

Andhra Cements Limited



79th

Annual Report 2017-18

Board of Directors

K. N. Bhandari,	Chairman
S. K. Mandal (upto 10.08.2017)	Managing Director
Pankaj Gaur	
Naveen Kumar Singh	Director and CEO
S. D. M. Nagpal	
R. K. Pandey	
Ravindra Kumar Singh	
Harish K. Vaid (up to 22.11.2017)	
V. K. Jain	
R. B. Singh	
Manju Sharma	

CFO

A.K. Agrawal

Company Secretary & General Manager (Legal)

G. Tirupati Rao

Statutory Auditors

M/s Chaturvedi & Partners
Chartered Accountants, New Delhi

Internal Auditors

M/s Doogar & Associates
Chartered Accountants, New Delhi

Secretarial Auditors

M/s Savita Jyoti Associates
Practicing Company Secretaries, Hyderabad

Cost Auditors

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

Registrar & Share Transfer Agent

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

Regional Marketing Office

Ashoka Hi-Tech Chambers,
3rd Floor, H.No. 8-2-120/76/1/B/889, Road No.2,
Banjara Hills, Hyderabad - 500 034

Registered Office

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

Corporate office

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

Bankers/Lenders

HDFC Limited
IDFC/EARCL
Karur Vysya Bank Limited
Andhra Bank
State Bank of India

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DIRECTORS' REPORT

To,
The Members

The Directors of your Company are pleased to present the Seventy Ninth Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

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

(₹ in lakhs)

	Current Year 2017-18	Previous Year 2016-17
Net Sales	48422	40492
Other Income	463	233
PBIDT	5951	4125
Finance Cost	12739	10501
Depreciation	4476	4004
Profit/(Loss) before exceptional Items	(11264)	(10380)
Exceptional Item	4071	-
Profit/(Loss) before Tax	(7193)	(10380)
Deferred Tax	84	68
Other Comprehensive Income	(4)	33
Net Profit / (Loss)	(7113)	(10279)

1. SHARE CAPITAL

The paid up equity share capital as at 31st March, 2018 is ₹ 293.52 lakhs. During the period under review, your Company has not issued any shares with differential rights, sweat equity shares and equity shares under employees stock option scheme. Your Company has also not bought back its own shares during the period under review.

2. DIVIDEND

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

3. OPERATIONS

During the year under review, Company's both the plants viz, Durga Cement Works (DCW) and Visaka Cement Works (VCW) were operational and produced Clinker and Cement. The Company has commissioned its 30 MW Captive Power Plant (CPP) situated at Durga Cement Works.

During the year under review, the Company sold its surplus and un-utilised land situated at Jayanthipuram village, Jaggayyapet Mandal, Krishna District, (AP) and the proceeds were utilised for the operations of the Company.

4. DIRECTORATE AND KEY MANAGERIAL PERSONNEL

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

- Shri S. K. Mandal ceased to be Managing Director and Director of the Company w.e.f. August 10, 2017 as 3 years term of appointment from 11.08.2014 to 10.08.2017 was completed and he had not opted for re-appointment.
- Shri Ram Bahadur Singh and Smt. Manju Sharma, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment.
- Shri Harish K. Vaid, Director of the Company submitted his resignation and ceased to be a Director of the Company w.e.f. 22nd November, 2017.
- Shri Naveen Kumar Singh, Director, has been appointed as Chief Executive Officer (CEO) of the Company w.e.f. 28th March, 2018.
- During the year under report, the Board Meet 5 times, the details whereof are given in Report on Corporate Governance. The meetings of Board of Directors were held on 27th May, 2017, 5th August, 2017, 27th September, 2017, 14th November, 2017 and 3rd February, 2018.
- All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Committees constituted by it. The manner in which the formal annual evaluation has been carried out has been explained in the Report on Corporate Governance.
- The Board has on the recommendation of the Nomination & Remuneration Committee adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. Brief features of the said Policy are:

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

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

Remuneration of other employees shall be reviewed/decided on an annual basis or earlier if deemed necessary, based on performance appraisal of individual employees taking into account several factors such as job profile, qualifications, seniority, experience, commitment including time commitment, performance and their roles and duties in the organization.

- g.) The age, term of appointment and retirement of Managing Director/Whole-time Director

shall be determined in accordance with the provisions of Companies Act, 2013 read with Rules made thereunder;

- h.) Managing Director/Whole-time Director and Key Managerial Personnel shall be paid the remuneration within the overall limit prescribed under the Companies Act, 2013 and the Rules made thereunder as recommended by the Nomination and Remuneration Committee subject to the approval of the Board;
- i.) The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the company operates, business model of the Company etc;

5. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

7. AUDITORS

7.1 Statutory Auditors

As the members are aware in accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No. 307068E), were appointed as Statutory Auditors of the Company in the 75th

Annual General Meeting (AGM) for a period of Five consecutive years till the conclusion of 80th AGM of the Company to be held in the year 2019. The appointment of Statutory Auditors has to be ratified at every AGM. The Statutory Auditors, being eligible, offer themselves for re-appointment. The Company has obtained a written consent and a certificate from the Statutory Auditors to the effect that their appointment, if ratified, would be in accordance with the conditions as prescribed and they fulfill the criteria laid down in Section 141 of the Companies Act, 2013.

Based on the recommendations of the Audit Committee, the Board has recommended the ratification of appointment of M/s. Chaturvedi & Partners, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2018-19 and to hold office till the conclusion of the Eightieth Annual General Meeting to be held in the year 2019, subject to ratification of their appointment in every AGM.

7.2 Cost Auditors

For the Financial Year 2018-19, the Board of Directors of the Company have on the recommendation of Audit Committee, appointed M/s. J.K. Kabra & Associates, Cost Accountants (Firm Regn No. 00009) Cost Auditors of the Company for auditing the Cost Records relating to the product 'Cement'. In this regard, they have submitted a certificate certifying their independence and their arms length relationship with the Company. The Resolution for ratification of their remuneration has been included in the Notice for ensuing Annual General Meeting.

7.3 Secretarial Auditor

Secretarial Audit Report for the financial year ended on 31st March, 2018, issued by M/s. Savita Jyoti Associates, Company Secretaries, in form MR-3 forms part of this report and marked as "Annexure-B".

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on recommendations of the Audit Committee, the Board has appointed M/s. Savita Jyoti Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2019.

7.4 Internal Auditor

The Board on recommendations of Audit Committee has appointed M/s Doogar & Associates, Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2018-19.

8. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the year ended 31st March, 2018 made under provisions of Section 92(3) of the Act is attached as "Annexure-C" which forms part of this Report.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

10. RISK MANAGEMENT

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

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

11. CORPORATE SOCIAL RESPONSIBILITY

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

12. MATERIAL CHANGES AND COMMITMENTS

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

13. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

As required under Regulation 34(2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, the Management Discussion & Analysis Report on operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors, based on the representation received from the operating management, certification by CEO and CFO to the Board of Directors and after due enquiry, confirm that in respect of the Audited Annual Accounts for the year ended 31st March, 2018 that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- b) the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2018 and the loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid proper internal financial controls to be followed and that such internal financial controls were adequate and were operating effectively; and
- f) Directors had devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

15. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

16. INTERNAL FINANCIAL CONTROL

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

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

17. DEPOSITS

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

However, In accordance with the Modified Rehabilitation Scheme (MS-08), the Company is settling the claims lodged by fixed deposit holders. During the year Fixed Deposit claims were received and settled.

As per the provisions of Section 125 of the Companies Act, 2013, the Company is in the process to transfer the Unclaimed Amount to the 'Investor Education and Protection Fund.

18. REDEMPTION OF PREFERENCE SHARES

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

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Annual Report and is provided as "Annexure- D (I)" in this report.

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

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

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

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

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

22. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place: New Delhi
Date: 30th May, 2018

K.N. BHANDARI
Chairman
[DIN: 00191219]

FORM NO. AOC -2

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

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

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

There were no contracts or arrangements or transactions entered by the Company during the Financial Year 2017-18 which were not at Arm's length basis.

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

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

For and on behalf of the Board

Place : New Delhi
Date : 30th May, 2018

K.N. BHANDARI
Chairman
[DIN: 00191219]

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2018

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

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my/our opinion, the company has, during the audit period from April 1, 2017 to March 31, 2018 ('audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the Audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the Audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the Audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the Audit period)

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

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

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

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

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

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

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

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

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

Place : Hyderabad
Date : 22nd May, 2018

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

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I.	REGISTRATION AND OTHER DETAILS	
	i) CIN	L26942AP1936PLC002379
	ii) Registration Date	9 th December, 1936
	iii) Name of the Company	Andhra Cements Limited
	iv) Category/Sub-Category of the Company	Public Company
	v) Address of the Registered Office and Contact Details	Durga Cement Works, Sri Durgapuram, Dachehalli- 522414, Guntur Dist, (AP)
	vi) Whether Listed Company	Yes
	vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	CIL Securities Ltd, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500001 Phone No.:+91-40-23202465
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	As per Attachment - I
	All the business activities contributing 10% or more of the total turnover of the company	
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment - II
IV.	SHARE HOLDING PATTERN	
	(Equity Share Capital Breakup as Percentage of Total Equity)	
	i) Category-wise Share Holding	As per Attachment - III
	ii) Shareholding of Promoters	As per Attachment - IV
	iii) Change in Promoters' Shareholding	As per Attachment - V
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - VI
	v) Shareholding of Directors and Key Managerial Personnel	As per Attachment - VII
V.	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment - VIII
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
	i) Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment - IX
	ii) Remuneration to other directors	As per Attachment - X
	iii) Remuneration to Key Managerial Personnel other than MD/ Manager/WTD	As per Attachment - XI
VII.	PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES	As per Attachment - XII

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY ATTACHMENT- I

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

iii Particulars of Holding, Subsidiary & Associate Companies ATTACHMENT- II

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

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

(i) Category -wise Share Holding

ATTACHMENT- III

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
	a) Individual/HUF	0	0	0	0	0	0	0	0	0
	b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
	d) Bank/Fl	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	SUB TOTAL:(A) (1)	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
2)	Foreign									
	a) NRI-Individuals	0	0	0	0	0	0	0	0	0
	b) Other Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp.	0	0	0	0	0	0	0	0	0
	d) Banks/Fl	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
	a) Mutual Funds	886	11867	12753	0.00	886	11867	12753	0.00	0
	b) Banks/Fl	7934337	32269	7966606	2.71	270036	32269	302305	0.10	-2.61
	c) Central Govt.	0	0	0	0	0	0	0	0	0
	d) State Govt.	0	0	0	0	0	0	0	0	0
	e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FII'S	0	7390000	7390000	2.52	0	7390000	7390000	2.52	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL (B)(1):	7935223	7434136	15369359	5.23	270922	7434136	7705058	2.62	-2.61
(2)	Non Institutions									
	a) Bodies corporates	35254193	46376	35300569	12.03	32753372	46338	32799710	11.18	-0.85
	i) Indian									
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	24356673	1148690	25505363	8.69	28631343	1139904	29771247	10.14	+1.45
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	13768785	0	13768785	4.69	19698355	0	19698355	6.71	+2.05
	c) Others (NRI's)	1610370	39640	1650010	0.56	1580512	39204	1619716	0.55	-0.01
	SUB TOTAL (B)(2):	74990021	1234706	76224727	25.97	82663582	1225446	83889028	28.58	2.61
	Total Public Shareholding (B)= (B)(1)+(B)(2)	82925244	8668842	91594086	31.21	82934504	7434136	91594086	31.21	0
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	284851650	8668842	293520492	100	284860910	8659582	293520492	100	0

(ii) Shareholding of Promoters

ATTACHMENT- IV

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2017			Share Holding at the end of the Year 31.03.2018			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total	No of shares	% of total shares of the company	% of shares pledged encumbered to total	
1	Jaypee Development Corporation Limited	201926406	68.79	51.60	201926406	68.79	51.60	0
	Total	201926406	68.79	51.60	201926406	68.79	51.60	0

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

ATTACHMENT- V

Sl No.	Shareholders Name	Shareholding at the beginning Date of the year 01.04.2017			Increase/ (Decrease) in shareholding	Cumulative shareholding during the year 01.04.2017 to 31.03.2018		
		No of shares	% of total shares of the company	% of shares pledged encumbered to total		No of shares	% of total shares of the company	% of shares pledged encumbered to total
1	Jaypee Development Corporation Limited	201926406	68.79	51.60	-	201926406	68.79	51.60
	Total	201926406	68.79	51.60	-	201926406	68.79	51.60

ATTACHMENT- VI

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

Sl	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2017		Increase/ (Decrease) In shareholding	Reason	Share holding as on 31.03.2018	
		No of shares	% of total shares			No of shares	% of total shares
1	HDFC LIMITED	9106778	3.10	214509	sale	8892269	3.03
2	HDFC LIMITED	16850277	5.74	-	-	16850277	5.74
3	FIDELITY CAPITAL INVESTMENT INC	7390000	2.52	-	-	7390000	2.52
4.	KARVY STOCK BROKING LTD	540508	0.18	518678	Purchase	1059186	0.36
5.	RAMLAL KAWARLAL JAIN	0	0	725000	Purchase	725000	0.25
6.	SCL FLORICULTURE PVT LTD	425358	0.15	119711	Purchase	545069	0.19
7.	RAHUL PRAKASH SARDA	492735	0.17	-	-	492735	0.17
8.	SHIVANGI ASHISHBHAI DALMIA	0	0	400000	Purchase	400000	0.14
9.	BRN COMMODITIES & TRADING CO. PVT LTD	361128	0.12	10000	sale	351128	0.12
10.	ADITYA KUMAR RUNGTA	350000	0.12	-	-	350000	0.12

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Name	Shareholding at the beginning of the year 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason	Shareholding as on 31.03.2018	
		No of shares	% of total shares of the company				No of shares	% of total shares of the company
1	Shri K N Bhandari, Chairman Independent Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
2	Shri Sujit Kumar Mandal, Managing Director (upto 10.08.2017)	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
3	Shri Pankaj Gaur, Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
4	Shri Naveen Kumar Singh, Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
5	Shri Ravindra Kumar Singh, Independent Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
6	Shri Harish .K. Vaid, Director (upto 22.11.2017)	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
7	Shri Sain Ditta Mal Nagpal Independent Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
8	Shri Radha Krishna Pandey, Independent Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
9	Shri Vijai Kumar Jain Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
10	Shri R B Singh Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
11	Smt. Manju Sharma Director	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
12	Shri A.K. Agrawal CFO	NIL	0.00	-	0.00	Nil Movement during the year	NIL	0.00
13	Shri G. Tirupati Rao Company Secretary & GM (Legal)	2500	0.00	-	0.00	Nil Movement during the year	2500	0.00

v Indebtedness

(Indebtedness of the Company (including interest outstanding/accrued but not due for payment for financial year 2017-18)

(In ₹)

S.No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the Financial Year (01.04.2017)				
i)	Principal Amount:				
	a) Rupee Term Loan	8,66,46,30,750.00	21,97,80,000.00	-	8,88,44,10,750.00
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	38,51,52,659.00	-	-	38,51,52,659.00
ii)	Interest due but not paid	25,78,78,109.07	10,17,98,823.48	-	35,96,76,932.55
iii)	Interest accrued but not due	2,12,11,158.77	-	-	2,12,11,158.77
	Total A	9,32,88,72,676.84	32,15,78,823.48	-	9,65,04,51,500.32

S.No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
B	Changes in Indebtedness during Financial Year 2017-18				
	Addition				
i)	Principal Amount:				
	a) Rupee Term Loan	-	9,08,58,354.40	-	9,08,58,354.40
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	1,59,48,066.03	-	-	1,59,48,066.03
ii)	Interest due but not paid	3,63,18,993.02	-	-	3,63,18,993.02
iii)	Interest accrued but not due	83,030.00	-	-	83,030.00
	Total - B	523,50,089.05	9,08,58,354.40	-	14,32,08,443.45
B1	Reduction				
i)	Principal Amount:				
	a) Rupee Term Loan	1,00,00,000.00	-	-	1,00,00,000.00
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	-	-	-	-
ii)	Interest due but not paid	-	8,09,38,134.48	-	8,09,38,134.48
iii)	Interest accrued but not due	-	-	-	-
	Total - B1	1,00,00,000.00	8,09,38,134.48	-	9,09,38,134.48
C	Indebtedness at the end of the Financial Year (31.03.2018)				
i)	Principal Amount:				
	a) Rupee Term Loan	865,46,30,750.00	31,06,38,354.40	-	896,52,69,104.40
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	40,11,00,725.03	-	-	40,11,00,725.03
ii)	Interest due but not paid	29,41,97,102.09	2,08,60,689.00	-	31,50,57,791.09
iii)	Interest accrued but not due	212,94,188.77	-	-	212,94,188.77
	Total - C	937,12,22,765.89	33,14,99,043.40	-	970,27,21,809.29

* It represents loan from Jaypee Development Corporation Limited and does not include unamortised cost of ₹ 49,46,205.53 and ₹ 206,31,117.60 as on 01.04.2017 and 31.03.2018 respectively.

ATTACHMENT- IX

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Director and/or Manager: (Upto 10-08-2017)

(In ₹)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager
		Shri S.K. Mandal Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	42,64,356
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission as % of profit others (specify)	-
5	Others, please specify-	
	Leave encashment at the end of tenure	12,06,180
	P.F-Employer's Contribution	2,80,103
	Total	57,50,639

Note: The Company has paid managerial remuneration as per provision of Section 197 and Schedule V of the Companies Act, 2013.

ii) Remuneration to other Directors:

ATTACHMENT- X

Independent Directors

(In ₹)

Sl. No.	Name of the Director	Fee for attending Board/ Committee meetings	Commission	Others, please specify	Total (Incl. TDS)
1	Shri K.N. Bhandari	2,20,000			2,20,000
2	Shri S.D.M. Nagpal	3,40,000	-	-	3,40,000
3	Shri R.K. Pandey	2,00,000	-	-	2,00,000
4	Shri R.K. Singh	40,000	-	-	40,000
	Total (1)	8,00,000			8,00,000

Other Non-Executive Directors

Sl. No.	Name of the Director	Fee for attending board/ committee meetings	Commission	Others, please specify	Total
1	Shri Pankaj Gaur	20,000	-	-	20,000
2	Shri Naveen Kumar Singh	40,000	-	-	40,000
3	Shri Harish K. Vaid (upto 22.11.2017)	2,20,000	-	-	2,20,000
4	Shri V.K. Jain	60,000	-	-	60,000
5	Shri R.B. Singh	2,00,000	-	-	2,00,000
6	Smt. Manju Sharma	80,000	-	-	80,000
	Total (2)	6,20,000			6,20,000
	Total (1)+(2)	14,20,000			14,20,000

ATTACHMENT- XI

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

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	29,16,296	19,26,535	48,42,831
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,23,206	-	2,23,206
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option -	-	-	-
3	Sweat Equity -	-	-	-
4	Commission -	-	-	-
	as % of profit -	-	-	-
	others, specify -	-	-	-
5	Others, please specify-P.F- Employer's Contribution	96,480	64,782	1,61,262
	Total	32,35,982	19,91,317	52,27,299

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

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

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

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

(i) Shri S.K. Mandal, Managing Director, ₹ 57.66 lakhs, BE (Mechanical) and PG Diploma in Management (IIM), 67 year, 44 years, 11th August, 2014, IFCI Ltd, 0.00% (Upto 10.8.2018)

Notes:

- Gross remuneration includes salary, house rent allowance and other perquisites like medical reimbursement, leave travel assistance, Company's contribution towards provident fund, gratuity, leave encashment etc.
- The Managing/Whole-time Directors hold their respective offices for a period of 3 years from the date of their respective appointments.
- None of the above employees is related to any Director or Key Managerial Personnel or their respective relatives.

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

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

Particulars	Ratio to Median Remuneration
Shri S.K. Mandal, Managing Director (upto 10.08.2017)	15 : 1

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

Particulars	% increase in the Remuneration
Shri S. K. Mandal, MD (upto 10.08.2017)	(47.87%)
Shri A.K. Agrawal, CFO	2.65%
Shri G. Tirupati Rao, Company Secretary	0.60%

(iii) **The percentage increase in the median remuneration of employees in the financial year.** The percentage increase in median remuneration of employees in the Financial Year was 2%.

(iv) **The number of permanent employees on the rolls of Company including on secondment: 484**

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

The median remuneration of the employee during financial year was ₹ 3.73 lakhs and the percentage increase in the median remuneration was 2%.

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

Key indices of Company's performance are :

(₹ in lakhs unless otherwise stated)

Particulars	2017-18	2016-17	Growth (%)
Net Sales from Operations	48422	40492	20%
Profit Before Tax	(7193)	(10380)	31%
Net Profit/(Loss)	(7113)	(10279)	31%

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

(₹ in lakhs unless otherwise stated)

Particulars		Chief Executive Officer & MD	Company Secretary	CFO
Remuneration of Key Managerial Personnel (KMP) during financial year 2017-18 (aggregated)	–	57.66	20.06	32.51
Revenue from operations	–	48422	48422	48422
Remuneration (as % of revenue)	–	0.12%	0.04%	0.07%
Profit before tax (PBT)	–	(7193)	(7193)	(7193)
Remuneration (as % of PBT)	–	N.A.	N.A.	N.A.

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

Particulars	Unit	As at 31 st March, 2018	As at 31 st March, 2017	Variation
Closing price of shares at BSE	₹	9.60	11.00	(13%)
EPS (Consolidated)	₹	(2.42)	(3.51)	31%
Market Capitalization	₹ in lakhs	28,177.97	32,287.25	(13%)
Price Earnings Ratio	Ratio	N.A.	N.A.	N.A.

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

(₹ in lakhs unless otherwise stated)

Particulars	Remuneration in Financial year 2017-18	% of increase in Remuneration in Financial year 2017-18
Average salary of all employees (other than Key Managerial Personnel)	4.34	13.06%
Salary of MD (upto 10.08.2017)*	57.66	44.16%
Salary of Company Secretary	20.06	0.60%
Salary of CFO	32.51	2.85%

*Remuneration upto 10.08.2017 has been converted into full year's remuneration for comparison of remuneration between Financial year 2017-18 and 2016-17.

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

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

The total remuneration of Key Managerial Personnel decreased by 32% in 2017-18, compared to 2016-17.

Loss Before Tax decreased by 31% in 2017-18, compared to 2016-17.

(x) The key parameters for any variable component of remuneration availed by the Directors : Nil

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : N.A.

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company : The Company affirms that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of our Company.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

(i) Energy Conservation measures taken during the twelve months period ended 31st March, 2018

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

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

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

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

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

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

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

(iii) Information regarding technology imported during last 3 years : Nil

(iv) Expenditure incurred on Research and Development: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars of Foreign Exchange expenditure and earnings: Nil

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

It is important to consider a variety of personal attributes among the Board incumbents including intellect, judgement, openness, honesty and the ability to develop trust. A Board requires Directors who have the intellectual capability to question status quo and debate and new policy/ strategy as also offer suggestions and alternatives.

The Board of the Company consists of eminent persons with considerable professional expertise and experience in technical, commercial, legal, finance, business administration and other related fields, who not only bring wide range of experience and expertise, but also impart desired level of independence to the Board.

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

As per SEBI (LODR) Regulations 2015, where the Chairman of the Board is Non-Executive Director at least one-third of the Board should comprise of Independent directors. Our Company's Board as on 31st March, 2018 consisted of 9 Directors out of which 4 are Independent Directors.

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, number of other Directorships and Committee positions held by them in other Companies, as on 31st March, 2018, are given below:

Name of Directors	Category	Board Meeting Attendance	Last AGM Attendance	No. of other Directorships	No. of other Committee positions held	
					Member	Chairman
Shri S.K. Mandal (*)	ED	02	No	0	0	0
Shri Pankaj Gaur	NED	01	No	06	0	0
Shri Naveen Kumar Singh	NED	02	Yes	03	0	0
Shri K.N. Bhandari	NED & ID	05	Yes	07	2	1
Shri Sain Ditta Mal Nagpal	NED & ID	05	Yes	06	1	1
Shri Radha Krishna Pandey	NED & ID	05	Yes	06	3	1
Shri Ravindra Kumar Singh	NED & ID	01	No	02	0	0
Shri Harish K Vaid (*)	NED	03	No	04	2	0
Shri V.K. Jain	NED	03	Yes	01	0	0
Shri R.B.Singh	NED	04	No	03	0	0
Smt. Manju Sharma	NED	04	No	01	0	0

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

Changes in the Board during the FY – 2017-18

- a.) Shri S K Mandal ceased to be Managing Director and Director of the Company w.e.f. August 10, 2017 as 3 years term of appointment from 11.08.2014 to 10.08.2017 was completed and he had not opted for re-appointment.

- b.) Shri Harish K Vaid ceased to be Director w.e.f. November 22, 2017 as he resigned from the Directorship of the Company.
- c.) Shri Naveen Kumar Singh, Director became CEO of the Company w.e.f. 28.03.2018.

Notes:

- i) For the purpose of number of Directorship of Individual Directors, other Directorships of only Indian Public Limited Companies have been considered pursuant to Section 165 of the Companies Act, 2013. None of the Directors exceeds the prescribed limit of 20 Companies out of which maximum 10 are Public Companies.
- ii) Independent Directors are in compliance of the requirement under Regulation 25 of the Listing Regulations.
- iii) Committee positions of only two Committees, namely, Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered pursuant to Reg, 26 of SEBI (LODR) Regulations, 2015.
- iv) None of the Directors of the Company is related inter-se, in terms of Section 2(77) of the Companies Act, 2013.

Number of Equity Shares held by the Directors as on 31st March, 2018 are tabulated below:

Name of Directors	Designation	No. of Equity Shares
Shri K.N. Bhandari	Chairman	NIL
Shri Naveen Kumar Singh	Director & CEO (w.e.f 28.03.2018)	NIL
Shri Pankaj Gaur	Director	NIL
Shri S.D.M. Nagpal	Director	NIL
Shri R.K. Pandey	Director	NIL
Shri R.K. Singh	Director	NIL
Shri V.K. Jain	Director	NIL
Shri R.B. Singh	Director	NIL
Smt. Manju Sharma	Director	NIL

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

Number of Board Meetings held and dates thereof

During the financial year, 2017-18, five meetings of the Board of Directors were held. The meetings were held on 27th May, 2017, 5th August, 2017, 27th September, 2017, 14th November, 2017, and 3rd February, 2018. The maximum time gap between two meetings was not more than four calendar months.

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

Sl. No.	Date	Board Strength	Meeting attended By the Board Members
i)	27 th May, 2017	11	06
ii)	5 th August, 2017	11	08
iii)	27 th September, 2017	10	05
iv)	14 th November, 2017	10	07
v)	3 rd February, 2018	09	07

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

Information placed before the Board

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

3. CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company viz. www.andhracements.com.

The members of the Board and Senior Management Personnel have, on 31st March, 2018 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CEO is annexed and forms part of this Report.

4. AUDIT COMMITTEE

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

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

With reference to the financial statements

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

With reference to Auditors

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

(viii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

With reference to related party transactions

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

The term "Related Party Transactions" shall have the same meaning as provided in Reg, 23 of SEBI (LODR) Regulations, 2015 and also the provisions of Companies Act, 2013 read with relevant rules thereto.

Other references

- (i) Scrutiny of inter-Corporate Loans and Investments;
- (ii) Valuation of undertakings or assets of the company, wherever it is necessary;
- (iii) Evaluation of Internal Financial Controls and Risk Management Systems;
- (iv) Monitoring the end use of funds raised through public offers and related matters;
- (v) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vi) To look into the reasons for substantial defaults in the payment to the debenture holders and creditors;
- (vii) To review the functioning of the Whistle Blower mechanism;
- (viii) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- (ix) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

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

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

Four meetings of the Committee were held during the year i.e. on 27th May, 2017, 5th August, 2017, 14th November 2017 and 3rd February, 2018.

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

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri K.N. Bhandari, Chairman	3	3
Shri R.K. Pandey, Member	3	3
Shri R.B. Singh, Member	3	3

5. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

This Committee is responsible for:

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

Nomination and Remuneration Committee comprised of Shri R.K. Singh, Chairman, Shri S.D.M. Nagpal, Shri Harish K. Vaid (upto 22.11.2017) and Shri R.B.Singh (w.e.f. 03.02.2018) as members of the Committee. Accordingly, the Nomination and Remuneration Committee comprises of Three Non-Executive Directors, majority of them being Independent Directors.

During the Financial Year 2017-18 three meetings of the Nomination and Remuneration Committee was held on 27th May, 2017, 5th August, 2017 and 28th March 2018.

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri R K Singh, Chairman	3	1
Shri S D M Nagpal, Member	3	3
Shri Harish K Vaid, Member (upto 22.11.2017)	2	2
Shri R.B.Singh Member (w.e.f 03.02.2018)	1	1

Criteria for evaluation of Directors' performance

In keeping with the provisions of the Companies Act, 2013 along with the provisions of the Listing Agreement, Nomination and Remuneration Policy considers various aspects including engagement, strategic planning, consensus building and understanding of national/international events while evaluating the performance of the Independent Directors and so far as evaluation of the performance of Non-Independent and Non-Executive Directors are concerned, engagement, strategic planning, team spirit and consensus building, effective leadership, domain knowledge and understanding of national/international events were considered as parameters of performance. The Nomination and Remuneration Committee considered management qualities, team work abilities, result/achievement, domain knowledge, understanding and awareness, leadership qualities, motivation/ commitment/diligence, integrity/ethic/values as also receptivity performance as performance indicators for Executive Directors.

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

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

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

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

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

Details of Remuneration paid to all the Directors

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

The details of aggregate value of salary and perquisites/others paid to the Managing Director during the Financial Year 2017-18 are as under:

Name	Designation	Salary (₹)	Perquisites/others (₹)	Total (₹)
Shri S.K. Mandal (upto 10.08.2017)	Managing Director	42,79,356	14,86,283	57,65,639

b) Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Directors except the sitting fee of ₹ 20,000/- per meeting for attending the meetings of the Board of Directors and its Committees thereof held during the Financial Year 2017-18.

The details of the sitting fee paid to the Non-Executive Directors of the Company during the Financial Year 2017-18 are as under:

Name of the Director	Designation	Total sitting fee paid (₹)
Shri K.N. Bhandari	Chairman	2,20,000
Shri Pankaj Gaur	Director	20,000
Shri Naveen Kumar Singh	Director	40,000
Shri S.D.M. Nagpal	Director	3,40,000
Shri R.K. Pandey	Director	2,00,000
Shri R.K. Singh	Director	40,000
Shri Harish K. Vaid (upto 22.11.2017)	Director	2,20,000
Shri V.K. Jain	Director	60,000
Shri R.B. Singh	Director	2,00,000
Smt. Manju Sharma	Director	80,000

Notes:

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The Stakeholders' Relationship Committee, comprises of Shri S.D.M. Nagpal, Chairman, Shri Harish K. Vaid (upto 22.11.2017), Shri R.K. Singh and R.B. Singh (w.e.f 03.02.2018) as members. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, re-materialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates etc. and to look into the redressal of shareholders' complaints. During the year nine meetings of the Committee were held on 25th April, 2017, 30th May 2017, 30th June, 2017, 31st July, 2017, 30th September, 2017, 30th October, 2017, and 30th December, 2017, 1st March, 2018 and 31st March, 2018 the record of attendance of the members during the Financial Year 2017-18 is given below:

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri S.D.M. Nagpal, Chairman	09	09
Shri Harish K. Vaid, Member (upto 22.11.2017)	06	06
Shri R.K. Singh, Member	07	02
Shri R B Singh, Member (w.e.f. 03.02.2018)	02	02

7. COMPLIANCE OFFICER

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

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

e-mail : gtrao@andhracemments.com

Phone : 040-23258888

Fax : 040-23258858

The Company received 3 Investors' complaints during the Financial Year 2017-18 and all the Investors' complaints were addressed/resolved by 31st March, 2018. There were no pending investors' references as on 31st March, 2018.

8. RISK MANAGEMENT

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

BOARD EVALUATION

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

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

Evaluation of performance of Committees

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

Evaluation of performance of Independent Directors

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

9. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

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

The Independent Directors are familiarised from time to time with various facts of the Company's business through site visits, presentations and intra-actions with various senior executives of the Company. They are also familiarised with their role, rights and responsibilities in the Company through their appointment letter and in the Board Meeting from time to time.

During the current year, an off site meeting of all the Independent Directors was also organised, inter-alia, to facilitate exclusive intra-action & familiarisation of the newly inducted Independent Directors with the existing Independent Directors.

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

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

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

11. CEO/CFO CERTIFICATION

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

This Certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 30th May, 2018.

12. GENERAL BODY MEETINGS

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

Year	2014-15	2015-16	2016-17
Date	28 th Dec, 2015	30 th Sept, 2016	27 th Sept, 2017
Time	12.30 P.M.	12.30 P.M.	12.30 P.M.
Venue of the Meeting	Regd Off: Durga Cement Works Sri Durgapuram,	Regd Off: Durga Cement Works Sri Durgapuram,	Regd Off: Durga Cement Works Sri Durgapuram,
	Dachepalli-522414 Guntur Dist (A.P.)	Dachepalli-522414 Guntur Dist (A.P.)	Dachepalli-522414 Guntur Dist (A.P.)

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

1) Financial Year 2014-15

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

2) Financial Year 2015-16

No Special Resolution was passed by the Members.

3) Financial Year 2016-17

Special Resolutions for re-appointment of Independent Directors of the Company

14. DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No Resolutions were passed during last year through Postal Ballot.

15. RECONCILIATION OF SHARE CAPITAL AUDIT

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

16. MEANS OF COMMUNICATION**i) Financial Results:**

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

ii) Website:

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

iii) NSE Electronic Application Processing System (NEAPS):

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

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

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

v) SEBI Complaints Redress System (SCORES):

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

17. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

18. GENERAL SHAREHOLDERS' INFORMATION**79th Annual General Meeting**

Day:	Thursday
Date:	27 th September, 2018
Time:	12.30 PM
Venue:	Regd Off: Durga Cement Works, Sri Durgapuram, Dachepalli – 522414, Guntur Distt, (AP)
Dates of Book Closure:	22.09.2018 to 27.09.2018 (Both days Include)

19. FINANCIAL CALENDAR

Details of announcement of Financial Results for different periods during the financial year ended 2017-18 are as under:

Results	Announced on
For 1 st Quarter ended 30 th June, 2017	05 th August, 2017
For 2 nd Quarter ended 30 th September, 2017	14 th November, 2017
For 3 rd Quarter ended 31 st December, 2017	03 rd February, 2018

The financial results were reviewed by the Audit Committee and thereafter approved by the Board. Annual Audited Financial Results for the Financial Year ended 31st March, 2018 were announced on 30th May, 2018.

20. DIVIDEND

For the current Financial Year 2017-18, the Board has not recommended any dividend.

21. LISTING ON STOCK EXCHANGES

Equity Shares

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

Stock Code

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

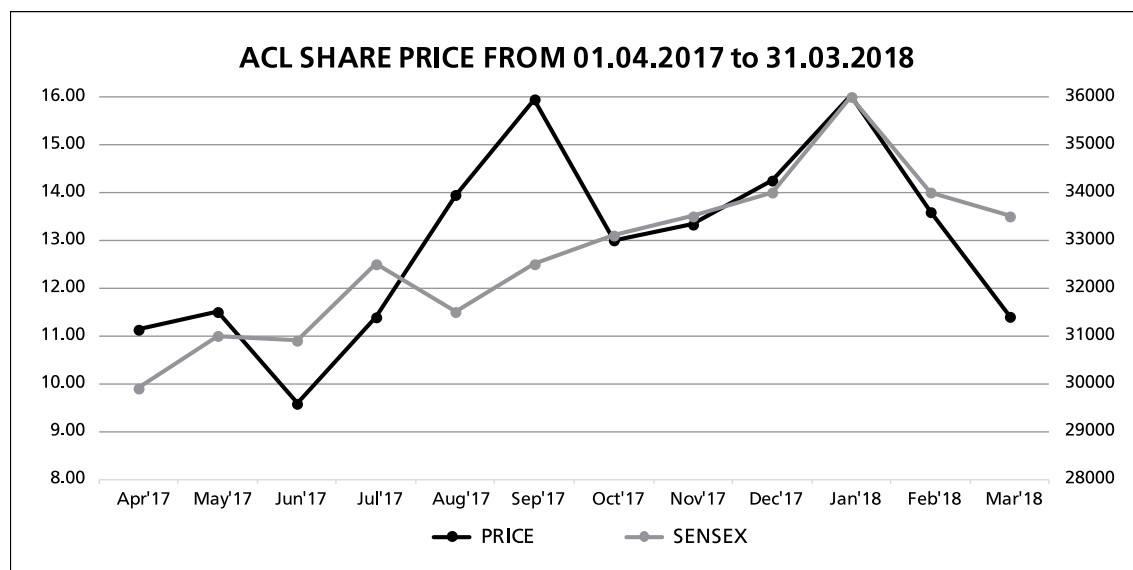
Name of Stock Exchange	Code
BSE Ltd.	532141
National Stock Exchange of India Limited (NSE)	ANDHRACEMT
ISIN No.	INE666E01012

22. MARKET PRICE DATA

Month-wise high and low Sensex and of the share price of the Company during the Financial Year 2017-18 were as under:

Month & Year	Bombay Stock Exchange (BSE)	
	Month's High Price (₹)	Month's Low Price (₹)
April, 2017	11.13	8.30
May, 2017	11.50	8.40
June, 2017	9.58	8.50
July, 2017	11.39	9.50
August, 2017	13.95	8.37
September, 2017	15.95	10.75
October, 2017	13.00	10.90
November, 2017	13.33	10.85
December, 2017	14.25	10.90
January, 2018	16.02	11.87
February, 2018	13.59	10.70
March, 2018	11.40	9.05

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



23. REGISTRAR AND TRANSFER AGENT

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

CIL Securities Limited,
 214, Raghava Ratna Towers, Chirag Ali Lane, Abids
 Hyderabad-500001,
 (Telephone Nos. : 040-23202465, Fax.: 040-23203028)
 e-mail: rta@cilsecurities.com
 e-mail address of the Company for Redressal of Investors' complaints:
 investorcell@andhracements.com

24. SHARE TRANSFER SYSTEM

The Board of Directors have delegated the power of re-materialisation of shares, transfers and transmission, splitting/ consolidation of share certificates and issue of duplicate share certificates etc. to the Compliance Officer & Company Secretary and Shareholders'/Investors' Grievance Committee will review the same at their Meetings.

25. DISTRIBUTION OF SHAREHOLDING

i) The distribution of shareholding according to the number of shares as on 31st March, 2018, was as follows:

a) Distribution of shareholding:

No. of Shares held	No. of Shares	% of share capital	No. of shareholders	% of total No. of shareholders
Up to 500	4532327	1.55	51887	83.35
501 to 1000	4000771	1.36	4416	7.09
1001 to 2000	3953690	1.35	2385	3.83
2001 to 3000	2533119	0.86	948	1.52
3001 to 4000	1764219	0.60	481	0.77
4001 to 5000	3052716	1.04	626	1.01
5001 to 10000	6175723	2.10	768	1.23
10001 and above	267507927	91.14	744	1.20
TOTAL	293520492	100.00	62255	100.00

b) Category-wise Shareholding as on 31st March, 2018.

Category	No. of Shares	% to Total
Promoters	201926406	68.79
Financial Institutions	297620	0.11
FIs	7390000	2.52
Mutual Funds	12753	0.0
Banks	4685	0.00
Body Corporate	32799710	11.18
NRIs	1619716	0.55
Resident Individuals	49469602	16.85
Total	293520492	100.00

26. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are in compulsory dematerialized segment and are available in the Depository System of both NSDL and CDSL. Number of shares held in dematerialized and physical mode as on 31st March, 2018:

Particulars	No. of shares issued	Percentage of total capital
Held in dematerialized form in CDSL	24202305	8.25
Held in dematerialized form in NSDL	260658605	88.80
Physical	8659582	2.95
Total	293520492	100.00

The annual custody fees for the financial Year 2017-18, have been paid to NSDL, and to CDSL The Company's Equity Shares are liquid and actively traded on NSE and BSE.

27. PROJECT/PLANT LOCATIONS

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

Durga Cement Works (DCW) Sri Durgapuram, Dachepalli (Mandal) Guntur Dist, (AP). PIN – 522414	Visaka Cement Works (VCW) Parlupalem (Village) Durganagar (Post) Visakhapatnam, (AP) PIN – 530029
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28. ADDRESS FOR CORRESPONDENCE

Company's address:

Registered Office

: **Durga Cement Works,**
Sri Durgapuram, Dachepalli-522414,
Guntur Distt, (A.P)

Secretarial Office

: 'Ashoka Hi-tech Chambers', Door No.8-2-120/76/1/B
14 & 15 ,3rd Floor,Road No-2,Banjara hills, Hyderabad - 500034
E-mail: investorcell@andhracements.com

Registrar & Transfer

Agent's Address

: CIL Securities Limited,
214, Raghava Ratna Towers
Chirag Ali Lane, Abids, Hyderabad- 500001
Tel.:91-40-23202465
Fax: 91-40-23203028
E-mail: rta@cilsecurities.com

29. NON-MANDATORY REQUIREMENTS

- i) The Company uploads its Quarterly, Half-Yearly and Annual Results on its website – www.andhracements.com which is accessible to all. The results are also reported to Stock Exchanges and published in National Newspapers in English and in regional language newspapers having wide circulation.
- ii) The Company believes in maintaining its Accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. During the year under review, there is no audit qualification in its financial statements.
- iii) The Company has separate persons Chairman and Managing Director/CEO.
- iv) The Internal Auditor Reports directly to Audit Committee.

30. DISCLOSURES

- i) There were no materially significant Related Party Transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Financial Statements.
- ii) There were no cases of non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii) No treatment different from the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder have been followed in preparation of Financial Statements.
- iv) All mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 has been complied with by the Company.

CODE OF CONDUCT - DECLARATION

As provided under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

Place : New Delhi

Date : 30th May, 2018

K N Bhandari

Chairman

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, 2018 as stipulated in Chapter IV of The Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.

The compliance of condition 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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 : Hyderabad
Date : 22nd May, 2018

COMPLIANCE CERTIFICATE FROM CEO/CFO

[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Andhra Cements Limited

1. We have reviewed financial statements and the cash flow statement of Andhra cements Limited for the year ended 31st March, 2018 and to the best of our knowledge and belief.
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for the establishing and maintain internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the audit committee that:
 - i: there are no significant changes in internal control over financial reporting during the year;
 - ii: there are no significant changes in account policies during the year; and
 - iii: there are no instances of significant fraud of which we have become aware.

Anand Kumar Agrawal
Chief Financial Officer

Naveen Kumar Singh
Director & CEO

New Delhi, May 30, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of the Report of Directors for the Year ended 31st March, 2018)

1. Cement Industry

All India Cement production during 2017-18 is estimated to have clocked a figure of around 298 million tones, which indicates of growth of around 6.3% over previous year. While the demand conditions during first half remained sluggish for reasons such as sand shortage, GST roll-out, Implementation of Real Estate Regulatory Authority (RERA) Act etc., and the second half witnessed sharp recovery support by improved sand availability, overall pick-up in economic activities and government projects. The profitability of the Industry remained under pressure because of rising costs due to sharp upward movement in fuel prices and freight costs.

Improved Cement demand conditions witnessed towards second half of 2017-18 are expected to continue mainly driven by pick-up in the housing segment and infrastructure spending by Government, Improved rural income, higher rural credit and increased allocation for rural, agricultural and allied sectors are likely to give further boost to rural housing demand. Pick-up in implementation under Pradhan Mantri Awas Yojana (PMAY) will be a major driver for cement demand in 2018-19. Also, the demand is likely to be supported by increased thrust on infrastructure as reflected in higher allocation in budget. Industrial production thought has picked up in recent months, the same for the year as a whole, is still showing low growth. However, policy reform must also include a revival of public investment in infrastructure which is below the level two years ago. Private investment and cement demand will then revive.

Above developments indicate a positive outlook for cement sector for 2018-19.

Road Ahead

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

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

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

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

2. Review of Financial and Operational Performance

Financial Performance

During the year under review the Company recorded a net loss of ₹ 7113 lacs. Financial performance of the Company, in brief, is as under:

(₹ in lakhs)

	Current Year 2017-18	Previous Year 2016-17
Net Sales	48422	40492
Other Income	463	233
PBIDT	5951	4125
Finance Cost	12739	10501
Depreciation	4476	4004
Profit/(Loss) before exceptional Items	(11264)	(10380)
Exceptional Item	4071	-
Profit/(Loss) before Tax	(7193)	(10380)
Deferred Tax	84	68
Other Comprehensive Income	(4)	33
Net Profit / (Loss)	(7113)	(10279)

Operational Performance

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

Company's business going forward

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

3. 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.

4. Risks and Concerns

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

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

5. Internal Control Systems and their adequacy

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

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

6. Material Developments in Human Resources/Industrial Relations

The Company recognizes its human resources as the most valued asset. The Company has appointed specialized professionals in the fields of engineering, finance, administration and technical and non-technical staff to take care of its operations and allied activities.

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

During the period the Industrial Relations continued to be cordial.

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

1. 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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") of the financial position of the Company as at March 31, 2018, and its losses (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. Emphasis of matter

We draw attention to Note 35 to the financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. The Company has accumulated losses of ₹ 52,145.28 Lakhs against paid up share capital of ₹ 29,352.44 Lakhs as at March 31, 2018. The appropriateness of assumption of going concern depends upon company's measure to achieve profitable operations and meet its obligations. Our opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant Rules issued thereunder.
- e. The matters described under 'Emphasis of matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements; (Refer Note 33 to the financial statements)
 - ii. The Company has made provision, as required under the applicable law or accounting standards. The Company did not have any long-term contract including derivative contract for which there were any material foreseeable losses.
 - iii. According to the information and explanation given to us, an amount of ₹101.91 lakhs pertaining to unpaid matured deposits are yet to be transferred, to the Investor Education and Protection Fund by the Company as on March 31, 2018. Accordingly, there has been delay in transfer.

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

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 30, 2018

Annexure A referred to in Independent Auditors' Report of even date to the members of Andhra Cements Limited ("the Company") on the financial statements for the year ended March 31, 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets;
- (b) The fixed assets have been physically verified during the year by the management on a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us and as per our verification, the discrepancies noticed were not material and have been properly dealt with in the books of account.
- (c) According to information and explanations given to us, the title deeds of the immovable properties have been mortgaged as security with the Banks and Financial Institutions for securing the borrowings and loans raised by the Company. On the basis of our examination of the records of the Company and copy of the title deeds of immovable properties, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, physical verification of inventories has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical inventories and book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantee or securities granted and made investment in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder to the extent notified during the year. Further, in respect of deposits accepted by the Company during an earlier year, the Company Law Board (Southern Regional Bench) has by its order dated July 07, 2001 directed the company to repay the said deposits in accordance with the scheme sanctioned by the BIFR. However, the BIFR in its Modified Rehabilitation Scheme dated July 21, 2008 directed the fixed deposits holders to accept the outstanding principal amount, in four annual installments, on interest free basis. Further, no other Order against the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. In respect of these deposits, the Company is yet to comply with the requirement of maintaining liquid assets and filing of Return of Deposit.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us, the Company is not regular in depositing of undisputed statutory dues of goods and service tax (GST), service tax and duty of excise with the appropriate authorities. However, in case of provident fund, employee's state insurance, duty of customs, sales tax, income tax, value added tax, cess etc. the company is generally regular in depositing with the appropriate authorities. There were no outstanding of such dues as on Balance Sheet date for a period of more than six months from the date it became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following:

S. No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where dispute is Pending
1	Central Excise Act, 1944	Central Excise duty	10.61	2004-05	High Court
		Central Excise duty	650.96	2006-12	CESTAT
		Central Excise duty	140.50	2007-09	CESTAT
		Central Excise duty	1.82	2010-11	CESTAT
		Central Excise duty	984.70	1995-2013	Supreme Court
		Central Excise duty	799.53	2013-16	CESTAT
		Central Excise duty	231.00	2007-10	CESTAT

S. No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where dispute is Pending
2	Finance Act, 1994	Service Tax	57.05	2014-16	CESTAT
		Service Tax	298.64	2007-10	CESTAT
3	APGST Act/CST Act	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

(viii) According to the information and explanations given to us, the Company has not taken loans or borrowings from the Government or issued Debentures. The Company has not defaulted in repayment of loans or borrowings to Financial Institution and banks during the year except principal repayment and payment of interest which are given below:

(₹ in Lakhs)

Lender	Amount of		Period of Default (days)	Remark
	Repayment of Principal	Payment of Interest		
IDFC/EARC Limited	-	364.81 – 16.40	01 – 108	No. of instances 12
IDFC/EARC Limited	300.00	-	35 – 127	No. of instances 2
HDFC Limited	-	773.64 – 9.60	01 – 118	No. of instances 12
HDFC Limited	100.00	-	84	No. of instances 1
Karur Vysya Bank	-	48.46 – 1.52	01 – 93	No. of instances 11
Andhra Bank	-	105.96 – 90.77	01 – 93	No. of instances 12

- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Para 3 (ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration paid or provided during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company.
- (xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 30, 2018

Annexure B to the Independent Auditors' Report on the financial statements of Andhra Cements Limited ("the Company") for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of Andhra Cements Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 30, 2018

BALANCE SHEET AS AT MARCH 31, 2018

		(₹ in Lakhs unless otherwise stated)	
PARTICULARS	NOTE NO	As at	As at
		March 31, 2018	March 31, 2017
I ASSETS			
1 NON CURRENT ASSETS			
a. Property, Plant and Equipment	4	1,00,698.54	77,749.04
b. Capital work-in-progress	4	2,984.12	30,155.02
c. Financial Assets			
i) Investments	5	0.95	0.95
ii) Other financial assets	6	1,454.14	1,619.52
d. Non-Current Tax Assets (net)	7	143.38	126.34
e. Other Non-Current Assets	8	880.91	2,654.89
		1,06,162.04	1,12,305.76
2 CURRENT ASSETS			
a. Inventories	9	2,771.85	2,886.85
b. Financial Assets			
i) Trade Receivables	10	2,721.29	2,711.04
ii) Cash and cash equivalents	11	2,204.48	596.25
iii) Bank balances other than(ii) above	12	260.32	309.29
iv) Other Financial Assets	13	3,782.50	1,632.17
c. Current Tax Assets (net)	14	49.39	-
d. Other current assets	15	4,250.59	4,377.16
		16,040.42	12,512.76
TOTAL ASSETS		1,22,202.46	1,24,818.52
II EQUITY AND LIABILITIES			
1 EQUITY			
a. Equity share capital	16	29,352.44	29,352.44
b. Other Equity	17	(42,821.52)	(35,826.33)
Total Equity		(13,469.08)	(6,473.89)
2 LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	18	86,319.76	87,997.06
b) Provisions	19	439.86	461.96
c) Deferred Tax Liabilities (net)	20	902.49	911.46
		87,662.11	89,370.48
CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	21	4,011.01	3,858.76
ii) Trade payables	22	14,169.52	16,077.27
iii) Other financial liabilities	23	21,655.10	17,662.59
b) Other Current Liabilities	24	8,012.92	4,215.37
c) Provisions	25	160.88	107.94
		48,009.43	41,921.93
Total Liabilities		1,35,671.54	1,31,292.41
Total Equity and Liabilities		1,22,202.46	1,24,818.52

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

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

ANUJ MAHANSARIA

Partner

Membership No. 500819

FOR AND ON BEHALF OF THE BOARD

K N Bhandari

Chairman

DIN: 00191219

Naveen Kumar Singh

Director & CEO

DIN: 00215393

G. Tirupati Rao

Company Secretary

A K Agrawal

Chief Financial officer

Place: New Delhi

Date: MAY 30, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs unless otherwise stated)

PARTICULARS	NOTE NO	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Income:			
I Revenue from Operations	26	48,421.70	40,508.17
II Other Income	27	462.82	232.72
III Total Income (I + II)		48,884.52	40,740.89
IV Expenses:			
a) Cost of Materials Consumed	28	5,203.99	4,077.33
b) Cost of Goods Sold		-	149.10
c) Changes in Inventories of Finished Goods and Work-in-Progress.	29	(342.57)	506.94
d) Employee Benefits Expense	30	2,910.44	2,836.90
e) Finance Costs	31	12,738.75	10,501.01
f) Depreciation and Amortization Expenses	4	4,475.53	4,004.20
g) Excise Duty		1,795.68	5,579.43
h) Other Expenses	32	33,366.51	23,465.71
Total Expenses (IV)		60,148.32	51,120.62
V Profit/(loss) before exceptional items and tax (III - IV)		(11,263.80)	(10,379.73)
VI Exceptional Items	54	(4,070.73)	-
VII Profit/(Loss) before tax (V - VI)		(7,193.07)	(10,379.73)
VIII Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(83.58)	(67.75)
Total (VIII)		(83.58)	(67.75)
IX Profit/(loss) for the year from continuing operations (VII-VIII)		(7,109.49)	(10,311.98)
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit and loss			
- Remeasurement of employees defined benefits		(5.39)	48.33
- Income tax relating to above		1.75	(15.68)
Total (X)		(3.64)	32.65
XI Total Comprehensive Income (IX+ X)		(7,113.13)	(10,279.33)
Earning per Equity Share:			
(1) Basic	53	(2.42)	(3.51)
(2) Diluted	53	(2.42)	(3.51)

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

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants

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DIN: 00215393

G. Tirupati Rao

Company Secretary

A K Agrawal

Chief Financial officer

Place: New Delhi

Date: MAY 30, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs unless otherwise stated)

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
A. Cash flow from operating activities		
Loss Before Tax	(7,193.07)	(10,379.73)
Adjustment for:		
Depreciation and amortisation expenses	4,475.53	4,004.20
Profit on sale of fixed assets	(4,070.73)	-
Provision for Employee Benefits	(5.39)	48.33
Provision for doubtful debts, advances and deposits	0.49	1.29
Interest income on deposits	(73.63)	(135.81)
Finance cost	12,606.42	10,345.22
Operating Profit before working capital changes	5,739.62	3,883.50
Decrease / (Increase) in inventories	114.99	(383.44)
Decrease / (Increase) in trade receivables	(4.81)	439.86
Decrease / (Increase) in financial current and non-current assets	(1,459.74)	(1,654.90)
Decrease / (Increase) in non-financial current and non-current assets	129.07	(1,927.05)
(Decrease) / Increase in non-financial liabilities and provisions	3,828.39	1,558.16
(Decrease) / Increase in trade payables and other financial liabilities	1,043.29	3,580.46
Cash generated from operations	9,390.81	5,496.59
Direct Taxes paid	(66.42)	1.08
Net Cash (used in) / generated from operations	9,324.39	5,497.67
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment (included CWIP and net of Capital Creditor and advances)	(340.16)	(272.36)
Proceeds from sale of Property, Plant and Equipment	4,167.82	8.00
Purchase of Investments	-	-
Net investment in Bank Fixed Deposit	186.75	(102.02)
Interest received	172.25	107.78
Net cash generated /(used) in investing activities	4,186.66	(258.60)

(₹ in Lakhs unless otherwise stated)

PARTICULARS	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
C. Cash flow from financing activities		
Proceeds from Long Term Borrowings	-	2,750.00
Repayment of Long Term Borrowings	(100.00)	-
Proceeds from Short Term Borrowings (net of repayments)	145.02	282.08
Interest and Finance charges paid	(11,947.84)	(8,507.77)
Net cash generated / (used) from financing activities	(11,902.82)	(5,475.69)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,608.23	(236.62)
Cash and cash equivalents at the beginning of the year	596.25	832.87
Cash and cash equivalents at the end of the year	2,204.48	596.25

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

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

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

ANUJ MAHANSARIA

Partner

Membership No. 500819

FOR AND ON BEHALF OF THE BOARD

K N Bhandari

Chairman

DIN: 00191219

Naveen Kumar Singh

Director & CEO

DIN: 00215393

G. Tirupati Rao

Company Secretary

A K Agrawal

Chief Financial officer

Place: New Delhi

Date: MAY 30, 2018

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**A Equity Share Capital**

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

(₹ in Lakhs unless otherwise stated)

Particulars	No. of Shares	Amount
Balance as at April 01, 2016	29,35,20,492	29,352.44
Changes in share capital during the year	-	-
Balance as at March 31, 2017	29,35,20,492	29,352.44
Changes in share capital during the year	-	-
Balance as at March 31, 2018 (Refer note-16)	29,35,20,492	29,352.44

B Other Equity

Particulars	Equity Component of Financial Instrument	Reserves and Surplus					Other Comprehensive Income	Total
		Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	Quary Land Amortization Reserve	Retained Earnings		
Balance as at April 01, 2016	139.54	9,054.05	10.00	1.94	0.29	(34,543.48)	(209.34)	(25,547.00)
Loss for the year	-	-	-	-	-	(10,311.98)	-	(10,311.98)
Re-measurement of the net defined benefit (liabilities)/ assets	-	-	-	-	-	-	32.65	32.65
Balance as at March 31, 2017	139.54	9,054.05	10.00	1.94	0.29	(44,855.46)	(176.69)	(35,826.33)
Loss for the year	-	-	-	-	-	(7,109.49)	-	(7,109.49)
Re-measurement of the net defined benefit (liabilities)/ assets	-	-	-	-	-	-	(3.64)	(3.64)
Adjustment on account of rescheduling and reformation of the borrowing	117.94	-	-	-	-	-	-	117.94
Balance as at March 31, 2018 (Refer note-17)	257.48	9,054.05	10.00	1.94	0.29	(51,964.95)	(180.33)	(42,821.52)

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

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

ANUJ MAHANSARIA

Partner

Membership No. 500819

FOR AND ON BEHALF OF THE BOARD**K N Bhandari**

Chairman

DIN: 00191219

Naveen Kumar Singh

Director & CEO

DIN: 00215393

G. Tirupati Rao

Company Secretary

A K Agrawal

Chief Financial officer

Place: New Delhi

Date: MAY 30, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Company Overview

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

2. Recent accounting pronouncement

In March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 via notification dated 28 March, 2018 to further amend Companies (Indian Accounting Standards) Rules, 2015, notifying a new revenue recognition standard Ind AS 115, 'Revenue from Contracts with Customer'. This amendment replaces Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. Also notifying an insertion of Appendix B, 'Foreign currency transaction and advance consideration' to Ind AS 21, 'The effect of change in foreign exchange rate', amendment to Ind AS 40, 'Investment property' and amendment to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from April 01, 2018.

Notification of Ind AS-115 "Revenue from Contract with Customers": The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition: Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The impact on adoption of Ind AS 115 is expected to be insignificant.

Insertion of Appendix B to Ind AS-21, "Foreign currency transactions and advance consideration": Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use

on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS-40: An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in Management's intentions for the use of a property does not provide evidence of a change in use. When an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the balance sheet) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment." The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS-12: The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

3. Significant Accounting policies

3.1 Statement of Compliance

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

3.2 Basis of preparation

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

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

3.3 Critical accounting judgments and key sources of estimation uncertainty

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

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

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

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

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

Key sources of estimation uncertainty

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

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

3.4 Operating Cycle and Current versus non-current classification

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

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

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and

cash equivalents. The Company has identified twelve months as its normal operating cycle.

3.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment inclusive of excise duty and net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties and government.

Sale of Goods Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

3.6 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

3.7 Foreign Currencies

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

Company operates.

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

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

3.8 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM") in the manner

prescribed in schedule II to the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used. Such classes of assets and their estimated useful lives are as under;

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

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

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

3.10 Intangible assets

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

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

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

3.11 Impairment of Non-Financial Assets

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A

reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.12 Income tax

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

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

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

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

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

3.13 Leases

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

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

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

3.14 Cash and cash equivalents

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

3.15 Provisions and Contingent Liabilities:

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

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

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

3.16 Inventories

Inventories are valued as follows:

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

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

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

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

- **Waste / Scrap:**

Waste / Scrap inventory is valued at NRV.

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

3.17 Financial instruments

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

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

Other Financial Liabilities:

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

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

Impairment of financial assets:

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

Derecognition of financial assets:

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

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

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

Offsetting of financial instruments

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

3.18 Exceptional items

Items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit & Loss.

3.19 Borrowing costs

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

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

3.20 Employee Benefits

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

Post-employment benefit plans

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

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

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

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

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

3.21 Earnings per share (EPS)

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

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

Particulars	(₹ in Lakhs unless otherwise stated)							
	Land - Freehold	Buildings	Plant and Machinery	Motor vehicles	Furniture	Railway Siding	Total Tangible Assets	Capital work in progress
Gross Carrying Value:								
As at April 01, 2016	745.77	5,867.12	99,630.25	269.53	437.86	183.05	1,07,133.58	28,609.21
Additions	-	-	-	-	-	-	-	1,545.81
Disposals/Adjustments	-	-	-	22.25	-	-	22.25	-
Capitalisation During the year	-	-	-	-	-	-	-	-
As at March 31, 2017	745.77	5,867.12	99,630.25	247.28	437.86	183.05	1,07,111.33	30,155.02
Additions	-	4,136.41	23,385.70	-	-	-	27,522.11	347.76
Disposals/Adjustments	97.06	-	0.24	5.40	-	-	102.70	-
Capitalisation During the year	-	-	-	-	-	-	-	27,518.66
As at March 31, 2018	648.71	10,003.53	1,23,015.71	241.88	437.86	183.05	1,34,530.74	2,984.12
Depreciation :								
As at April 01, 2016	-	2,392.98	22,253.27	159.22	392.97	173.90	25,372.34	-
Charge for the year	-	134.42	3,832.76	20.73	16.29	-	4,004.20	-
Disposals	-	-	-	14.25	-	-	14.25	-
Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2017	-	2,527.40	26,086.03	165.70	409.26	173.90	29,362.29	-
Charge for the year	-	219.47	4,234.66	18.63	2.77	-	4,475.53	-
Disposals	-	-	-	5.62	-	-	5.62	-
Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2018	-	2,746.87	30,320.69	178.71	412.03	173.90	33,832.20	-
Net Block :								
As at March 31, 2017	745.77	3,339.72	73,544.22	81.58	28.60	9.15	77,749.04	30,155.02
As at March 31, 2018	648.71	7,256.66	92,695.02	63.17	25.83	9.15	1,00,698.54	2,984.12

Notes:-

- 4.1 - Erection of 30 MW Captive Power Plant is completed and has started commercial production since April 01, 2017.
 4.2 - Refer Note no. 18.1 for property, plant and equipment pledged as security by the company.

5 Non current investments

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
(i) Equity Instruments		
Fair value through profit and loss		
Unquoted :		
2500 fully paid up equity shares of ₹ 10 each of Andhra Pradesh Heavy machinery and Engineering limited	0.25	0.25
(ii) Investment in Government securities		
Amortised cost		
Unquoted :		
National Saving Certificates (Lodged as security with Govt. Depts.)	0.95	0.95
		-
	1.20	1.20
Less: Allowances for impairment in value of Investment	0.25	0.25
Total	0.95	0.95
Note:-		
5.1- Aggregate amount of unquoted investment before impairment	1.20	1.20
5.2- Aggregate amount of impairment in value of investments.	0.25	0.25
5.3- The movement in allowance for impairment in value of Investment		
Balance as at beginning of the year	0.25	0.25
Allowance for impairment loss during the year	-	-
Balance as at ending of the year	0.25	0.25

6 Other Financial Assets

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
a) Bank Balances		
Term Deposits with remaining maturity of more than 12 months*	16.45	154.23
Interest on Term Deposit	0.30	69.51
	16.75	223.74
b) Other Receivables		
Other Receivables	12.29	12.29
	12.29	12.29
c) Security Deposits		
Considered good	1,425.10	1,383.49
Considered doubtful	0.50	0.50
	1,425.60	1,383.99
Less: Provision for Diminution in Value	0.50	0.50
	1,425.10	1,383.49
Total	1,454.14	1,619.52
Movement in provision for diminution in value of Security Deposit		
Balance as at beginning of the year	0.50	0.50
Allowance for impairment loss during the year	-	-
Balance as at ending of the year	0.50	0.50

*Held as margin money against letter of credit issued by the banks.

7 Non-Current Tax Assets (net)

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
Advance tax including Tax Deducted at Source	114.31	97.27
Minimum alternate tax (MAT)	29.07	29.07
Total	143.38	126.34

8 Other Non-Current Assets

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
Capital Advances	640.88	2,412.37
Prepaid expenses	11.06	6.32
Deposits under protest with government authorities and others	228.97	236.20
Total	880.91	2,654.89

9 Inventories

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
(As taken, valued and certified by the Management)		
Raw Material	334.25	410.91
Work-In-Progress	584.81	238.32
Finished Goods	69.97	118.85
Stores and Spares	1,819.48	2,155.43
	2,808.51	2,923.51
Less: Provision for Obsolete Stores and Spares	36.66	36.66
Total	2,771.85	2,886.85
Movement in provision for Obsolete Stores and spares :		
Balance as at beginning of the year	36.66	36.66
Provision for obsolete stores and spares loss during the year	-	-
Balance as at ending of the year	36.66	36.66

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

10 Trade receivables

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
(unsecured, considered good, unless otherwise stated)		
Considered good	2,721.29	2,711.04
Considered doubtful	730.59	733.31
	3,451.88	3,444.35
Less: Allowance for expected credit loss*	730.59	733.31
Total	2,721.29	2,711.04
(Refer Note no. 46.2(b))		
Movement in allowance for expected credit loss :		
Balance as at beginning of the year	733.31	733.31
Allowance for expected credit loss during the year	0.49	1.29
Trade receivables written off during the year	3.21	1.29
Balance as at ending of the year	730.59	733.31

*Allowance for doubtful trade receivables is made on the basis of expected credit loss allowance, taking into account the estimated credit loss experience with adjustment for forward looking information.

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

11 Cash and cash equivalents

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
(a) Balance with banks		
-On current accounts	2,202.83	592.23
(b) Cash on hand		
Cash on hand	1.65	4.02
Total	2,204.48	596.25

12 Bank balances other than cash and cash equivalents

PARTICULARS	₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
(a) On account of earmarked balances		
- Term deposit as security against unpaid matured Debentures*	-	190.00
- Savings Bank Account with Mining Department*	-	0.80
	-	190.80
(b) On account of margin money		
- Term Deposits with remaining maturity of more than 3 months but less than 12 month**	115.70	118.49
	115.70	118.49
(c) Other bank balances		
-Term Deposits with remaining maturity of more than 3 months but less than 12 month	144.62	-
	144.62	-
Total	260.32	309.29

*These balances are not available for use by the Company.

**Pledged as securities or earmarked for issue of letters of credit /bank guarantees/margin money.

13 Other Financial Assets

PARTICULARS	₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good, unless otherwise stated)		
Receivable from related parties (Refer note-51)	2,957.76	1,500.95
Interest on Term Deposit with Banks	1.69	31.10
Other Receivable	823.05	100.12
Total	3,782.50	1,632.17

14 Current Tax Assets (net)

PARTICULARS	₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
Income tax refundable	49.39	-
Total	49.39	-

15 Other current assets

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good, unless otherwise stated)		
Advances to suppliers		
Considered good	2,753.77	3,920.51
Considered doubtful	56.86	56.86
	2,810.63	3,977.37
Less: Allowance for doubtful advances	56.86	56.86
	2,753.77	3,920.51
 Prepaid expenses	 87.26	 96.49
Balances with Statutory / Government Authorities	1,409.56	360.16
 Total	 4,250.59	 4,377.16
 Movement in allowance for doubtful advances :		
Balance as at beginning of the year	56.86	56.86
Allowance for doubtful advance during the year	-	-
Balance as at ending of the year	56.86	56.86

16 Equity share capital

(₹ in Lakhs unless otherwise stated)		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
Authorized		
40,00,00,000 (March 31, 2017:40,00,00,000) Equity Shares of ₹10 each	40,000.00	40,000.00
1,00,00,000 (March 31, 2017:1,00,00,000) Cumulative Redeemable Preference Shares of ₹ 100 each	10,000.00	10,000.00
	50,000.00	50,000.00
Issued, Subscribed and Paid-Up		
29,35,20,492 (March 31, 2017:29,35,20,492) Equity Shares of ₹10 each	29,352.05	29,352.05
Add: Forfeited Shares (Refer Note 16.5)	0.39	0.39
	29,352.44	29,352.44

16.1 Terms/Rights attached to Equity Shares

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

16.2 Share held by the holding Company

Name of the Share holder	As at March 31, 2018 (No. of shares)	As at March 31, 2017 (No. of shares)
Jaypee Development Corporation Limited	20,19,26,406	20,19,26,406

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

Name of the Share holder	As at	As at
	March 31, 2018	March 31, 2017
	(No. of shares)	(No. of shares)
Jaypee Development Corporation Limited	20,19,26,406 68.79%	20,19,26,406 68.79%
Housing Development Finance Corporation Limited	2,59,57,055 8.84%	2,59,57,055 8.84%

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

Details	As at	As at
	March 31, 2018	March 31, 2017
	(No. of shares)	(No. of shares)
Balance at the beginning of the year	29,35,20,492	29,35,20,492
Add: Shares issued during the year	-	-
Balance at the end of the year	29,35,20,492	29,35,20,492

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

17 Other Equity

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
i. Equity Component of Financial instrument	257.48	139.54
ii. Other Reserves*		
Securities premium reserve	9,054.05	9,054.05
Capital reserve	10.00	10.00
Capital Redemption Reserve	1.94	1.94
Quary Land Amortization Reserve	0.29	0.29
Retained Earnings	(51,964.95)	(44,855.46)
Other Comprehensive Income	(180.33)	(176.69)
	(43,079.00)	(35,965.87)
Total	(42,821.52)	(35,826.33)

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

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

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

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

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

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

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

18 Borrowings

(₹ in Lakhs unless otherwise stated)

PARTICULARS	As at	As at
	March 31, 2018	March 31, 2017
SECURED:		
Term Loans		
From Banks	14,504.00	14,800.00
From Financial Institutions	68,709.38	71,846.31
UNSECURED:		
Term Loan		
From Related Party	3,106.38	1,350.75
Total	86,319.76	87,997.06

18.1 Terms and Conditions of the borrowings as on March 31, 2018:

Lender	Loan Amount	Balance		Rate of Interest*	Terms of Repayment	Security
		As on March 31,2018	As on March 31,2017			
Secured:						
Karur Vasya Bank (Term Loan)	4,900.00	4,900.00	4,900.00	12.25%	Refer note 18.4	Term Loans are secured by first charge by way of mortgage, on immovable properties and hypothecation of all movable properties, machinery, machinery spares, tools, furniture fixture and accessories present and future, and second charge on current assets including inventories, stores and spares, book debts, operating cash flow receivables etc., further secured by first charge on intangible assets and other reserve relating to the project and pledge of 75% Shares of promoter holding (Maximum to the extent of 55% of total paid up capital of the Company). Moreover, personal guarantee of Mr. Manoj Gaur for secured term loans.
Andhra Bank (Term Loan)	9,900.00	9,900.00	9,900.00	12.25%		
HDFC Limited (Term Loan)	36,550.00	36,450.00	36,550.00	11.50%		
IDFC Limited/ EARC Limited (Term Loan)	35,296.31	35,296.31	35,296.31	11.50%		
Unsecured:						
Jaypee Development Corporation Limited**	3,312.69	3,106.38	2,197.80	10.00%	Repayable in 20 Equated Quarterly Instalments of ₹ 212.50 lakhs commencing from September 30, 2019	UNSECURED
TOTAL BORROWINGS	89,959.00	89,652.69	88,844.11			
Less: Current Maturities [Refer Note no. 23 (a)]		(3,332.93)	(847.05)			
Long Term Borrowings		86,319.76	87,997.06			

*Reset on change of lender's CPLR

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

Unamortised Transaction cost ₹ 206.31(₹ 49.46) Lakhs is not included in borrowings.

18.2 Cash Sweep

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

18.3 Details of default in payment as on March 31, 2018

Lender	Amount		Due Date	Period of Default	
	Principal	Interest			
EARC/IDFC Limited	150.00	-	Nov 25, 2017	127	
	-	100.41	Dec 14, 2017	108	
	-	18.88	Dec 31, 2017	91	
	-	362.73	Jan 14, 2018	77	
	-	18.91	Jan 31, 2018	60	
	150.00	-	Feb 25, 2018	35	
	-	364.81	Feb 14, 2018	46	
	-	17.21	Feb 28, 2018	32	
	-	330.63	Mar 14, 2018	18	
	-	19.26	Mar 31, 2018	1	
	HDFC Limited	100.00	-	Jan 07, 2018	84
		-	308.67	Jan 31, 2018	60
		-	9.60	Feb 14, 2018	46
-		310.51	Feb 28, 2018	32	
-		19.64	Mar 14, 2018	18	
-		428.80	Mar 31, 2018	1	
-		344.84	Mar 31, 2018	1	
-		-	-	-	
Andhra Bank	-	94.51	Jan 31, 2018	60	
	-	90.77	Feb 28, 2018	32	
	-	100.27	Mar 31, 2018	1	
Karur Vysya Bank	-	1.52	Mar 31, 2018	1	
Jaypee Development Corporation Limited	-	9.85	Jul 31, 2017	244	
	-	24.85	Aug 31, 2017	213	
	-	24.85	Sep 30, 2017	183	
	-	24.85	Oct 31, 2017	152	
	-	24.85	Nov 30, 2017	122	
	-	24.85	Dec 31, 2017	91	
	-	24.85	Jan 31, 2018	60	
	-	24.85	Feb 28, 2018	32	
	-	24.85	Mar 31, 2018	1	

The Company has requested the Lender to reschedule the defaulted installment of Working Capital Loan, waiver of Penal Interest (part of which is included above) and reduction in Interest Rate which is under consideration as at Balance Sheet date. The Management is confident of getting the approval for the same.

18.4 Repayment terms of the Outstanding Borrowings

Bank	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Outstanding Borrowings (₹ in Lakhs)
-HDFC Limited	30 th Jun.	30 th Sep.	31 st Dec.	31 st Mar.	35,550.00
-EARC/IDFC Limited	15 th Jun.	15 th Sep.	15 th Dec.	15 th Mar.	33,796.31
-Karur Vysya Bank	30 th Jun.	30 th Sep.	31 st Dec.	31 st Mar.	4,900.00
-Andhra Bank	30 th Jun.	30 th Sep.	31 st Dec.	31 st Mar.	9,900.00
Financial Year	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Total
2018-19	0.50%	0.50%	0.50%	0.50%	2.00%
2019-20	1.00%	1.00%	1.00%	1.00%	4.00%
2020-21	1.25%	1.25%	1.25%	1.25%	5.00%
2021-22	1.50%	1.50%	1.50%	1.50%	6.00%

Bank	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Outstanding Borrowings (₹ in Lakhs)
2022-23	1.75%	1.75%	1.75%	1.75%	7.00%
2023-24	2.25%	2.25%	2.25%	2.25%	9.00%
2024-25	2.50%	2.50%	2.50%	2.50%	10.00%
2025-26	2.50%	2.50%	2.50%	2.50%	10.00%
2026-27	2.50%	2.50%	2.50%	2.50%	10.00%
2027-28	2.50%	2.50%	2.50%	2.50%	10.00%
2028-29	2.00%	2.00%	2.00%	2.00%	8.00%
2029-30	2.00%	2.00%	2.00%	2.00%	8.00%
2030-31	1.50%	1.50%	1.50%	1.50%	6.00%
2031-32	1.25%	1.25%	1.25%	1.25%	5.00%
Total	25.00%	25.00%	25.00%	25.00%	100.00%

Instalment Date	Borrowing	Qtr. I	Qtr II	Qtr. III	Qtr. IV
-HDFC Limited	900.00	7 th Apr.	7 th Jul.	7 th Oct.	7 th Jan.
-EARC/IDFC Limited	1,500.00	25 th May	25 th Aug.	25 th Nov.	25 th Feb.
Financial Year	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Total
2017-18	-	-	10.00%	10.00%	20.00%
2018-19	10.00%	10.00%	15.00%	15.00%	50.00%
2019-20	15.00%	15.00%	-	-	30.00%
Total	25.00%	25.00%	25.00%	25.00%	100.00%

19 Provisions

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
Provisions for employee benefits		
For leave benefits	77.38	72.22
For gratuity	362.48	389.74
Total	439.86	461.96

20 Deferred Tax Liabilities (net)

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
Deferred tax liability arising on account of :		
Property, plant and equipment	14,014.80	11,111.75
Fair Valuation of Financial Instrument through FVTPL	66.84	16.04
Deferred tax liability	14,081.64	11,127.79
Deferred tax assets arising on account of :		
Expenditure allowed for tax purpose on payment basis	309.76	283.35
Carry forward unabsorbed depreciation	12,601.77	9,664.47
Expected credit loss of financial asset / impairment of non-financial asset	267.62	268.51
Deferred tax assets	13,179.15	10,216.33
Total	902.49	911.46

(Refer Note no. 48)

21 Borrowings

PARTICULARS	₹ in Lakhs unless otherwise stated	
	As at March 31, 2018	As at March 31, 2017
From Banks		
Secured :		
Working capital loan from banks*	4,011.01	3,851.53
From Others		
Unsecured :		
Loans from Sales tax	-	7.23
Total	4,011.01	3,858.76

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

22 Trade payables

PARTICULARS	₹ in Lakhs unless otherwise stated	
	As at March 31, 2018	As at March 31, 2017
Due to Micro Enterprises and Small Enterprises (Refer note- 39)	-	-
Due to creditors other than Micro Enterprises and Small Enterprises	14,169.52	16,077.27
Total	14,169.52	16,077.27

23 Other Financial liabilities

PARTICULARS	₹ in Lakhs unless otherwise stated	
	As at March 31, 2018	As at March 31, 2017
(a) Current maturities of long term debt	3,332.93	847.05
(b) Interest accrued but not due	212.94	212.11
(c) Interest accrued and due	3,150.58	3,596.77
(d) Unpaid matured deposits and interest accrued thereon (Refer Note No.43 (ii) and 23.3)	101.91	101.94
(e) Unpaid matured debentures and interest accrued thereon (Refer Note No.23.1)	-	193.17
(f) Unclaimed Redeemable Cumulative Preference Share (Refer Note No.23.2)	1.92	1.92
(g) Other Payable		
- Liabilities of Capital Goods	8,425.10	9,062.71
- Deposits received from Contractors/Customers	2,718.18	613.08
- Liability for disputed Fuel Surcharge Adjustment	877.99	877.99
- Salaries and Wages Payable	306.93	284.67
- Other liabilities	2,526.62	1,871.18
Total	21,655.10	17,662.59

Notes :

23.1 -During the current year, the Company had transferred amount of Unpaid matured Debentures to Investor Education and Protection Fund (IEPF).

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

23.3 -There is an amount of ₹ 101.91 (Previous year ₹ 295.11 lakhs) due for payment to the Investor Education and protection Fund under Section 125 of the Companies Act 2013 as on March 31, 2018.

24 Other Current Liabilities

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
Advances from Customers	2,636.78	2,155.87
Statutory dues payable	5,376.14	2,059.50
Total	8,012.92	4,215.37

25 Provisions

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	As at March 31, 2018	As at March 31, 2017
Provisions for employee benefits		
For leave benefits	24.51	25.37
For gratuity	136.37	82.57
Total	160.88	107.94

26 Revenue from Operations

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of Products	48,406.23	40,327.72
Other operating revenue	15.47	180.45
Total	48,421.70	40,508.17

27 Other Income

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income	73.63	135.81
Credit balance written back	2.50	-
Other non operating income	386.69	96.91
TOTAL	462.82	232.72

28 Cost of Materials Consumed

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Limestone	1,738.31	1,212.72
Slag	278.04	465.49
Gypsum	903.14	693.81
Pozzolona and Other Materials	2,002.58	1,242.18
Clinker	281.92	463.13
TOTAL	5,203.99	4,077.33

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

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Finished Goods		
Opening Inventory	118.85	483.70
Closing Inventory	69.97	118.85
TOTAL (A)	48.88	364.85
Work-in-Progress (WIP)		
Opening Inventory	238.32	380.41
Closing inventory	584.81	238.32
TOTAL (B)	(346.49)	142.09
Excise Duty on Stock Movement	(44.96)	-
Change in Inventories of Finished/ WIP	(342.57)	506.94

30 Employee Benefits Expense

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and Wages (Refer note- 44)	2,777.85	2,697.04
Contribution to Provident and Other Funds	62.04	68.35
Staff Welfare Expenses	70.55	71.51
TOTAL	2,910.44	2,836.90

31 Finance Costs

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest on Borrowings	12,606.42	10,345.22
Other borrowing costs	132.33	155.79
TOTAL	12,738.75	10,501.01

32 Other Expenses

PARTICULARS	(₹ in Lakhs unless otherwise stated)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Power and Fuel	20,052.50	12,886.46
Freight and forwarding charges	8,874.30	7,239.28
Packing Expenses	1,642.92	1,358.16
Consumption of stores and spares	860.33	819.88
Rent expenses	233.70	173.24
Repairs and Maintenance:		-
-Buildings	27.13	15.82
-Machinery	193.04	87.33
-Others	26.53	13.37
Insurance expenses	114.45	45.09
Rates and Taxes	103.84	128.00
Advertisement and Business Promotion	216.76	5.73
Commission on Sales	297.12	214.78
Payment to Auditors		
- Statutory Audit Fees (including Limited Review)	13.00	13.00
- For reimbursement of Expenses	0.75	0.38
Allowances for expected credit loss	0.49	1.29
Legal and Professional Expenses	115.69	139.24
Printing and Stationery expenses	17.09	4.24
Communication expenses	44.10	23.41
Travelling and Conveyance expenses	108.35	31.82
Miscellaneous expenses	424.41	265.19
TOTAL	33,366.51	23,465.71

33. Contingent Liabilities

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

(₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Claims (Suppliers etc.)*	58.75	75.37

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

(ii) Disputed demands under litigation#

(₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
APGST/ Value Added Tax (amount paid under protest ₹ 1.25 lakhs)	36.33	36.33
Central Sales Tax	23.18	23.18
TGST/ Value Added Tax	-	67.29
Orrisa Sales Tax/ Value Added Tax	-	3.48
Central Excise* (amount paid under protest ₹ 36.11 lakhs)	2,855.23	2,855.52
Service Tax (amount paid under protest ₹ 104.22 lakhs)	459.91	459.91

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

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

(iii) **Excise authority**, although accepted payment of principal amount of ₹ 629 Lakhs under installment scheme in terms of BIFR Order (MS-08), has subsequently filed an appeal in AAIFR against the said order in respect of reliefs for interest etc., granted to the Company. AAIFR allowed the appeal which was contested by the Company before Hon'ble Delhi High Court. The Delhi High Court disposed the appeal by giving liberty to revenue to decide case on merits and as per guidelines applicable to sick Companies which later confirmed by AAIFR in its Final order. The Excise Department has issued a Show Cause Notice (SCN) on 19th June 2015 demanding ₹ 984.70 Lakhs towards interest on the principal amount against which Company file writ petition no. 27732 of 2015 in Hon'ble High Court, Hyderabad. Simultaneously, Company submitted the reply for the SCN on March 21, 2016. Excise Department confirmed the Demand against SCN on 04.10.2016 subjected to decision in writ petition no. 27732 of 2015. Company preferred Writ petition no 36553 of 2016 dated 28.10.2016 in the Hon'ble High Court, Hyderabad against the orders of Commissioner Excise confirming the Demand but the Hon'ble High Court, Hyderabad in its order dated 24.03.2017 has dismissed both the petition with mentioned that there are no merits in the writ petition. Against the order of the Hon'ble High Court, Hyderabad, the Company has filed SLP(C) with Hon'ble Supreme Court of India on 26-05-2017 which was registered as civil appeal No. 9332/2017 and the Company is confident of waiver of interest in terms of Hon'ble BIFR directions in MS08.

(iv) **Export obligation**: The Company has export obligation in connection with import of machineries under Export Promotion Capital Goods Scheme (EPCG). In the event of non-fulfillment of the export obligation upto FY 2016-17, the company may be held liable for differential custom duty of ₹ 838.16 Lakhs (approximately) and interest thereon. Moreover, the Company has filled request letter for 8 years extension from December 2014 for Export Commitments, dated March 17, 2016, in light of, the commercial production from the Plant started from December 2014 and due to Global recession, Exports of our products (Cement and Clinker) are not viable and rates being offered in international market are lower than even cost and the matter is under consideration with EPCG.

(v) **Employee benefit**: During the previous period, employee benefit expenses includes arrears of salaries and wages and other expenses of ₹ 1,150 Lakhs in terms of Memorandum of Settlement u/s 18(1) of the Industrial Dispute Act, 1947, entered into with the Labour Unions on 6th March, 2012. However, some of the workers and staff have filed an application with Central Government Industrial Tribunal cum Labour Court under section 33(c) (2) of Industrial Dispute Act, 1947 in year 2013-14 and CJ, City Civil Court, Hyderabad respectively demanding payment of ₹ 59.34 Lakhs and ₹ 14.41 Lakhs which had been waived off as per the above settlement with the registered labour union.

(vi) **Fuel Surcharge Adjustment (FSA)** of ₹ 550.65 lakhs levied by APSPDCL in 2008-09 which is under disputed and challenged by all cement companies in the Hon'ble Supreme Court. The management is confident that decision will be in favour of Company. FSA as on 31.03.2018 is ₹ 545.80 lakhs (net of ₹ 4.85 lakhs as deposit) and interest thereon amounting ₹ 327.34 lakhs, both have been sufficiently provided for into books of account.

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

34. Capital Commitments

(₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated value of contracts to be executed on capital account (net of advances)	-	325.77

35. The Company has accumulated loss of ₹ 52,145.28 lakhs (including Other Comprehensive Income) against the paid up share capital of ₹ 29,352 lakhs as at March 31, 2018. The Company has implemented various marketing and cost control measures to achieve consistent profitable operations and cash flows. Further, Board of Directors in its meeting held on 30th May 2018 has decided to dispose off its split Grinding Unit located at Visakhapatnam and necessary steps are being initiated for the same. The Management is confident that this will lead to substantial improvement in financial position of the Company through reduction of borrowings and Interest cost. Accordingly, financial statements have been prepared on going concern basis.

36. CIF Value of Imports:

(₹ in lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores and Spares (including coal)	2,829.51	2,722.65

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

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

39. The Company did not have any dues under trade payable to Micro, Small and Medium Enterprises Development Act, 2006. The disclosure on above is based on the information available with the Company.

(₹ in lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Dues remaining unpaid as at Balance Sheet date		
- Principal amount	-	-
- Interest amount	-	-
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during period) but without adding the interest specified under the Act	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
(e) Interest accrued and remaining unpaid as at Balance sheet date	-	-

40. Some of the Sundry Debtors, Deposits Retention Money, Sundry Creditors and Advances are subject to confirmations. The management does not expect any material adjustment on account of such confirmation.
41. The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segment applicable to the Company.
42. In accordance with Ind AS 17 "Leases", the company has taken Asset on Operating Lease, the total of Future minimum lease payment under non-cancellable operating lease for each of the following periods are:

(₹ in lakhs unless otherwise stated)

Particulars	Less than 1year	1-5 years	Total payments
March 31, 2017			
Minimum lease payment	48.43	12.33	60.76
Present value of minimum lease payment	37.03	8.70	45.73
March 31, 2018			
Minimum lease payment	15.11	-	15.11
Present value of minimum lease payment	10.71	-	10.71

Lease payments recognized in the statement of Profit and loss for the year is ₹ 48.43 Lakhs.

Leasing Arrangement clause

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

43. BIFR

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

44. Details of Employees Benefits as required by the Ind AS 12 "Employee Benefits" are given below: -

a) **Defined contribution plans:**

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

(₹ in lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to provident fund	60.65	56.51

b) **Defined benefit plan:**

(i) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in lakhs unless otherwise stated)

Gratuity (Unfunded)	Year ended		For the year ended	
	March 31, 2018		March 31, 2017	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefits obligation at the beginning of the year	472.31	97.59	512.92	101.53
Current Service Cost	23.48	6.54	25.31	10.07
Interest Cost	37.17	7.68	41.03	8.12
Actuarial (gain)/loss	(1.97)	7.36	(32.77)	(15.06)
Benefit paid	(32.14)	(17.29)	(74.19)	(7.07)
Defined Benefit obligation at the year end	498.85	101.88	472.31	97.59

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

(₹ in lakhs unless otherwise stated)

	Year ended		For the year ended	
	March 31, 2018		March 31, 2017	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Present value of obligation at year end	498.85	101.88	472.31	97.59
Amount recognized in Balance Sheet	(498.85)	(101.88)	(472.31)	(97.59)

(iii) Expenses recognized during the year

(₹ in lakhs unless otherwise stated)

	Year ended		For the year ended	
	March 31, 2018		March 31, 2017	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Service Cost	23.48	6.54	25.31	10.07
Interest Cost	37.17	7.68	41.03	8.12
(Actuarial gain)/(loss)	(1.97)	7.36	(32.77)	(15.06)
Total Cost recognized in the Profit & Loss A/c	58.68	21.58	33.57	3.13

(iv) Actuarial assumption

(₹ in lakhs unless otherwise stated)

	Year ended	For the year ended
	March 31, 2018	March 31, 2017
Discount rate of return on plan assets (per annum)	7.55	7.87
Rate of escalation in salary (per annum)	5.50	5.50
Average balance service	8.88	6.83

(v) Sensitivity

(₹ in Lakhs unless otherwise stated)

	As at March 31, 2018			As at March 31, 2017		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Gratuity :						
Discount rate	0.50%	7.55	7.26	0.50%	7.62	7.35
Salary Escalation Rate	0.50%	7.67	7.43	0.50%	7.76	7.55
Earned Leave :						
Discount rate	0.50%	2.24	2.11	0.50%	1.97	1.87
Salary Escalation Rate	0.50%	2.22	2.17	0.50%	2.00	1.92

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

(vi) The defined benefit obligations shall mature after year end March 31, 2018 as follows:

Gratuity:		(₹ in Lakhs)	
Year	As at March 31, 2018	As at March 31, 2017	
2018	-	82.57	
2019	136.37	14.44	
2020	76.49	21.92	
2021	65.80	70.54	
2022	38.53	62.13	
Thereafter	181.66	220.71	

Earned Leave:		(₹ in Lakhs)	
Year	As at March 31, 2018	As at March 31, 2017	
2018	-	25.37	
2019	24.51	15.44	
2020	19.45	13.55	
2021	12.60	9.33	
2022	5.50	5.15	
Thereafter	39.73	28.74	

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

45. Fair Value

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

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

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

Financial instruments by Category

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

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	(₹ in lakhs unless otherwise stated)	
				Total Carrying Value	Total Fair value
Assets:					
Investments	0.95	-	-	0.95	0.95
Other financial Assets	5,236.64	-	-	5,236.64	5,236.64
Trade receivables	2,721.29	-	-	2,721.29	2,721.29
Cash and cash equivalent	2,204.48	-	-	2,204.48	2,204.48
Bank balances other than cash and cash equivalent	260.32	-	-	260.32	260.32
	10,423.68	-	-	10,423.68	10,423.68
Liabilities:					
Long term borrowings* (Including Current Maturities)	89,652.69	-	-	89,652.69	89,652.69
Short term borrowings	4,011.01	-	-	4,011.01	4,011.01
Trade payables	14,169.52	-	-	14,169.52	14,169.52
Other financial liabilities	18322.17	-	-	18322.17	18322.17
	126,155.39	-	-	126,155.39	126,155.39

The carrying value and fair value of financial instruments by categories as of March 31, 2017 are as follows:

(₹ in lakhs unless otherwise stated)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
Assets:					
Investments	0.95	-	-	0.95	0.95
Other financial Assets	3,251.69	-	-	3,251.69	3,251.69
Trade receivables	2,711.04	-	-	2,711.04	2,711.04
Cash and cash equivalent	596.25	-	-	596.25	596.25
Bank balances other than cash and cash equivalent	309.29	-	-	309.29	309.29
	6,869.22	-	-	6,869.22	6,869.22
Liabilities:					
Long term borrowings* (Including Current Maturities)	88,844.11	-	-	88,844.11	88,844.11
Short term borrowings	3,858.76	-	-	3,858.76	3,858.76
Trade payables	16,077.27	-	-	16,077.27	16,077.27
Other financial liabilities	16,815.55	-	-	16,815.55	16,815.55
	125,595.69	-	-	125,595.69	125,595.69

*Unamortised transaction cost ₹ 206.31 (49.46) lakhs is not included in the borrowings.

46. Financial risk management and policies

46.1 Capital Risk Management

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

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

(₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Borrowings (Including Current maturities of long terms debts)	93,663.70	92,702.87
Trade payables	14,169.52	16,077.27
Other financial liabilities (Excluding Current maturities of long terms debts)	18,322.17	16,815.55
Less: Cash and cash equivalent	(2,204.48)	(596.25)
Net debts (A)	123,950.91	124,999.44
Total Equity(B)	(13,469.08)	(6473.89)
Capital and net debt(C=A+B)	110,481.83	118,525.55
Gearing Ratio (%) (A/C)	112.19%	105.46%

46.2 Financial-Risk-Management

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

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

a) **Market Risk**

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

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

(i) **Interest rate risk**

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

(a) **Interest Sensitivity**

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

(₹ in lakhs unless otherwise stated)

Particulars	2017-18	2016-17
Total borrowings	90,557.31	90,497.84

(b) **Interest Rate Sensitivity**

(₹ in lakhs unless otherwise stated)

Particulars	2017-18	2016-17
50 bp increase would decrease the profit before tax by	(452.79)	(452.49)
50 bp decrease would Increase the profit before tax by	452.79	452.49

(ii) **Foreign currency risk**

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

(₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Payables	-	-

b) **Credit Risk:**

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

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

At March 31, 2018, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

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

(₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Within Credit period	1,412.93	675.25

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

(₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables:		
Less than 60 days	301.43	756.03
61 to 120 days	145.81	336.79
121 to 180 days	116.28	275.43
Over 180 days	744.84	667.54
Total	1,308.36	2,035.79

c) **Liquidity Risk**

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

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

(₹ in lakhs unless otherwise stated)

Particulars	Less than 1 year	1-5 years	>5 years	Total payments
March 31, 2018				
Borrowings (including Current maturities of long terms debts)	7,343.94	21,587.64	64,938.43	93,870.01
Trade payables	14,169.52	-	-	14,169.52
Other financial liabilities	18,322.17	-	-	18,322.17
March 31, 2017				
Borrowings (including Current maturities of long terms debts)	4,737.47	18,173.42	69,841.44	92,752.33
Trade payables	16,077.27	-	-	16,077.27
Other financial liabilities	16,815.53	-	-	16,815.53

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

48. **Income tax:**

a) **Income tax expense:**

(₹ in lakhs unless otherwise stated)

Component of Income Tax expense:	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax	-	-
Deferred tax charge/(credit)	(83.58)	(67.75)
Tax expense recognized in the Statement of Profit and Loss before OCI	(83.58)	(67.75)
Deferred tax charge/(credit) in OCI	(1.75)	15.68
Total Income tax expense	(85.33)	(52.07)

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

(₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017		
Profit / (loss) before tax	(7,193.07)	(10,379.73)		
Current Tax*	-	-		
Property, plant and equipment – Depreciation	(34.25)	(96.03)	(0.48%)	(0.93%)
Effect of temporary differences	(51.08)	43.96	(0.70%)	0.43%
Income Tax Expense recognized in the Statement of Profit & Loss	(85.33)	(52.07)	(1.18%)	(0.50%)

*Current tax is nil as the Company has incurred losses and recognised deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liabilities arising on account of the timing difference on depreciation.

c) Tax assets and liabilities

(₹ in lakhs unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Non-current tax assets (net)	143.38	126.34
Current tax assets (net)	49.39	-

d) Movement of deferred tax assets and liabilities

(₹ in lakhs unless otherwise stated)

Particulars	As at April 01, 2016	Credit/ (Charge) to the Profit and Loss	Credit/ (Charge) to the Other Equity	Credit/ (Charge) to the OCI	As at March 31, 2017	As at April 01, 2017	Credit/ (Charge) to the Profit and Loss	Credit/ (Charge) to the Other Equity	Credit/ (Charge) to the OCI	As at March 31, 2018
Fixed Assets: impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	9,995.21	1,116.54	-	-	11,111.75	11,111.75	2,903.05	-	-	14,014.80
Fair Valuation of Financial Instrument through FVTPL	47.45	(31.41)	-	-	16.04	16.04	(25.56)	76.36	-	66.84
Deferred tax liability	10,042.66	1,085.13	-	-	11,127.79	11,127.79	2,877.49	76.36	-	14,081.64
Expenditure allowed for tax purpose on payment basis	358.69	(59.66)	-	(15.68)	283.35	283.35	24.66	-	1.75	309.76
Allowance for doubtful debts and advances	268.51	-	-	-	268.51	268.51	(0.89)	-	-	267.62
Carry forward unabsorbed depreciation	8,451.93	1,212.54	-	-	9,664.47	9,664.47	2,937.30	-	-	12,601.77
Deferred tax assets	9,079.13	1,152.88	-	(15.68)	10,216.33	10,216.33	2,961.07	-	1.75	13,179.15
Deferred tax assets/(liability) net	(963.53)				(911.46)					902.49

The Company has recognised deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liabilities arising on account of the timing difference on depreciation.

49. Value of consumption of Spare parts and components consumed during the year:

(₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018		Year ended March 31, 2017	
	Value	%	Value	%
Raw Material Consumed				
Indigenous	4,817.37	92.57	4,025.82	98.74
Imported	386.62	7.43	51.51	1.26
Total	5,203.99	100	4077.33	100
Spare parts and components (excluding Coal)				
Indigenous	845.08	98.23	789.02	96.24
Imported	15.25	1.77	30.86	3.76
Total	860.33	100	819.88	100

50. Detail of consumption/Turnover:

50.1 Raw material consumed during the year:

(₹ in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Limestone	1,738.31	1,212.72
Gypsum	903.14	693.81
Clinker	281.92	463.13
Slag	278.04	465.49
Pozzolona and Other Material	2002.58	1242.18
Total	5,203.99	4,077.33

50.2 Turnover during the year:

Particulars	(₹ in lakhs unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Cement	48,406.23	40,327.72
Clinker	-	-
Total	48,406.23	40,327.72

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

51.1 List of related parties and their relationship:

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

51.2 Transactions with related parties:

Particulars	(₹ in lakhs unless otherwise stated)			
	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
Key Managerial Personnel (KMP)				
K N Bhandari (Sitting Fee)		2.20		
		(1.60)		
S K Mandal – Managerial remuneration		57.66		
		(110.59)		
A. K Agrawal		32.51		
		(31.61)		
G. Tirupati Rao		20.06		
		(19.94)		
Remuneration to Non Executive and Independent Directors (Other than KMP)				

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
Shri Naveen Kumar Singh	0.40			
	(0.60)			
Shri Pankaj Gaur	0.20			
	(0.60)			
Shri Sain Ditta Mal Nagpal	3.40			
	(2.80)			
Shri Radha Krishna Pandey	2.00			
	(1.80)			
Shri Ravindra Kumar Singh	0.40			
	(0.60)			
Shri Harish K Vaid	2.20			
	(2.60)			
Shri V K Jain	0.60			
	(0.60)			
Shri R B Singh	2.00			
	(1.40)			
Smt. Manju Sharma	0.80			
	(0.60)			
Repayment of Loan				
Jaypee Development Corporation Limited			-	
			(-62.30)	
Interest expense				
Jaypee Development Corporation Limited			301.17	
			(261.25)	
Purchase of Fixed Assets				
Jaiprakash Associates Limited				17.81
				(22.82)
Jaypee Cement Corporation Limited				-
				(19.13)
Purchase of material				
Jaypee Cement Corporation Limited				620.74
				(132.18)
Jaiprakash Associates Limited				960.33
				(1467.42)
JIL Information Technology Limited				-
				(1.49)
Bhilai Jaypee Cement Limited				71.75
				(-)
Sale of Material				
Jaiprakash Associates Limited				801.78
				(625.82)
Jaypee Cement Corporation Limited				-
				(150.65)
Services Received				
Jaiprakash Associates Limited				1155.90
				(867.47)
JIL Information Technology Limited				0.32
				(0.50)
Balances at the end of the period (Net)				
(i) Loans, Interest payable and Advances				
Jaypee Development Corporation Limited			3521.30	
			(3265.25)	
(ii) Balances Receivable				
Bhilai Jaypee Cement Limited				905.88
				(1500.95)
Jaypee Cement Corporation Limited				624.73
				(-)

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
(iii) Balances payable				
Jaiprakash Associates Limited				10310.49 (8967.88)
Jaypee Cement Corporation Limited				- (2196.57)
JIL Information Technology Limited				0.78 (0.44)

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

(₹ in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short – Term Benefits (Refer note 1 below)	93.76	153.11
Defined Contribution Plan (Refer note 2 below)	4.41	9.03
Defined Benefit Plan / Other Long – Term Benefits	Refer Note 3 below	
Leave Encashment Paid at the end of tenure	12.06	-
Total	110.23	162.14

1. It includes value of perquisites.
2. It represents Contribution to Provident fund.
3. As the liability for gratuity and compensated absence are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included in above.

51.4 No amount pertaining to related parties which have been provided for as doubtful debts or written off.

52. The Company has not given advances in the nature of loans whose particulars are required to be disclosed in terms of Regulation 34(3) and 53(f) of the Listing obligation and Disclosure Requirement.

53. Earnings per Share (EPS)

(₹ in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net profit / (loss) for the period (before OCI)	(7,109.49)	(10,311.98)
Weighted average no. of Equity Shares	2,93,520,492	2,93,520,492
Diluted average no. of Equity Shares	2,93,520,492	2,93,520,492
Basic earnings per share (in ₹)	(2.42)	(3.51)
Diluted earnings per share (in ₹)	(2.42)	(3.51)
Face value of each shares (in ₹)	10	10

54. Exceptional items represents profit on sale of surplus land during the year.

55. **Events after the end of the reporting year:** No subsequent event has been observed which may require an adjustment to the statement of financial position.

56. All amounts in the financial statements are presented in Lakhs (INR) except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures. Previous year's figures have been regrouped /rearranged wherever considered necessary.

See accompanying notes to the financial statements.

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

FOR AND ON BEHALF OF THE BOARD

K N Bhandari
Chairman
DIN: 00191219

Naveen Kumar Singh
Director & CEO
DIN: 00215393

Place: New Delhi
Date: May 30, 2018

G. Tirupati Rao
Company Secretary

A K Agrawal
Chief Financial Officer

ANDHRA CEMENTS LIMITED

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

I/We hereby record my/our presence at th 79th Annual General Meeting of the Company to be held Thursday, September 27, 2018 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 Annual General Meeting of the Company to be held on Thursday, September 27, 2018 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 31 st March, 2017, Statement of Profit & Loss for the year ended on that date
2	To appoint a Director in place of Shri Ram Bahadur Singh (DIN: 00229692), who retires by rotation and, being eligible, offers himself for re-appointment
3	To appoint a Director in place of Smt. Manju Sharma (DIN: 00023037), who retires by rotation and, being eligible, offers himself for re-appointment
4	To ratify appointment of M/s Chaturvedi & Partners, Chartered Accountants (Firm Regn. No.307068E), as Statutory Auditors
Special Business	
5	Ratification of the Remuneration of Cost Auditors, M/s J.K. Kabra & Co, (Firm Regn. No. 00009) of the Company
6	Alteration of Articles of Association of the Company by substituting/inserting new Articles

Signed this _____ day of _____ 2018

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.

**REGISTERED POST
PRINTED MATTER**

If undelivered, please return to :
The Secretarial Department
Andhra Cements Limited
"Ashoka Hi-Tech Chambers,
3rd Floor, (Above Kotak Mahindra Bank)
H.No.8-2-120/76/1/B/8 & 9, Road No. 2, Banjara Hills,
Hyderabad- 500034, (TS)

