

ANDHRA CEMENTS LIMITED

CIN: L26942AP1936PLC002379

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

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

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

NOTICE

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

Ordinary Business

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

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

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

Special Business

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

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

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

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

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

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

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

Salary:

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

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

Perquisites and other benefits:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. BORROWING POWERS OF THE BOARD

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

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

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

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

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

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

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

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

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

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

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

Place: Noida

Date: 11th August, 2014

NOTES:

- (i) Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Resolutions set out under Item Nos. 4 to 12 is annexed hereto.
- (ii) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

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

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

(xiv) **The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be effected through e-mail to its members. To support this green initiative of the Government in full measure, the Company is sending Annual Report electronically to the e-mail addresses of members as obtained from Depositories/ other sources, unless specifically requested to be sent in Physical Form. The members, who have not registered/ updated their e-mail addresses so far, are requested to register/ update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold their Shares in Physical Form shall be sent hard copies of Annual Report and who are desirous of receiving the communications/ documents in Electronic Form are requested to promptly register their e-mail addresses with the Company.**

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

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

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

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

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

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

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

Shri Pankaj Gaur

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

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

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

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

Shri Naveen Kumar Singh

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

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

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

STATEMENT

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

Item No.4

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

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

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

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

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

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

Item No. 5 & 6

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

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

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

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

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

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

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

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

I. GENERAL INFORMATION:

(1) Nature of Industry:

Cement Manufacturing.

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

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

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

Not Applicable.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

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

(5) Foreign Investments or collaborations, if any:

NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

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

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

(2) Past remuneration:

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

(3) Recognition or Awards:

The Company does not have any Recognition or Awards.

(4) Job profile and his suitability:

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

(5) Remuneration proposed:

Salary:

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

Perquisites and other benefits:

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

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

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

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

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

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

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

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

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

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

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

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

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

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

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

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

IV. DISCLOSURES:

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

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

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

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

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

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

Not Applicable.

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

Not Applicable.

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

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

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

ITEM NO. 7 - 10

Appointment of Independent Directors on the Board of the Company

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

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

Shri K.N. Bhandari

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

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

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

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

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

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

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

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

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

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

Shri Sain Ditta Mal Nagpal

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

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

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

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

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

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

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

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

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

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

Shri Radha Krishna Pandey

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

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

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

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

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

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

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

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

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

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

Shri Ravindra Kumar Singh

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

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

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

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

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

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

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

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

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

Item No. 11 - 12

Borrowing Powers of Board & Creation of Mortgage/Charge

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

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

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

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

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

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

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

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

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

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

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

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

Place: Noida
Date: 11th August, 2014

ANDHRA CEMENTS LIMITED

CIN : L26942AP1936PLC002379

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

ADMISSION SLIP

DP ID		Folio No./Client ID		No. of shares	
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Name(s) and address of the member in full :

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

Member Proxy

Signature of Member/Proxy



ANDHRA CEMENTS LIMITED

CIN : L26942AP1936PLC002379

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

FORM NO.MGT-11

PROXY FORM

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

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

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

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

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

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

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

Signed this day of 2014

Signature of Member

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

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

