible instrument in the Company

is held by him, either in his name or in the name of any other person, on a beneficial basis.

In the opinion of the Board, Shri K.N. Bhandari fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the Listing Agreements entered into with the Stock Exchanges and that he is independent of the management.

The Company has received a notice in writing from a member proposing his candidature for the office of the Director alongwith a deposit of rupees of one lac.

A copy of the letter of appointment of Shri K.N. Bhandari as an Independent Director, setting out the terms and conditions as approved by the Board, is available for inspection without any fee, at the Registered Office of the Company.

Except Shri K.N. Bhandari, being an appointee, none of the Directors and Key Management Personnel of the Company and their respective relatives, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board considers that his vast experience and continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board. Accordingly, the Board commends the Resolution for approval of the members as an **Ordinary Resolution**.

Shri Sain Ditta Mal Nagpal

Shri Sain Ditta Mal Nagpal aged about 72 years, holds Master's Degree in Arts and Associate Member of Institute of Cost and Works Accountants of India and has over 50 years experience in Finance & Accounts and Systems.

Shri Sain Ditta Mal Nagpal is a Director on the Boards of Bhilai Jayee Cement Ltd and Kanpur Fertilizers and Cement Ltd.

Shri Sain Ditta Mal Nagpal is Chairman of Audit Committee & Member of Finance Committee of Bhilai Jaypee Cement Ltd and Audit Committee Member of Kanpur Fertilizers and Cement Ltd. He is also a Chairman of the Stakeholders Relationship & Share Transfer Committee of the Company and Member of Nomination & Remuneration Committee of the Company.

Shri Sain Ditta Mal Nagpal does not hold any equity share in his own name and no share or convertible instrument in the Company is held by him, either in his name or in the name of any other person, on a beneficial basis.

In the opinion of the Board, Shri Sain Ditta Mal Nagpal fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the Listing Agreements entered into with the Stock Exchanges and that he is independent of the management.

The Company has received a notice in writing from a member proposing his candidature for the office of the Director alongwith a deposit of rupees of one lac.

A copy of the letter of appointment of Shri Sain Ditta Mal Nagpal as an Independent Director, setting out the terms

and conditions as approved by the Board, is available for inspection without any fee, at the Registered Office of the Company.

Except Shri Sain Ditta Mal Nagpal, being an appointee, none of the Directors and Key Management Personnel of the Company and their respective relatives, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board considers that his vast experience and continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board. Accordingly, the Board commends the Resolution for approval of the members as an **Ordinary Resolution**.

Shri Radha Krishna Pandey

Shri Radha Krishna Pandey aged about 74 years, holds Master's Degree in Arts and Associate Member of Institute of Cost and Works Accountants of India and has over 52 years experience in Finance & Legal and Corporate Advisory Services.

Shri Radha Krishna Pandey is a Director on the Boards of PTC Industries Ltd, Kamadhenu Ispat Ltd, British Health Products (India) Ltd, Hanug Toys & Textiles Ltd, Shree Rajasthan Syntex Ltd, Morgan Ventures Ltd, Jindal Polyfilms Ltd, Mefcom Capital Markets Ltd, Ricoh India Ltd, Welcure Drugs & Pharmaceuticals Ltd, Sanghi Industries Ltd, Kanpur Fertilizers & Cement Ltd and Jaypee Development Corporation Ltd,

Shri Radha Krishna Pandey Chairman of Audit Committee, Member of Nomination & Remuneration Committee & Investors Services Committee of Hanung Toys & Textiles Ltd, and Member of Audit Committees of PTC Industries Ltd, Kamadhenu Ispat Ltd, Jindal Polyfilms Ltd, Ricoh India Ltd, and Sanghi Industries Ltd.

He is also a Member of Audit Committee of the Company.

Shri Radha Krishna Pandey does not hold any equity share in his own name and no share or convertible instrument in the Company is held by him, either in his name or in the name of any other person, on a beneficial basis.

In the opinion of the Board, Shri Radha Krishna Pandey fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the Listing Agreements entered into with the Stock Exchanges and that he is independent of the management.

The Company has received a notice in writing from a member proposing his candidature for the office of the Director alongwith a deposit of rupees of one lac.

A copy of the letter of appointment of Shri Radha Krishna Pandey as an Independent Director, setting out the terms and conditions as approved by the Board, is available for inspection without any fee, at the Registered Office of the Company.

Except Shri Radha Krishna Pandey, being an appointee, none of the Directors and Key Management Personnel of the Company and their respective relatives, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board considers that his vast experience and continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board. Accordingly, the Board commends the Resolution for approval of the members as an **Ordinary Resolution**.

Shri Ravindra Kumar Singh

Shri Ravindra Kumar Singh, aged about 68 years, holds Bachelor's Degree in Engineering (Civil) and has over 46 years experience in Management Functions. He served in various key positions including as Chairman of Indian Railway Board.

Shri Ravindra Kumar Singh, is a Director on the Boards of Prayagraj Power Generation Company Limited and Jaiprakash Agri Initiatives Company Ltd and also Managing Director of Bokaro Jaypee Cement Ltd.

Shri Ravindra Kumar Singh, is also a Member of Nomination & Remuneration Committee and Stakeholders Relationship & Share Transfer Committee of the Company.

Shri Ravindra Kumar Singh, does not hold any equity share in his own name and no share or convertible instrument in the Company is held by him, either in his name or in the name of any other person, on a beneficial basis.

In the opinion of the Board, Shri Ravindra Kumar Singh, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and the Listing Agreements entered into with the Stock Exchanges and that he is independent of the management.

The Company has received a notice in writing from a member proposing his candidature for the office of the Director alongwith a deposit of rupees of one lac.

A copy of the letter of appointment of Shri Ravindra Kumar Singh, as an Independent Director, setting out the terms and conditions as approved by the Board, is available for inspection without any fee, at the Registered Office of the Company.

Except Shri Ravindra Kumar Singh, being an appointee, none of the Directors and Key Management Personnel of the Company and their respective relatives, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board considers that his vast experience and continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board. Accordingly, the Board commends the Resolution for approval of the members as an **Ordinary Resolution**.

Item No. 11 - 12

Borrowing Powers of Board & Creation of Mortgage/Charge

As the Members aware, the existing borrowing powers of the Board is ₹ 2,000 crores as per the Resolution passed by the members at the 73rd Annual General Meeting held on 15th September, 2012, they had delegated borrowing powers to the Board.

Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of the Company shall only with the

consent of the members by a Special Resolution, borrow money where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate to its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

Further, as per the Section 180(1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the moveable and/or immoveable properties of the Company may be deemed as disposal of the whole or substantially the whole of the undertaking of the Company, hence requires the approval from the members of the Company by way of a Special Resolution.

Accordingly, it is proposed to pass the enabling Special Resolutions authorizing the Board to borrow money and create charge on the moveable or immoveable properties of the Company for an aggregate amount of ₹ 2,000 crores.

The members may note that the provisions corresponding to Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956 (earlier in force) i.e Section 180(1) (c) and 180(1)(a) of the Companies Act, 2013 were notified on 12th September, 2013 and based on the clarification thereof issued by the Government of India, Ministry of Corporate Affairs, vide General circular no. 04/2014, dated 25th March, 2014 the Resolution(s) passed under Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 prior to 12th September, 2013 with reference to the borrowings (subject to limits prescribed) and/or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013, for a period of one year from the date of notification Section 180 of the Companies Act, 2013.

Further, the provisions of the Companies Act, 1956 required consent of the members by way of an Ordinary Resolution for both borrowings and creation of security, however, the provisions of the Companies Act, 2013 stipulate consent of the members by way of Special Resolution.

Hence, in order to remain compliant with the relevant provisions on borrowings and creation of security under the Companies Act, 2013, the consent of the members is hereby requested by way of proposed Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in passing of the Resolutions set out at Item nos. 11 and 12.

The Board commends the Resolutions for approval of the members as **Special Resolutions**.

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

G. TIRUPATI RAO
General Manager -Legal &
Company Secretary
(Membership No.FCS-2818)

Place: Noida
Date: 11th August, 2014

ANDHRA CEMENTS LIMITED

CIN : L26942AP1936PLC002379

Registered Office : Durga Cement Works, Sri Durgapuram, Dachepalli-522414, Guntur (Dist) (AP)

ADMISSION SLIP

DP ID		Folio No./Client ID		No. of shares	
-------	--	---------------------	--	---------------	--

Name(s) and address of the member in full :

I/We hereby record my/our presence at the 75th Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at 12.30 P.M. at the Regd. Office of the Company at Durga Cement Works, Sri Durgapuram, Dachepalli-522414, Guntur (Dist) (AP)

Member Proxy

Signature of Member/Proxy



ANDHRA CEMENTS LIMITED

CIN : L26942AP1936PLC002379

Registered Office : Durga Cement Works, Sri Durgapuram, Dachepalli-522414, Guntur (Dist) (AP)

FORM NO.MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	CIN : L26942AP1936PLC002379
Name of the Company	ANDHRA CEMENTS LIMITED
Registered Office	Durga Cement Works, Sri Durgapuram, Dachepalli-522414, Guntur (Dist) (AP)

Name of the member(s)	
Registered Address	
E-Mail ID	
DPID and Client ID / Folio No	

I/We, being the member(s) of shares of the above named Company, hereby appoint

- 1) Name : Address :
having e-mail Id Signature or failing him
- 2) Name : Address :
having e-mail Id Signature or failing him
- 3) Name : Address :
having e-mail Id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at 12.30 P.M. at the Regd. Office of the Company at Durga Cement Works, Sri Durgapuram, Dachepalli-522414, Guntur (Dist) (AP) and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	
1	To receive, consider & adopt the Audited Balance Sheet of the Company for the year ended 31st March, 2014, Statement of Profit & Loss for the year ended on that date
2	To appoint a Director in place of Shri Pankaj Gaur, who retires by rotation and, being eligible, offers himself for re-appointment
3	To appoint a Director in place of Shri Naveen Kumar Singh, who retires by rotation and, being eligible, offers himself for re-appointment
4	To appoint M/s Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), as Statutory Auditors
Special Business	
5	Appointment of Shri Sujit Kumar Mandal (DIN: 00086235) as Director of the Company
6	Appointment of Shri Sujit Kumar Mandal (DIN: 00086235) as Managing Director of the Company
7	Appointment of Shri K.N. Bhandari (DIN: 00191219) as an Independent Director of the Company
8	Appointment of Shri S.D.M. Nagpal (DIN: 00131037) as an Independent Director of the Company
9	Appointment of Shri R.K. Pandey (DIN: 00190017) as an Independent Director of the Company
10	Appointment of Shri Ravindra Kumar Singh (DIN: 0859229) as an Independent Director of the Company
11	Borrowing Powers of the Company
12	Creation of Charge/Mortgage on the moveable and/or immoveable properties of the Company, both present and future in favour of Lenders

Signed this day of 2014

Signature of Member

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.

ANDHRA CEMENTS LIMITED

CIN: L26942AP1936PLC002379

Regd. Office: Durga Cement Works, Sri Durgapuram, Dachepalli – 522414, Guntur Dist, (AP)

Tel:+91-8649-257428/29, Fax.:+91-8649-257449

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

Name of the member including
Joint holder(s), if any

Registered address of the sole/
first named member

DP ID & Client ID No./ Registered Folio No.

No. of Shares held

Dear Member(s),

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to its members in respect of the business(es) to be transacted at the 75th Annual General Meeting of the Company scheduled to be held on **Tuesday, September 30, 2014 at 12.30 P.M.**

The Company has engaged Central Depository Services (India) Limited as the authorized agency to provide e-voting facility. For instructions on e-voting please see overleaf.

The e-voting facility will be available during the following voting period:

Commencement of e-voting	9.00 A.M. on 24th September, 2014
End of e-voting	6.00 P.M. on 26th September, 2014

Members of the Company holding shares in either physical form or dematerialize form as on the cut-off date/ record date i.e. 22nd August, 2014, may cast their vote electronically.

This communication is an integral part of Notice dated August 11, 2014 for the Annual General Meeting scheduled to be held on Tuesday, September 30, 2014

The Notice of the Annual General Meeting and this communication are also available on the website of the Company at www.andhracements.com.

Thanking you

For **ANDHRA CEMENTS LIMITED**

G. TIRUPATI RAO

General Manager-Legal & Company Secretary
(Membership No. FCS 2818)

Place: Noida

Date: 11th August, 2014

The Annual Report for the Financial Year 2013-14 is being sent separately

THE INSTRUCTIONS FOR MEMBERS FOR VOTING THROUGH ELECTRONIC MEANS-


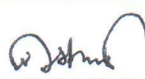



- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "shareholders" tab.
- (iii) Now Enter your applicable User ID, as under:-
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification code as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:
Fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digit (from the right hand side) CDSL/ NSDL client id / folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number after the first two characters of the name in CAPITAL LETTERS Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. #Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date ie. 22nd August, 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of "Andhra Cements Limited".
- (xi) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) A. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
B. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
C. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
D. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
E. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The e-voting commences on Wednesday, September 24, 2014 (9.00 a.m) and ends on Friday, September 26, 2014 (6.00 p.m). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/ record date ie. August 22, 2014 may cast their vote electronically. The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date (i.e. the Record Date).
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Shri Mahadev Tirunagari, Practicing Company Secretary (FCS – 6681 & CP No. 7350) has been appointed as the Scrutinizer and Shri Ashish Kumar Gaggar (FCS – 6687 & CP No. 7321) as Alternative Scrutinizer to scrutinize the e-voting and Poll process in a fair and transparent manner.
- (xxi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the vote in the presence of atleast two witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (xxii) In the event of poll, please note that the members who, have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through e-Voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the Meeting.
- (xxiii) Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 75th Annual General Meeting of the Company scheduled to be held on Tuesday, September 30, 2014. The Results shall be declared on Thursday, the 2nd October, 2014. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website, www.andhracement.com and on CDSL's website, www.cdslindia.com within two days of passing of the Resolutions at the meeting and communicated to the Stock Exchanges.

FORM B
Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the company.	ANDHRA CEMENTS LIMITED
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit qualification	Qualified opinion:
4.	Frequency of Qualification	Repeated last one year
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report.	<p><u>Gist of qualifications:</u> Auditors' Qualification relating to capitalisation of pre-operative expenses including interest on borrowings.</p> <p>(Pl. refer Pg No. 37 and Note No.36 of Annual Report)</p> <p><u>Management Response:</u></p> <p><i>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 completion of documentation, negotiation, etc</i></p> <p>(Pl. refer Pg No. 37, Note No.36 and Pg. No. 2 para 3 of Annual Report)</p>
6.	Additional Comments from the board / audit committee chair.	No comment
7.	Signed by	
	CEO / Managing Director	 (SUJIT KUMAR MANDAL)
	CFO	 (A.K. SAHOO)
	Auditor of the Company	 (R.N. CHATURVEDI)
	Audit Committee Chairman	 (K.N. BHANDARI)
	Company Secretary	 (G. TIRUPATI RAO)

