

Andhra Cements Limited



77th

Annual Report 2015-16

Board of Directors

K.N. Bhandari,	Chairman
Sujit Kumar Mandal,	Managing Director
Pankaj Gaur	
Naveen Kumar Singh	
S. D. M. Nagpal	
R. K. Pandey	
Ravindra Kumar Singh	
Harish K. Vaid	
V. K. Jain	
R. B. Singh	
Manju Sharma	

CFO

A.K. Agrawal

Company Secretary

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

Statutory Auditors

M/s Chaturvedi & Partners
Chartered Accountants, New Delhi

Internal Auditors

M/s Lodha & Co,
Chartered Accountants, Hyderabad

Secretarial Auditors

M/s Savita Jyoti Associatess
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

'White House', Block III, 3rd Floor Begumpet,
Hyderabad - 500 016
Ph: +91 40 6727 2727

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

IDFC Bank Limited
HDFC Limited
State Bank of Mysore
Yes Bank Limited
Karur Vysya Bank Limited
Andhra Bank
Axis 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 Seventh Annual Report together with the Audited Accounts of the Company for the Year (comprising 9 months) ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

Summary of the working results of the Company for the period under report are as under:

	(₹ in lakhs)	
	Current Period 2015-16 (9 Months)	Previous period 2014-15 (15 months)
Net Sales	29197	27802
Other Income	288	906
PBIDT	3686	3327
Finance Cost	7304	6246
Depreciation	2892	2519
Profit/(Loss) before exceptional Items	(6510)	(5438)
Profit/(Loss) before Tax	(6510)	(9891)
Deferred Tax	-	-
Net Profit / (Loss)	(6510)	(9889)

1. SHARE CAPITAL

The paid up equity share capital as at 31st March, 2016 is ₹ 293,52 lacs. 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

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

3. OPERATIONS

3.1 CEMENT

PRODUCTION

(In Tones)

Particular	July 2015 to March 2016 (9 Months)	Dec 14 to June 2015 (7 Months)	Change over previous Period
Clinker Production	5,38,011.00	4,78,116.00	59,895.00
Cement Production	7,08,762.00	6,34,583.00	74,179.00

SALES

While the overall growth of cement market for the country was at 4% as against 6% growth in the previous year, the market in Southern States have de-grown by 5% during the year, due to lack of demand. This was mainly due to subdued economic conditions, shrinkage of construction activity owing to inadequate infrastructural spending by the Government, irregular monsoon and continued decline in industrial production which have affected the demand drivers. While the capacity utilisation of the industry in the remaining part of the country was at 75% during the year, the utilisation levels were at 55% only in the southern states. During the first two quarters of the year under review, the Southern markets have de-grown by 12%. From the third quarter onwards the southern market started showing improvements, thereby the trend of de-growth was reduced to 5%. During the fourth quarter, the Southern market has come to the growth trajectory. During the year under review, the sale of cement for the Company was at 7,07,556 tons, compared to 6,32,239 tons of the previous period.

COST

During the Period under review, the cost of fuel in the international market has come down due to weak demand. The Company was able to source fuel at competitive prices and reduce the cost of fuel. Consequent to the favourable crude prices, the other derivatives like the cost of Polypropylene has come down, leading to lowering of prices of HDPE Bags. During the period under review, the average price of diesel has reduced by around 15%. This has resulted in reduction in mining cost and transportation cost of both incoming and outgoing materials. Moreover, the Company has opted in favour of road movements instead of rail movements in view of its cost advantage. However, obligation to make contribution to District Mineral Foundation and National Mineral Exploration Trust has increased the limestone mining cost. The Government has introduced Swach Bharath Cess of 0.5% with effect from 15-11-2015 on all taxable services. This levy being Non-Cenvatable, the cost of services has increased.

3.2 CAPTIVE POWER PLANT

The Captive Power Plant (30 MW) of the company has been commissioned in September 2015. During the period under review the plant was under trial run and achieved PLF of 67%.

4. DIRECTORATE AND KEY MANAGERIAL PERSONNEL

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

1. Shri Pankaj Gaur and Shri Naveen Kumar Singh, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment.
2. During the period under report, the Board Meet 4 times, the details whereof are given in Report on Corporate Governance. The meetings of Board of Directors were held on 28th August, 2015, 2nd November, 2015, 28th December, 2015 and 30th January, 2016.
3. 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.
4. 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.
5. 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 period, 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 Accounting Standard – 18 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, except on the application submitted by the Company to the Board for Industrial and Financial Reconstruction (BIFR) in terms of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with regard to potential sickness of the Company. The BIFR informed that the Company's peak net worth is below 50%, and therefore the Company not covered under the provisions of SICA, 1985, and the Company's reference to BIFR not processed further.

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 Eightieth 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 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 2016-17, 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. 009) Cost Auditors of the Company for auditing the Cost Records relating to the product 'Cement'. In this regard, they have submitted certificate certifying their independence and their arm's 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 Audit

Secretarial Audit Report for the financial year (comprising 9 months) ended on 31st March, 2016, 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, the Board on the recommendations of the Audit Committee, 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, 2017.

7.4 Internal Auditor

The Board on recommendations of Audit Committee has appointed M/s Lodha and Co, Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2016-17.

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 9 months period ended 31st March, 2016 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 period 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 15 months period 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 9 months period ended 31st March, 2016 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 9 months period ended 31st March, 2016 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. REFERENCE TO BIFR FOR POTENCIAL SICK INDUSTRY

The Company has submitted an application to the Board for Industrial and Financial Reconstruction (BIFR) in terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") with regard to the erosion in the peak net worth of the company more than 50%, as per the Resolution passed by the Members of the Company at the Extra ordinary General Meeting held on 25th February, 2016. The BIFR informed that the Company's peak net worth is below 50%, and therefore the Company not covered under the provisions of SICA, 1985, and the Company's reference to BIFR not processed further.

17. 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.

18. 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 period No Fixed Deposit claims were settled.

19. REDEMPTION OF PREFERENCE SHARES

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

20. 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.

21. 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".

22. 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.

23. 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: 29th May, 2016

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 2015-16 (9 months) which were not at Arm's length basis.

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

SL. No.	Particulars	Details
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

K.N. BHANDARI
Chairman
[DIN: 00191219]

Place: New Delhi
Date : 29th May, 2016

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE PERIOD (9 MONTHS) ENDED 31st March, 2016
[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 our opinion, the company has, during the audit period covering the 9 months period from July 1, 2015 to March 31, 2016 ('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 nine months period ended on March 31, 2016 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.

For Savita Jyoti Associates

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

Place: Hyderabad
Date : 19th May, 2016

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[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, Dachepalli- 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 All the business activities contributing 10% or more of the total turnover of the company	As per Attachment - I
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 GD₹ and AD₹)	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		
Sl 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)
2	Jaiprakash Associates Limited, Sector-128, Noida-201304, Uttar Pradesh	L14106UP1995PLC019017	Associate	Nil	2(6)

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

(i) Category -wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.07.2015				No. of Shares held at the end of the year 31.03.2016				% 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	201926406	0	201926406	68.79	201926406	0	201926406	68.79	0
	d) Bank/FI	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)	201926406	0	201926406	68.79	201926406	0	201926406	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/FI	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)	201926406	0	201926406	68.79	201926406	0	201926406	68.79	0
B	PUBLIC SHAREHOLDING									
1	Institutions									
	a) Mutual Funds	886	11867	12753	0.00	886	11867	12753	0.00	0
	b) Banks/FI	270036	32269	302305	0.10	270036	32269	302305	0.10	0
	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) FIs	0	7390000	7390000	2.52	0	7390000	2.52	2.52	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0.78	0	0	0	0	0
	SUB TOTAL (B)(1):	270922	7434136	7705058	2.63	270922	7434136	7705058	2.63	0

Category of Shareholders		No. of Shares held at the beginning of the year 01.07.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Non Institutions									
	a) Bodies corporates									
	i) Indian	65836006	46476	65882482	22.45	44893880	46426	44940306	15.31	-7.14
	ii) Overseas									

Category of Shareholders		No. of Shares held at the beginning of the year 01.07.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	10167701	1167184	11334885	3.86	16967852	1165118	18132970	6.18	+2.32
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	5690533	0	5690533	1.94	19474468	0	19474468	6.63	+4.69
c)	Others (NRI's)	838525	40011	878536	0.38	1301348	39936	1341284	0.46	+0.08
SUB TOTAL (B)(2):		82635345	1253671	83889016	28.58	82637548	1251480	83889028		
Total Public Shareholding (B)= (B)(1)+(B)(2)		82906267	8687807	91594074	31.21	82908470	8685616	91594086	31.21	
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		284832685	8687807	293520492	100	284834876	8685616	293520492	100	0

(ii) Shareholding of Promoters

ATTACHMENT- IV

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01.07.2015			Share Holding at the end of the Year 31.03.2016			% 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	55.00	201926406	68.79	51.60	0
	Total	201926406	68.79	55.00	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 of the year 01.07.2015			Date	Increase/ (Decrease) in shareholding	Reason	Cumulative holding during the year 01.07.2015 to 31.03.2016	
		No of shares	% of total shares of the company	% of shares pledged encumbered to total				No of shares	% of Total Shares of the Company
1	Jaypee Development Corporation Limited	201926406	68.79	55.00	-	-	201926406	68.79	
	Total	201926406	68.79	55.00	-	-	201926406	68.79	

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

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.07.2015		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative holding during the year 01.07.2015 to 31.03.2016	
		No of shares	% of total shares of the company				No of shares	% of Total Shares of the Company
1	IDFC Limited.	27511953	9.37	03.07.2015	-	-	27511953	
				10.07.2015	-476188	Sale	27035765	
				17.07.2015	-2282300	Sale	24753465	
				24.07.2015	-1650813	Sale	23102652	
				31.07.2015	-1235700	Sale	21866952	
				07.08.2015	-1451725	Sale	20415227	
				14.08.2015	-1832000	Sale	18583227	
				21.08.2015	-3678500	Sale	14904727	
				28.08.2015	-3249900	Sale	11654827	
				04.09.2015	-5055000	Sale	6599827	
				11.09.2015	-3365636	Sale	3234191	
				18.09.2015	-3234191	Sale	0	0
				2	HDFC LIMITED	9106778	3.1	03.07.2015
03.07.2015	-	-	16850277					
31.03.2016	-	-	9106778					3.1
31.03.2016	-	-	16850277					5.74
30.06.2015	-	-	9106778					3.1
04.04.2014	-	-	16850277					
3	NRC LIMITED	9000000	3.07	03.07.2015	-	-	9000000	
				31.03.2016	-	-	9000000	3.07
4	FIDELITY CAPITAL INVESTMENT INC.	7390000	2.52	03.07.2015	-	-	7390000	
				30.06.2015	-	-	7390000	2.52
5	FRONTLINE SECURITIES LTD. AAAC0930D	64784	0.02	03.07.2015	-	-	64784	
				07.08.2015	285216	Purchase	350000	
				14.08.2015	30000	Purchase	380000	
				21.08.2015	200000	Purchase	580000	
				28.08.2015	100000	Purchase	680000	
				18.09.2015	150000	Purchase	830000	
				13.11.2015	25000	Purchase	855000	
				15.01.2016	25000	Purchase	880000	
				12.02.2016	33671	Purchase	913671	
				18.02.2016	125000	Purchase	1038671	
				11.03.2016	110000	Purchase	1148671	
				18.03.2016	51329	Purchase	1200000	
				31.03.2016	-	-	1200000	0.41
6	HDFC BANK LTD AAACH2702H	41000 59000	0.01 0.02	03.07.2015	-	-	41000	
				03.07.2015	-	-	59000	
				17.07.2015	367500	Purchase	408500	
				24.07.2015	-126500	Sale	282000	
				31.07.2015	14000	Purchase	296000	
				14.08.2015	-22000	Sale	274000	
				21.08.2015	168000	Purchase	442000	
				28.08.2015	360000	Purchase	802000	
				04.09.2016	-16500	Sale	785500	
				04.09.2015	313500	Purchase	372500	
				18.09.2015	-785500	Sale	0	0
				18.09.2015	-372500	Sale	0	0

SI No.	Shareholders Name	Shareholding at the beginning of the year 01.07.2015		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative holding during the year 01.07.2015 to 31.03.2016	
		No of shares	% of total shares of the company				No of shares	% of Total Shares of the Company
7	RAKESH K.JAIN AAAPJ0132A	50000	0.02	03.07.2015	-	-	50000	0.08
				04.09.2015	550000	Purchase	600000	
				09.10.2015	-53340	Sale	546660	
				16.10.2015	-34600	Sale	512060	
				23.10.2015	-5000	Sale	507060	
				27.11.2015	-15000	Sale	492060	
				04.12.2016	-387	Sale	491673	
				11.12.2015	-91673	Sale	400000	
				31.03.2016	-156460	Sale	243540	
				8	ENNR STAR TRADE LIMITED AAACA8269L	0	0	
18.12.2015	369907	Purchase	369907					
25.12.2015	12501	Purchase	382408					
31.12.2015	2000	Purchase	384408					
01.01.2016	10000	Purchase	394408					
08.01.2016	23839	Purchase	418247					
15.01.2016	8000	Purchase	433751					
29.01.2016	7504	Purchase	433751					
05.02.2016	-11089	Sale	422662					
12.02.2016	23260	Purchase	445922					
18.02.2016	33258	Purchase	479180					
19.02.2016	-10000	Sale	469180					
29.02.2016	46440	Purchase	515620					
04.03.2016	34000	Purchase	549620					
11.03.2016	10752	Purchase	560372					
18.03.2016	11818	Purchase	572190					
25.03.2016	1500	Purchase	573690					
31.03.2016	-585	Sale	573105					
9	KOVURU VENKATESHWARLU AFNPK0838E	0	0	03.07.2015	-	-	0	0
				04.09.2015	572000	Purchase	572000	
				11.09.2015	-9000	Sale	563000	
				09.10.2015	-38000	Sale	525000	
				16.10.2015	-16000	Sale	509000	
				05.02.2016	-509000	Sale	0	
10	PRAGYA SECURITIES PVT.LTD. -CAPITAL MARKET CLIENTS; MARGIIN A/C AAACP3247K	0	0	03.07.2015	-	-	0	0
				08.01.2016	557599	Purchase	557599	
				31.03.2016	-557599	Sale	0	
11	FONTLINE CAPITAL SRV LT AAACF0305Q	45000	0.02	03.07.2015	-	-	45000	0.19
				28.08.2015	255000	Purchase	300000	
				25.09.2015	50603	Purchase	350603	
				16.10.2015	77737	Purchase	428340	
				30.10.2015	100000	Purchase	528340	
				31.03.2016	25000	Purchase	553340	
12	ASHIKA STOCK BROKING LTD.-CLIENT MARGIN A/C AACCA7156Q	1000	0	03.07.2015	-	-	1000	0.07
				15.01.2016	532876	Purchase	533876	
				22.01.2016	-7872	Sale	526004	
				29.02.2016	-293800	Sale	232204	
				31.03.2016	-34238	Sale	19796	
13	HOPE CONSULTANTS LIMITED AAACH0257P	11950	0	03.07.2015	-	-	11950	0.02
				11.09.2015	498050	Purchase	510000	
				31.03.2016	-460000	Sale	50000	
14	RAHUL PRAKASH SARDA AMRPS2359H	0	0	03.07.2015	-	-	0	0.17
				04.03.2016	492735	Purchase	492735	
				31.03.2016	-	-	492735	

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.07.2015		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative holding during the year 01.07.2015 to 31.03.2016	
		No of shares	% of total shares of the company				No of shares	% of Total Shares of the Company
15	ZEN SECURITIES LTD-BSE LIENTS A/C AAACZ0682Q	6400	0	03.07.2015	-	-	6400	0
				09.10.2015	440050	Purchase	446450	
				31.03.2016	-440570	Sale	5880	
16	ANITHA VEMULAPALLI ACPV6305E	0	0	03.07.2015	-	-	0	0.14
				16.10.2015	424000	Purchase	424000	
				31.03.2016	-	-	424000	
17	NIKKI SECURITIES PRIVATE LIMITED AAACN0331Q	0	0	03.07.2015	-	-	0	0
				15.01.2016	419036	Purchase	419036	
18	BRN COMMODITIES AND TRADING CO PRIVATE LIMITED AAACJ2077R	0	0	31.03.2016	-418294	Sale	742	0.14
				03.07.2015	-	-	0	
				11.09.2015	405574	Purchase	405574	
19	MOTILAL DAGA AND SONS HUF. AAHM4610G	0	0	31.03.2016	-	-	405574	0.09
				03.07.2015	-	-	0	
				18.09.2015	340000	Purchase	340000	
20	K K SARACHANDRA BOSE ALCPB5592P	318618	0.11	29.02.2016	-82000	Sale	258000	0.11
				03.07.2016	-	-	318618	
				31.03.2016	-	-	318618	
21	VIJAY KUMAR KANTHED AHCPK8632M	0	0	03.07.2015	-	-	0	0.11
				21.08.2015	310000	Purchase	310000	
				31.03.2016	-	-	310000	
22	MANAK DAGA (HUF). AAHM7795L	0	0	03.07.2015	-	-	0	0
				31.07.2015	229984	Purchase	229984	
				07.08.2015	70016	Purchase	300000	
				22.01.2016	-300000	Sale	0	
23	G.V.VKIRAN. AGPPG0576J	0	0	03.07.2015	-	-	0	0.1
				14.08.2015	300000	Purchase	300000	
				18.12.2015	-300000	Sale	0	
				29.02.2016	300000	Purchase	300000	
				31.03.2016	-	-	300000	
24	ASHIKA GLOBAL SECURITIES PVT LTD	0	0	03.07.2015	-	-	0	0.1
				29.02.2016	300000	Purchase	300000	
				31.03.2016	-	-	300000	
25	MANJULA KANTHED AEPPM7349D	0	0	03.07.2015	-	-	0	0.09
				29.02.2016	264000	Purchase	264000	
				31.03.2016	-	-	264000	
26	BABULAL AMARCHAND AGRAWAL AADPA5282B	0	0	03.07.2015	-	-	0	0.09
				29.02.2016	250000	Purchase	250000	
				31.03.2016	13000	Purchase	263000	
27	NVS BROKERAGE PVT LTD AAACN9184H	214240	0.07	03.07.2016	-	-	214240	0.07
				31.03.2016	-	-	214240	
28	BHOMIYA VYAPAAR PVT.LTD AABC0658B	203187	0.07	03.07.2015	-	-	203187	0.07
				31.03.2016	10261	Purchase	213448	
29	ANAND RATHI SHARE & STOCK BROKERS LIMITED AAACN3405F	0	0	03.07.2015	-	-	0	0
				17.07.2015	202500	Purchase	202500	
				07.08.2015	8543	Purchase	211043	
				31.03.2016	-210453	Sale	590	
30	KACHANA. R ALSPK7256P	200000	0.07	03.07.2015	-	-	200000	0
				31.03.2016	-	-	200000	
31	GOVIND PARKIH SECURITIES PRIVATE LTD AABCG3063H	186000	0.06	03.07.2015	-	-	186000	0.06
				31.03.2016	-	-	186000	

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year 01.07.2015		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		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	-	0	Nil Movement during the year	NIL	0
2	Shri Sujit Kumar Mandal, Managing Director	NIL	0	-	0	Nil Movement during the year	NIL	0
3	Shri Pankaj Gaur, Director	NIL	0	-	0	Nil Movement during the year	NIL	0
4	Shri Naveen Kumar Singh, Director	NIL	0	-	0	Nil Movement during the year	NIL	0
5	Shri Ravindra Kumar Singh, Independent Director	NIL	0	-	0	Nil Movement during the year	NIL	0
6	Shri Harish .K. Vaid, Director	NIL	0	-	0	Nil Movement during the year	NIL	0
7	Shri Sain Ditta Mal Nagpal Independent Director	NIL	0	-	0	Nil Movement during the year	NIL	0
8	Shri Radha Krishna Pandey, Independent Director	NIL	0	-	0	Nil Movement during the year	NIL	0
9	Shri Vijai Kumar Jain Director	NIL	0	-	0	Nil Movement during the year	NIL	0
10	Shri R B Singh Director	NIL	0	-	0	Nil Movement during the year	NIL	0
11	Shri Manju Sharma Director	NIL	0	-	0	Nil Movement during the year	NIL	0
12	Shri A.K. Agrawal CFO	NIL	0	-	0	Nil Movement during the year	NIL	0
13	Shri G. Tirupati Rao Company Secretary & GM (L)	2500	0	-	0	Nil Movement during the year	2500	0

V Indebtedness

ATTACHMENT- VIII

Indebtedness of the Company (including interest outstanding/accrued but not due for payment) for financial year 2015-16 (9 months)

(In ₹)

S.No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the Financial Year (01.07.2015)				
	i) Principal Amount :				
	a) Rupee Term Loan	7, 97, 00, 00,000	34, 26, 70,858	-	8,31,26,70,858
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	32, 24, 46,068	-	-	32, 24, 46,068
	ii) Interest due but not paid	68, 94,416	-	-	68, 94,416
	iii) Interest accrued but not due	1, 84, 15,711	-	-	1, 84, 15,711
	Total (i to iii)	831,77,56,195	34, 26, 70,858	-	866,04,27,053

S.No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
B	Changes in Indebtedness during Financial Year 2014-2015				
	Addition				
a)	Rupee Term Loan	45, 14, 55,970	-	-	45, 14, 55,970
b)	ECB/FCCBs	-	-	-	-
c)	Working Capital	44, 02, 19,331	-	-	44, 02, 19,331
d)	Interest due but not paid	10, 93, 87,586	79, 55,948	-	11, 73, 43,534
e)	Interest accrued but not due	14, 31,767	-	-	14, 31,767
	Total - B	1,00,24,94,654	79,55,948	-	1,01,04,50,602
S.No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
B1	Reduction				
a)	Rupee Term Loan	4, 00, 00,000	5,38,45,108	-	9,38,45,108
b)	ECB/FCCBs	-	-	-	-
c)	Working Capital	40, 57, 20,423	-	-	40, 57, 20,423
d)	Interest due but not paid	-	-	-	-
e)	Interest accrued but not due	-	-	-	-
	Total - B1	44,57,20,423	5,38,45,108	-	49,95,65,531
	Net Changes (B- B1)	55,67,74,231	-4,58,89,160	-	51,08,85,071
C	Indebtedness at the end of the Financial Year (31.03.2016)				
i)	Principal Amount :				
a)	Rupee Term Loan	838, 14, 55,970	29, 67, 81,698	-	867, 82, 37,668
b)	ECB/FCC Bs	-	-	-	-
c)	Working Capital	35, 69, 44,976	-	-	35, 69, 44,976
ii)	Interest due but not paid	11, 62, 82,002	-	-	11, 62, 82,002
iii)	Interest accrued but not due	1,98,47,478	-	-	1,98,47,478
	Total (i to iii)	887, 45, 30,426	29, 67, 81,698	-	917, 13, 12,124

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

ATTACHMENT- IX

i) Remuneration to Managing Director, Whole-time Director and/or Manager:

(In ₹)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager
		Shri S.K. Mandal Managing Director & CEO
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	65,01,484
	(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-	
	P.F-Employer's Contribution, etc.	5, 27,458
	Total (A)	70, 28,942

Note: Ceiling on managerial remuneration as per Companies Act, 2013: to Whole-time Director/MD, 5% of net profits of the Company calculated as per Section 198 of Companies Act, 2013 with an overall ceiling of 10% of net profits as calculated as per Section 198 of 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
1	Shri K.N. Bhandari	140000			140000
2	Shri S.D.M. Nagpal	220000	-	-	220000
3	Shri R.K. Pandey	100000	-	-	100000
4	Shri R.K. Singh	40000	-	-	40000
	Total (1)	500000			500000

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	40000	-	-	40000
2	Shri Naveen Kumar Singh	40000	-	-	40000
3	Shri Harish K. Vaid	220000	-	-	220000
4	Shri V.K. Jain	80000	-	-	80000
5	Shri R.B. Singh	100000	-	-	100000
6	Smt. Manju Sharma	60000	-	-	60000
	Total (2)				540000
	Total (1)+(2)				1040000

ATTACHMENT- XI

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

(In ₹)

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.	2, 31,105	15, 61,883	17, 92,988
	(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-P.F- Employer's Contribution etc.	7,680	48,060	55,740
	Total	2,38,785	16,09,943	18,48,728

Note: CFO drawn remuneration from March'16 only.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

ATTACHMENT - XII

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE 'D'

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:-

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 & CEO, ₹ 70.29 lakhs, BE (Mechanical) and PG Diploma in Management (IIM), 66 year, 42 years, 11th August, 2014, IFCI Ltd, 0.00%

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

Nil

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 & CEO	283 : 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, Managing Director & CEO	0%
Shri G. Tirupati Rao, Company Secretary	0%

- (iii) The percentage increase in the median remuneration of employees in the financial year. No change in median remuneration of employees in the Financial Year.

- (iv) The number of permanent employees on the rolls of Company: 310

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

The increase in average remuneration of all employees (excluding Key Managerial Personnel) in the financial year 2015-16 as compared to the financial year 2014-15 was 0%.

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 :

Particulars	2015-16	2014-15	Growth (%)
Net Sales from Operations (₹ In lacs)	29197	27802	105%
Profit Before Tax (₹ In lacs)	(6512)	(9891)	(66)%
Profit After Tax(₹ In lacs)	(6512)	(9891)	(66)%

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
(₹ In Lacs)

Particulars	Chief Executive Officer & MD	Company Secretary	CFO
Remuneration of Key Managerial Personnel (KMP) during financial year			
2014-15 (aggregated) (₹ in lacs)	–	70.29	15.24
Revenue from operations (₹ in lacs)	–	29197	29197
Remuneration (as % of revenue)	–	0.24%	0.05%
Profit before tax (PBT)	–	(6512)	(6512)
Remuneration (as % of PBT)	–	1.08%	0.23%

- (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, 2016	As at 30 th June, 2015	Variation
Closing price of shares at BSE	₹	6.95	6.96	0%
EPS (Consolidated)	₹	2.22	3.37	(65.87%)
Market Capitalization	₹	20399.67	20429.03	(99.86%)
Price Earnings Ratio	Ratio	2.06	2.06	0%

- (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 Lacs)

Particulars	2015-16	2014-15
Average monthly salary of all employees (other than Key Managerial Personnel)	169.12	104.11
Salary of Chief Executive Officer/MD	70.29	90.73
Salary of Company Secretary	15.24	24.6
Salary of CFO	2.31	-

(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 remuneration of Key Managerial Personnel increased by 0% in 2015-16, compared to 2014-15.

Profit Before Tax and exceptional items decreased by (85.83%) in 2015-16, compared to 2014-15.

(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 : NIL**

(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.

ANNEXURE 'E'

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) (i) Energy Conservation measures taken during the Nine Months period ended 31st March, 2016

- 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.
- Reduction HSD (High Speed Diesel) consumption during Kiln start-up is achieved with the best operational practices of group.
- X-Ray analyzer installed and commissioned, resulted in accurate quality control of Raw mix homogenization and efficient clinkerization.
- Hot air circuit leakages are plugged, coal mill inlet temperature increased, hence HAG operation stopped for Vertical Coal mill operation.
- Cement grinding process optimization along with Vertical Roller Pregrinder mill 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 needful action will be initiated.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

Clinker Cooler optimization carried out under the guidance of IKN, Germany.

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

- Saving on Thermal & Electrical energy consumption.
- The plant is emission free due to improved operation & maintenance of Pollution control filters and EP's.
- Achieved improved plant performance by operational optimization.
- Cooling tower fans are being operated as per ambient temperature. Close circuit water recirculation resulted in no water wastage and energy saving on pumps operation.

(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 are given in note no. 29 and 31 of the financial statements for the 9 months period ended 31st March, 2016.

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, 2016 consisted of 11 Directors out of which 4 are Independent Directors.

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, numbers of other Directorships and Committee positions held by them in other Companies, as on 31st March, 2016, 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	04	No	0	0	0
Shri Pankaj Gaur	NED	01	No	06	0	0
Shri Naveen Kumar Singh	NED	01	Yes	03	0	0
Shri K.N. Bhandari	NED & ID	06	Yes	07	2	1
Shri Sain Ditta Mal Nagpal	NED & ID	05	Yes	07	1	1
Shri Radha Krishna Pandey	NED & ID	05	Yes	07	3	1
Shri Ravindra Kumar Singh	NED & ID	02	No	02	0	0
Shri Harish K Vaid	NED	05	No	04	2	0
Shri V.K. Jain	NED	04	Yes	01	0	0
Shri R.B.Singh	NED	03	No	03	0	0
Shri Manju Sharma	NED	01	No	01	0	0

NED: Non-Executive Director, ED: Executive Director, ID: Independent Director

Notes:

- 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.
- Independent Directors are in compliance of the requirement under Regulation 25 of the Listing Regulations.
- 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.
- 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, 2016 are tabulated below:

Name of Directors	Designation	No. of Equity Shares
Shri K.N. Bhandari	Chairman	NIL
Shri S.K. Mandal	Managing Director & CEO	NIL
Shri Pankaj Gaur	Director	NIL
Shri Naveen Kumar Singh	Director	NIL
Shri S.D.M. Nagpal	Director	NIL
Shri R.K. Pandey	Director	NIL
Shri R.K. Singh	Director	NIL
Shri Harish K. Vaid	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, 2015-16, four meetings of the Board of Directors were held. The meetings were held on 28th August, 2015, 2nd November, 2015, 28th December, 2015, and 30th January, 2016. The maximum time gap between two meetings was not more than 120 days, as prescribed under the Act, and Regulation 17(2) of the Listing Regulations.

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)	28 th August, 2015	11	8
ii)	2 nd November, 2015	11	7
iii)	28 th December, 2015	11	9
iv)	30 th January, 2016	11	11

Pursuant to Schedule IV of the Companies Act, 2013 and read with the Rules made thereunder, and the Listing Regulations, a meeting of Independent Directors of the Company was 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.andhracemts.com.

The members of the Board and Senior Management Personnel have, on 31st March, 2016 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 Non-executive Directors, with two Independent Director forming majority. (Shri R.B. Singh is NED).

The constitution of the Audit Committee and its terms of reference also meets the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

Three meetings of the Committee were held during the year i.e. on 28th August, 2015, 2nd November, 2015 and 30th January, 2016.

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	2
Shri R.B. Singh, Member	3	2

5. NOMINATION AND REMUNERATION COMMITTEE

The Charter of the Committee is in accordance with requirements of newly enacted Companies Act, 2013 and Regulation 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 Regulation 19 of the 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.

As on 31st March, 2016 the Nomination and Remuneration Committee comprised of Shri R.K. Singh, Chairman, Shri S.D.M. Nagpal and Shri Harish K. Vaid 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 9 months period ended 31st March, 2016 the Nomination and Remuneration Committee has not met.

Criteria for evaluation of Directors' performance

In keeping with the provisions of the Companies Act, 2013 alongwith the provisions of the Listing Regulations, 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 the Companies Act, 2013. 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 for the year ended 31st March, 2016 are as under:

Name	Designation	Salary (₹)	Perquisites	Total (₹)
Shri S.K. Mandal	Managing Director	65,01,484	5,27,458	70,28,942

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 2015-16.

The details of the sitting fee paid to the Non-Executive Directors of the Company during the Financial Year 2015-16 are as under:

Name of the Director	Designation	Total sitting fee paid (₹)
Shri K.N. Bhandari	Chairman	1,40,000
Shri Pankaj Gaur	Director	40,000
Shri Naveen Singh	Director	40,000
Shri S.D.M. Nagpal	Director	2,20,000
Shri R.K. Pandey	Director	1,00,000
Shri R.K. Singh	Director	40,000
Shri Harish K. Vaid	Director	2,20,000
Shri V.K. Jain	Director	80,000
Shri R.B. Singh	Director	1,00,000
Smt. Manju Sharma	Director	60,000

Notes:

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

There were no other pecuniary relationship or transactions with the Directors vis-a-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 and Shri R.K. Singh as members. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, rematerialisation 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 period seven meetings of the Committee were held on 20th July, 2015, 24th September 2015, 24th October, 2015, 20th November, 2015, 20th January, 2016, 25th February, 2016, 25th March, 2016 and the record of attendance of the members during the 9 months period ended 31st March, 2016 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	07	07
Shri Harish K. Vaid, Member	07	07
Shri R.K. Singh, Member	Nil	Nil

7. COMPLIANCE OFFICER

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

Address : 'White House', Block-III, 3rd Floor, Begumpet, Hyderabad-500016

e-mail : gtrao@andhracements.com

Phone : 040-67272727

Fax : 040-67272728

The Company received Nil Investors' references during the Year (9 Months) 31st March 2016 and all the Investors' references were addressed/ resolved by 31st March, 2016. There were no pending investors' references as on 31st March, 2016.

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 Regulations, Independent Directors had a meeting without the presence of 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 facets of the Company's business through site visits, presentations and interactions 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 interactions & 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 Managing 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 29th May, 2016.

12. GENERAL BODY MEETINGS

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

Year	2012-13	2013-14	2014-15
Date	21 st Sept., 2013	30 th Sept, 2014	28 th Dec, 2015
Time	1130 A.M.	12.30 P.M.	12.30 P.M.
Venue of the Meeting	Regd Off: Durga Cement Works Sri Durgapuram, Dachepalli-522414, Guntur Dist (A.P.)	Regd Off: Durga Cement Works Sri Durgapuram, Dachepalli-522414, Guntur Dist (A.P.)	Regd Off: Durga Cement Works Sri Durgapuram, Dachepalli-522414, Guntur Dist (A.P.)

13. DETAILS OF SPECIAL RESOLUTION(S) PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS**1) Financial Year 2012-13**

Special Resolution for the Conversion of Term Loans in to equity shares of the Company in case of default, at the option of HDFC and IDFC.

2) Financial Year 2013-2014

1. Special Resolution for Appointment of Shri S.K. Mandal as a Managing Director.
2. Special Resolution for borrowing powers of the Board upto ₹ 2000 crores.
3. Creation of charge / mortgage on the movable/immovable assets of the Company.

3) Financial Year 2014-15

Special Resolution for the Alteration of Articles of Association 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 Practising 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 Business Standard, 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

77th Annual General Meeting

Day : Friday
 Date : 30th September, 2016
 Time : 12.30 PM
 Venue : Regd Off: Durga Cement Works, Sri Durgapuram, Dachehalli – 522414, Guntur Distt, (AP)
 Dates of Book Closure : 24.09.2016 to 30.09.2016 (Both days Include)

19. FINANCIAL CALENDAR

Details of announcement of Financial Results for different periods during the financial year (9 months) 2015-16 are as under:

Results	Announced on
For 1 st Quarter ended 30 th September, 2015	2 nd November, 2015
For 2 nd Quarter ended 31 st December, 2015	30 th January, 2016
For 3 rd Quarter ended 31 st March, 2016	29 th May, 2016

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, 2016 were announced on 29th May, 2016.

20. DIVIDEND

For the current Financial Year 2015-16, 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:

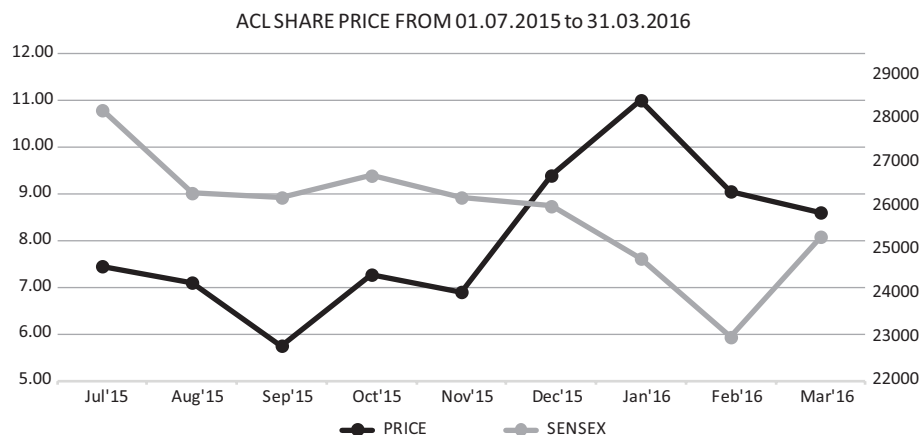
Name and address of Stock Exchange	Code
Bombay Stock Exchange Limited (BSE) New Trading Ring, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	532141
National Stock Exchange of India Limited (NSE) 'Exchange plaza' C/1, G-Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	ANDHRACEMT
ISIN No.	INE666E01012

22. MARKET PRICE DATA

Month-wise high and low Sensex and of the share price of the Company during the Financial Year 2015-16 were as under:

Month & Year	Bombay Stock Exchange (BSE)	
	Month's High Price (₹)	Month's Low Price (₹)
July, 2015	7.45	5.50
August, 2015	7.10	3.92
September, 2015	5.75	3.00
October, 2015	7.27	5.71
November, 2015	6.90	5.20
December, 2015	9.39	6.15
January, 2016	11.00	7.65
February, 2016	9.05	5.62
March, 2016	8.60	6.95

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@andhracemments.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 Shareholders'/Investors' Grievance Committee. The meetings of the Committee are periodically held to consider the requests of the Shareholders.

25. DISTRIBUTION OF SHAREHOLDING

i) The distribution of shareholding according to the number of shares as on 31st March, 2016, 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	3717615	1.27	48524	87.16
501 to 1000	2568896	0.88	2882	5.18
1001 to 2000	2752752	0.94	1658	2.98
2001 to 3000	1770036	0.60	664	1.19
3001 to 4000	1125701	0.38	307	0.55
4001 to 5000	1956665	0.67	403	0.72
5001 to 10000	4648429	1.58	584	1.05
10001 and above	274980398	93.68	654	1.17
TOTAL	293520492	100.00	55676	100.00

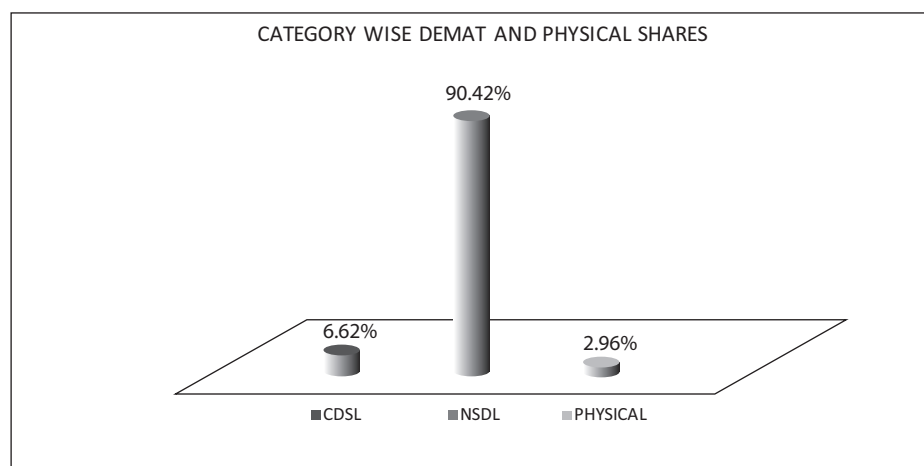
b) Category-wise Shareholding as on 31st March, 2016.

Category	No. of Shares	% to Total
Promoters	201926406	68.79
Financial Institutions	297620	0.11
FII's	7390000	2.52
Mutual Funds	12753	0.0
Banks	4685	0.0
Body Corporate	44940306	15.31
NRIs	1341284	0.46
Resident Individuals	37607438	12.81
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, 2016:

Particulars	No. of shares issued	Percentage of total capital
Held in dematerialized form in CDSL	19434023	6.62
Held in dematerialized form in NSDL	265400853	90.42
Physical	8685616	2.96
Total	293520492	100



The annual custody fees for the financial Year 2016-17, have been paid to NSDL, and not paid to CDSL due to non-receipt of Invoice. 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)

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

Visakha Cement Works (VCW)

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

28. ADDRESS FOR CORRESPONDENCE

Company's address:

Registered Office : Durga Cement Works,
Sri Durgapuram, Dachehalli-522414,
Guntur Distt, (A. P)

Secretarial Office : 'White House', Block-III, 3rd Floor,
Begumpet, Hyderabad - 500016
E-mail: investorcell@andhracements.com

Registrar & Transfer : CIL Securities Limited,

Agent's Address 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 Hindi 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 Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the 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.

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 period (9 months) ended March 31, 2016 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 JyotiPracticing Company Secretary
(CP No. 1796)

Place: Hyderabad

Date: 19th May, 2016**DECLARATION BY THE MANAGING DIRECTOR & CEO**

As provided under Regulation 34(3) read with shedule v of 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 (9 Months) ended 31st March, 2016.

Place : New Delhi

Date : 29th May, 2015**S.K. Mandal**

Managing Director & CEO

MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of the Report of Directors for the Year (comprising 9 months) ended 31st March, 2016)

1. Industry Structure and Developments

India is the Second largest producer of Cement in the World. No wonder India's Cement Industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. The Cement capacity in India may register a growth of 8% by next year end to 395 MT from the current level of 366 MT. It may increase further to 421 MT by the end of 2017. The Country's per capita consumption stands at around 190 Kg.

Cement demand is expected to reach 550-600 MTPA by 2025. The housing sector is the biggest demand driver of Cement, accounting for around 67% of the total consumption in India. The other major consumers of Cement include infrastructure at 13%, commercial construction at 11% and Industrial Construction at 9%.

The expectations of above normal demand growth from rural and suburban areas were belied due to the bad monsoon and the unexpected rains in the current period. In the last couple of years, new capacity additions have slowed down due to diminishing returns on capital employed.

Road Ahead

India has a lot of potential for development in the infrastructure and construction sector and the Cement Industry is expected to largely benefit from it. Some of the recent major Government initiatives such as development of 100 Smart Cities are expected to provide a major boost to the Industry. Expecting such developments in the Country and aided by suitable Government Foreign Policies, several Foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in the Country in the recent past. A significant factor which aids the growth of this Industry is the ready availability of raw materials for making Cement.

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

The Industry has been facing a chronic problem of insufficient availability of the main fuel coal, driving the manufacturers to resort to use of alternatives at steep cost. The key drivers of this demand shall be the continued expansion in infrastructure, real estate and industrial sectors.

2. Review of Financial and Operational Performance

(i) Financial Performance

During the period under review the Company recorded a net loss of ₹ 6510 lacs. Financial performance of the Company, in brief, is as under:

	(₹ in Lacs)	
	Current period 2015-16 (9 months)	Previous Year 2014-15 (15 months)
Net Sales	29197	27802
Other Income	288	906
PBIDT	3686	3327
Finance Cost	7304	6246

(₹ in Lacs)

	Current period 2015-16 (9 months)	Previous Year 2014-15 (15 months)
Depreciation	2892	2519
Profit/(Loss) before exceptional Items	(6510)	(5438)
Profit/(Loss) before Tax	(6510)	(9891)
Deferred Tax	-	-
Net Profit / (Loss)	(6510)	(9889)

(ii) Operational Performance

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

Sales

While the overall growth of cement market for the country was at 4% as against 6% growth in the previous year, the market in Southern States have de-grown by 5% during the year, due to lack of demand. This was mainly due to subdued economic conditions, shrinkage of construction activity owing to inadequate infrastructural spending by the Government, irregular monsoon and continued decline in industrial production which have affected the demand drivers. While the capacity utilisation of the industry in the remaining part of the country was at 75% during the year, the utilisation levels were at 55% only in the southern states. During the first two quarters of the year under review, the Southern markets have de-grown by 12%. From the third quarter onwards the southern market started showing improvements, thereby the trend of de-growth was reduced to 5%. During the fourth quarter, the Southern market has come to the growth trajectory. During the year under review, the sale of cement for the Company was at 7,07,556 tons, compared to 6,32,239 tons of the previous period.

Cost

During the Period under review, the cost of fuel in the international market has come down due to weak demand. The Company was able to source fuel at competitive prices and reduce the cost of fuel. Consequent to the favourable crude prices, the other derivatives like the cost of Polypropylene has come down, leading to lowering of prices of HDPE Bags. During the period under review, the average price of diesel has reduced by around 15%. This has resulted in reduction in mining cost and transportation cost of both incoming and outgoing materials. Moreover,

the Company has opted in favour of road movements instead of rail movements in view of its cost advantage. However, obligation to make contribution to District Mineral Foundation and National Mineral Exploration Trust has increased the limestone mining cost. The Government has introduced Swachh Bharath Cess of 0.5% with effect from 15-11-2015 on all taxable services. This levy being Non-Cenvatable, the cost of services has increased.

3. Outlook

We expect cement demand to grow in the range of 8 % during the FY 2016-17 considering the following:

Budget 2016-17 has proposed a slew of measures to boost infrastructure and investment, which will be positive for the Cement Industry, as increased spending on infrastructure increases the demand for Cement. Incremental spend on Smart City Development, the Government has allocated ₹ 7,296 crores towards Urban Rejuvenation Mission for development of 100 Smart Cities.

The Government has decided to adopt Cement instead of bitumen for the construction of all new road projects on the grounds that Cement is more durable and cheaper to maintain than bitumen in long run. Reduction in interest rates is expected to revive the hitherto sluggish demand for home loans giving impetus to housing. Pick-up in industrial production and economic activities including infrastructure development initiatives undertaken by the government. Boost to affordable housing segment.

4. Opportunities and Threats

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

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

5. Risks and Concerns

Risk Management is an integral part of the Company's activity. The Company has a structured Risk Management Policy. The Top and Senior Management of the Company continuously monitor and review the business risks in the verticals of Operations, Sales & Marketing, Procurement, Regulatory Affairs, Finance, IT and Human Resources and take timely measures to minimize the impact.

The key risks identified by the Company are increase in power, fuel and freight costs; capacity/demand mismatch in the Industry; shortage of railway wagons; volatility in forex and high interest rates. Whereas a systematic risk

identification and mitigation framework is in place and suitable action plan is drawn up to mitigate the same, the Company has virtually no control over external risks such as general down turn in the economy, new regulations, government policies and interest rates.

6. 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.

7. 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

Report on the Financial Statements

We have audited the accompanying financial statements of **ANDHRA CEMENTS LIMITED ("the Company")**, which comprises the Balance sheet as at March 31, 2016, the Statement of profit and loss and the cash flow statement for the nine months period ended March 31, 2016, and a summary of significant accounting policies and other explanatory information.

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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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, of the state of affairs of the Company as at March 31, 2016 and its losses and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") 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 the paragraph 3 and 4 of the Order.
2. 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 purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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"; and
 - g. 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 explanations given to us:
 - i. The Company has disclosed the impact of all pending litigations on its financial position in its financial statements. (Refer Note-34 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 contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. According to the information and explanation given to us, an amount of ₹ 102.15 Lakhs and ₹ 193.17 Lakhs pertaining to unpaid matured

deposits and unpaid matured debenture respectively held with the banks are pending to be transferred to the Investor Education and Protection Fund by the Company till March 31, 2016.

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

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

New Delhi
May 29, 2016

“ANNEXURE- A” REFERRED IN INDEPENDENT AUDITORS REPORT OF EVEN DATE

The “Annexure-A” referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the period ended March 31, 2016, we report that:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to information and explanation given to us, the title deeds of the immovable property have been mortgaged with the banks/ Financial Institutions etc., for securing the borrowings and loan 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. In respect of immovable properties been taken on lease, the lease agreements are in the name of the Company.
- ii. The inventories were physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks 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 any loan, secured or unsecured to companies, firms, limited liabilities partnership 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. According to the information and explanations given to us, no loans, investment, guarantee and security granted in respect of which section 185 and 186 of the Companies Act 2013 are applicable. Accordingly paragraph 3(iv) of the Order is not 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 Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed account and records have been made and maintained. We have, however, not made a detailed examination of these records with the view to determining whether they are accurate or complete.
- vii. a. According to the information and explanation given to us and on the basis of our examination of books of accounts, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of excise, Cess and other material statutory dues applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of these and other material statutory dues applicable were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, particulars of dues outstanding in respect of Income tax, Sales tax, Service tax, Duty of Customs, Duty of excise, or value added tax and other material statutory dues which have not been deposited as on March 31, 2016 on account of disputes and given below:

SL. 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	Interest on duty demanded kept in abeyance pursuant to BIFR order	71.11	2005-06	High Court
2	Central Excise Act, 1944	Central Excise duty	10.61	2004-05	High Court
		Central Excise duty	651.97	2006-12	CESTAT
		Central Excise duty	371.50	2007-09	CESTAT
		Central Excise duty	1.82	2010-11	CESTAT

SL. No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where dispute is Pending
		Central Excise duty	11.08	2007-11	CESTAT
		Central Excise duty	3.88	2009-10	CESTAT
3	Finance Act,	Service Tax	1.74	2008-10	CESTAT
		Service Tax	12.74	2007-10	CESTAT
		Service Tax	298.64	2007-10	CESTAT
4	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
5	Orissa Sales tax Act	Sales Tax (ET)	0.21	2000-01	Tribunal
		Sales Tax (ET)	2.77	2003-04	Tribunal
6	Tamil Nadu Sales Tax Act	Sales Tax (CST)	12.30	1988-89	Tribunal
		Sales Tax	13.26	1991-92	Tribunal
		Sales Tax	5.83	1992-93	Tribunal
		Sales Tax	18.93	1996-97	Tribunal
		Sales Tax	9.16	1988-89	Commissioner (Appeals)
		Sales Tax	6.09	1989-90	Commissioner (Appeals)

viii. According to the information and explanations given to us, there are no loans or borrowings payable to the Government or debenture holders. The Company has defaulted in repayment of dues to Bank and Financial Institution during the year. However, the default has been made good through rescheduling of loans before the end of the financial year except payment of interest which are given as under:

Bank/Financial Institution	Amount of default (in Lakhs)	Period of default
IDFC	523.49	16-30
HDFC	637.77	1-91
Karur Vasya Bank	1.56	1
Total	1162.82	

- 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) during the year. The term loans have been applied by the Company during the year for the purposes for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, where 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 and based on our examination of the records of the Company, 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 and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

New Delhi
May 29, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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, 2016 in conjunction with our audit of the standalone 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 ('ICAI'). 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.

Auditors' 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 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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, 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, 2016, 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

RAVINDRA NATH CHATURVEDI

Partner
Membership No. 092087

New Delhi
May 29, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Lacs)

PARTICULARS	NOTE	As at	As at
		March 31, 2016	June 30, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	29,352.44	29,352.44
Reserve and Surplus	3	(21,747.23)	(15,116.93)
		7,605.21	14,235.51
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	86,007.90	77,199.68
Other Non Current Liabilities	5	-	1,436.63
Long-Term Provisions	6	512.54	495.71
		86,520.44	79,132.02
CURRENT LIABILITIES			
Short-Term Borrowings	7	3,576.68	3,231.69
Trade Payables	40	9,966.20	12,881.38
Other Current Liabilities	8	20,470.60	27,322.28
Short-Term Provisions	9	101.91	111.65
		34,115.39	43,547.00
TOTAL		128,241.04	136,914.53
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10	81,761.23	84,532.32
Intangible Assets		-	-
Capital Work-in-Progress (Refer Note No. 36)		28,609.21	26,530.53
		110,370.44	111,062.85
Non-Current Investment	11	0.95	0.17
Deferred Tax Assets (Net)	12	2,982.44	2,982.44
Long Term Loans and Advances	13	5,138.00	4,553.50
Other Non-Current Assets	14	127.42	133.06
		118,619.25	118,732.02
CURRENT ASSETS			
Inventories	15	2,503.41	4,070.71
Trade Receivables	16	3,152.19	4,635.71
Cash and Bank Balances	17	1,194.37	1,973.19
Short-Term Loans and Advances	18	2,251.24	6,725.21
Other Current Assets	19	520.58	777.69
		9,621.79	18,182.51
TOTAL		128,241.04	136,914.53
Accompanying Notes forming part of the Financial Statements	2-49		
Significant Accounting Policies	1		

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

Place : New Delhi

Date : May 29, 2016

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

Chairman

DIN No. 00191219

G. Tirupati Rao

Company Secretary

S K Mandal

Managing Director

DIN No. 00086235

A K Agrawal

Chief Finance officer

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM JULY 01, 2015 TO MARCH 31, 2016

(₹ in Lakhs)

PARTICULARS	NOTE	For Nine Month Period Ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Revenue from Operations	20	29,196.94	27,801.57
Other Income	21	288.33	905.56
Total Revenue (I)		29,485.27	28,707.13
Expenses:			
Cost of Materials Consumed	22	4,213.79	3,308.01
Changes in Inventories of Finished Goods, Work-in-Progress.	23	382.10	103.05
Employee Benefit Expenses	24	1,609.98	1,677.24
Finance Cost	25	7,303.98	6,245.93
Depreciation and Amortization Expenses	26	2,892.50	2,518.55
Power and Fuel	27.a	9,585.86	9,029.34
Packing, Freight and Loading Expenses	27.b	7,389.24	8,028.79
Other Administrative Expenses	27.c	2,618.34	3,234.30
Total Expenses (II)		35,995.80	34,145.21
Profit before Exceptional and Extraordinary Items and Tax [III = (I-II)]		(6,510.52)	(5,438.08)
Exceptional Items (IV)		-	(4,452.55)
Profit before Extraordinary Items and Tax (V = III +IV)		(6,510.52)	(9,890.63)
Extraordinary Items (VI)		-	-
Profit before Tax (VII = V- VI)		(6,510.52)	(9,890.63)
Tax expense:			
(1) Current Tax		-	(1.67)
(2) Deferred Tax		-	-
Total (VIII)		-	(1.67)
Profit/(Loss) for the period (IX = VII - VIII)		(6,510.52)	(9,888.96)
Earning per Equity Share:			
(1) Basic		(2.22)	(3.37)
(2) Diluted		(2.22)	(3.37)
Accompanying Notes forming part of the Financial Statements	2-49		
Significant Accounting Policies	1		

As per our report of even date attached

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

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

Place : New Delhi
Date : May 29, 2016

FOR AND ON BEHALF OF THE BOARD

K N Bhandari
Chairman
DIN No. 00191219

G. Tirupati Rao
Company Secretary

S K Mandal
Managing Director
DIN No. 00086235

A K Agrawal
Chief Finance officer

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting and preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements comply in all material aspects with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act 1956 ("the 1956 Act"), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

b) Use of Accounting Estimates

The preparation of financial statements in conformity with the Indian GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c) Classification of Assets and Liabilities into Current and Non-Current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating

cycle as 12 months for the purpose of Current/ Non-current classification of assets and liabilities.

d) Fixed Assets

Fixed assets (whether Tangible or Intangible) are stated at cost less accumulated depreciation/ amortization / impairment loss (if any), net of CENVAT/MODVAT (wherever claimed). The cost of fixed assets includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/bringing the assets for their intended use.

Spare parts which can be used only in connection with a particular Plant and Equipment of the Company and use is expected to be irregular, are capitalized at cost, net of CENVAT/MODVAT (wherever claimed).

Fixed Assets held for disposal are stated at lower of net book value and net realizable value and disclosed separately in the financial statements under "Other Current Assets".

Losses arising from the retirement of, and gains / losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

e) Expenditure during construction period:

Expenditure/ Income, during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of their construction. Advances given towards acquisition or construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Long-term loans and advances".

f) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

g) Depreciation and Amortization

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013 and as estimated by the management.

The useful life of an asset is the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II to the Companies Act, 2013. Besides the useful life of specific assets, the company follows the process of componentization for fixed assets w.e.f. 01.04.2015 as per the requirement of the Act. Accordingly, the company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets / components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/component of an asset.

The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Pursuant to the above policy, depreciation on the following assets has been provided based on the estimated useful lives of fixed assets given below:

No.	Nature of Asset/ Components of an Asset	Useful life of assets/ components an Asset
1	Building	6-30
2	Plant and Machines	5-25
3	Furniture and Fixtures	7
4	Office Equipments	10
5	Vehicles	10
6	Railway Siding	25

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis upto the month proceeding the month of deduction / disposal.

h) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date, if there is an indication of impairment based on internal and external factors.

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an assets net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The discounting rate is a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. Impairment loss recognised in prior years is reversed when there is an indication that impairment loss recognised for the asset no longer exists or has decreased.

i) Investments

(i) Presentation and disclosure

Investments which are readily realizable and are intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments / non-current investments.

(ii) Recognition and measurement

Long-term investments are stated at cost after deducting provisions made, if any, for diminution in value of investments other than temporary, determined separately for each individual investment.

Current investments, except current maturities of Long- term investments, are stated at lower of cost and fair value determined for each category of investments.

(iii) Disposal

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Statement of Profit and Loss.

j) Foreign Currency Transactions:

(i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates.

(ii) In respect of forward exchange contracts, premium or discount, being the difference between the forward exchange rate and the exchange rate at the inception of contract is recognised as expense or income over the life of the contract.

- (iii) Exchange difference including premium or discount on forward exchange contracts, relating to borrowed funds, liabilities and commitments in foreign currency for acquisition of fixed assets, arising till the assets are ready for their intended use, are adjusted to cost of fixed assets. Any other exchange difference either on settlement or translation is recognised in the Statement of Profit and Loss.

k) Inventories

Inventories are valued as follow:

(i) Raw material, fuel, stores and spare parts and packing materials:

Valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable 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.

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

Valued at lower of cost and NRV. Finished goods and WIP cost includes 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.

(iii) Waste /Scrap:

Waste / Scrap inventory is valued at NRV.

Net realizable 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.

l) Employee Benefits

(i) Short term employee benefits:

Short term employee benefits are recognised as an expense on accrual basis.

(ii) Defined Contribution Plan:

Contributions payable to recognised provident fund which are substantially defined contribution plan are recognised as expense in the Statement of Profit and Loss, as they are incurred.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

(iii) Defined Benefit Plan:

The obligation in respect of defined benefit plans, which cover Gratuity and Pension, are provided for

on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

(iv) Other Long Term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains /Losses, if any, are recognised immediately in the Statement of Profit and Loss.

- (v) Presentation of Non-funded obligation of defined benefit plans and other long term benefits, as long term and short term liability is on the basis of actuary's report.

m) Income Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred Tax reflects the impact of timing difference between accounting income and taxable income during the current year and reversal of timing differences for the earlier years. Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty, except for carried forward losses and unabsorbed depreciation and items relating to capital losses which are recognised based on virtual certainty, supported by continuing evidence that there will be sufficient future taxable income available to realize the asset.

Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

n) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- (i) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer. Sales are net of Sales Tax, VAT, trade discounts, rebates and returns but include excise duty. Sales exclude self-consumption of finished goods.
- (ii) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement arrangement with the concerned parties.
- (iii) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Income other than dividend and interest on Investments is recognised on maturity or sale.
- (iv) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

o) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as Contingent Liabilities.

Contingent Liabilities are not recognised but are disclosed and Contingent Assets are neither recognised nor disclosed, in the financial statements.

p) Earnings per Share:

The basic Earnings per Share ("EPS") are computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders divided by the weighted average number of equity shares outstanding during the year after adjusting for the effects of all dilutive potential equity shares.

q) Operating lease:

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

Note 2 - SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Authorized		
Equity Shares, ₹ 10/- par value		
400,000,000 (400,000,000) Equity Shares	40,000	40,000
Cumulative Redeemable Preference Shares, ₹ 100/- par value		
10,000,000 (10,000,000) Preference Shares	10,000	10,000
	50,000	50,000
Issued, Subscribed and Paid-Up		
Equity Shares, ₹ 10/- par value		
293,520,492 (293,520,492) Equity Shares	29,352.05	29,352.05
Add: Forfeited Shares (Refer Note 2.5)	0.39	0.39
	29,352.44	29,352.44

2.1 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.2 Share held by the Holding Company

Name of the Share holder	As at March 31, 2016	As at June 30, 2015
	No. of Shares	
Jaypee Development Corporation Limited	201,926,406	201,926,406

2.3 List of shareholders holding more than 5% of Paid-up Equity Share Capital:

Name of the Share holder	As at March 31, 2016	As at June 30, 2015
	No. of Shares / %	
Jaypee Development Corporation Ltd.	201,926,406 68.79%	201,926,406.00 68.79%
Infrastructure Development Finance Company Ltd.	-	28,784,722 9.81%
Housing Development Finance Corporation Ltd.	25,957,055 8.84%	25,957,055.00 8.84%

2.4 Reconciliation of the Shares Outstanding at the beginning and at the end of the year:

Details	As at March 31, 2016	As at June 30, 2015
	No. of Shares	
Number of shares at the beginning	293,520,492	293,520,492
Add: Shares issued during the period	-	-
Number of shares at the end	293,520,492	293,520,492

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

Note 3 - RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Capital Reserve		
Opening Balance (Refer Note No. 3.1)	10.00	10.00
Addition during the year	-	-
Closing Balance	10.00	10.00
Capital Redemption Reserve		
Opening Balance	1.94	1.94
Addition during the year	-	-
Closing Balance	1.94	1.94
Securities Premium Reserve		
Opening Balance	9,054.05	9,054.05
Addition during the year	-	-
Closing Balance	9,054.05	9,054.05
Revaluation Reserve		
Opening Balance	3,089.50	3,530.36
Less: Utilized during the period	119.78	440.86
Closing Balance	2,969.72	3,089.50
Quary Land Amortization Reserve		
Opening Balance	0.29	0.29
Addition during the year	-	-
Closing Balance	0.29	0.29
Surplus		
Profit and Loss Account		
Opening Balance	(27,272.71)	(17,155.48)
Add: Profit/(Loss) during the year/period	(6,510.52)	(9,888.96)
	(33,783.23)	(27,044.44)
Appropriations:		
Less: Transferred to Profit and Loss Account (Depreciation on account of change in system - Refer Note No. 2 under Fixed Assets Schedule)	-	(228.27)
	-	(228.27)
Closing balance	(33,783.23)	(27,272.71)
TOTAL	(21,747.23)	(15,116.93)

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

Note 4. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Secured Term Loans: (Refer Note no 4.1 to 4.6)		
From Banks		
Andhra Bank	9,900.00	6,937.50
Karur Vysya Bank	4,900.00	4,237.50
From Others: (Refer Note no 4.1 to 4.6)		
Housing Development Finance Corporation Limited	35,300.00	32,356.52
IDFC Bank Limited	33,729.47	30,915.72
Unsecured Loan: (Refer Note no 4.1 to 4.6)		
From Holding Company		
Jaypee Development Corporation Ltd.	2,178.43	2,752.44
Total	86,007.90	77,199.68

Note 5. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Deferred Interest on Sub Debts		
Housing Development Finance Corporation Limited	-	707.32
IDFC Bank Limited	-	729.31
Total	-	1,436.63

Note 6. - LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
For Employee benefits		
Gratuity	426.26	410.22
Leave encashment	86.28	85.49
Total	512.54	495.71

Note 7. - SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Loans repayable on Demand		
Secured		
From Banks		
Working Capital Loans	3,569.45	3,224.46
Unsecured		
Sales Tax Loan from A.P. State Government	7.23	7.23
Total	3,576.68	3,231.69

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

Note 8. - OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Current Maturities of Long-term Debts		
- Housing Development Finance Corporation Limited	-	2,243.48
- IDFC Bank Limited	-	2,184.28
- Karur Vyasa Bank	-	262.50
- Andhra Bank	-	562.50
-Jaypee Development Corporation Ltd.	789.38	674.27
Interest Accrued but not due on Borrowings	198.47	184.16
Interest Accrued and due on Borrowings	1,162.82	68.94
Unpaid matured deposits -Refer Note No. 41 (C)	102.15	102.21
Unpaid matured debentures-Refer Note No. 8.1 and 41(b)	193.17	193.19
Unclaimed Redeemable Cumulative Preference Share	1.92	1.92
Other Payables:		
Government and Other Statutory Dues	735.89	1,668.00
Liabilities for Capital Goods	1,850.29	1,030.21
Deposits from Contractors/Customers	496.30	508.19
Advances from Customers	1,876.78	1,108.72
Liability for power consumption	1,405.32	1,656.70
Liability for Expenses	11,658.11	14,873.01
Total	20,470.60	27,322.28

Note

8.1 Unpaid matured Debentures are secured to the extent of ₹ 193.19 lakhs (₹ 193.19 lakhs) against deposit in a separate bank account with lien thereon in favour of Debenture Trustees. As per Modified Scheme 2008 (MS-08), Principal amount is payable as and when claimed by the Debenture Holders after adjusting the repayments made earlier, if any.

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

Note 9. - SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
For Employee Benefits		
Gratuity	86.66	93.62
Leave Encashment	15.25	18.03
Total	101.91	111.65

Note 10 - Fixed Assets Schedule

(₹ in Lakhs)

Name of Asset	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on July 1, 2015	Additions	Deductions	As on March 31, 2016	As on July 1, 2015	for the Period	Transfers to Reserves and Surplus	On Deductions (-)	As on March 31, 2016	As on March 31, 2016	As on June 30, 2015
1. Land	679.90	65.87	-	745.77	-	-	-	-	-	745.77	679.90
2. Buildings	5,867.13	-	-	5,867.13	2,287.36	104.63	-	-	2,391.99	3,475.14	3,579.76
3. Plant and Machinery	99,308.86	171.56	-	99,480.42	19,265.99	2,877.08	-	-	22,143.07	77,337.35	80,042.70
4. Furniture and Office Equipments	582.48	3.59	-	586.06	490.78	14.89	-	-	505.67	80.39	91.70
5. Vehicles	271.17	-	-	271.17	142.06	15.69	-	-	157.75	113.42	129.10
6. Railway Siding	183.05	-	-	183.05	173.90	-	-	-	173.90	9.16	9.16
TOTAL	106,892.57	241.03	-	107,133.60	22,360.09	3,012.28	-	-	25,372.38	81,761.23	84,532.32
Previous Year	26,703.44	81,350.68	1,161.54	106,892.57	20,295.11	2,897.77	228.53	1,061.32	22,360.10	84,532.32	

Note:-

- Gross Block includes increase in value of Land, Buildings, Plant and Machinery, Electrical Installations, and Railway Siding consequent to revaluation by an approved valuer as on 31-03-1998 at the then replacement values aggregating to ₹ 208.34 Crores. Depreciation for the period amounting to ₹ 119.79 lacs (203.17 lacs) on the revalued depreciable assets has been withdrawn from the Asset Revaluation Reserve and reduced from the depreciation charged to the Statement of Profit and Loss.

Note 11. - NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Long term investments (un-quoted)- At cost		
Investments in Equity Instruments		
Investment in the Andhra Pradesh Heavy machinery and Engineering limited 2500 fully paid up equity shares of ₹ 10 each	0.25	0.25
Less: Provision for diminution in value of investments	0.25	0.25
	-	-
Investment in Government securities		
National Saving Certificates (Lodged as security with Govt. Depts.)	0.95	0.17
Total	0.95	0.17

Note

Aggregate amount of the un-quoted Investment is ₹ 1.20 Lakhs

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

Note-12. DEFERRED TAX ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Deferred Tax Asset - Refer Note No. 39	3,780.41	3,780.41
Less: Deferred Tax Liability	797.97	797.97
Total	2,982.44	2,982.44

Note 13. - LONG TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Unsecured Considered Good		
Capital Advances	3,807.23	3,591.30
Security Deposits	1,279.63	949.32
Claims Recoverable and Others	12.29	12.88
Advance for land	38.85	-
Total (A)	5,138.00	4,553.50
Unsecured Considered Doubtful		
Security Deposits	0.50	0.50
Total	0.50	0.50
Less: Provision for Diminution in Value	0.50	0.50
Total (B)	-	-
Total (A+B)	5,138.00	4,553.50

Note 14. - OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Accrued Interest	-	4.17
Advance Income Tax and TDS	98.35	77.16
MAT credit available for set-off	29.07	29.07
Earmarked Balances		
- Margin Money against Bank Guarantees (More than One Year)	-	22.66
Total	127.42	133.06

Note 15. - INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Raw Material	257.12	550.24
Work-In-Progress	380.41	524.97
Finished Goods	483.70	721.25
Stores and Spares	1,418.84	2,310.91
	2,540.07	4,107.38
Less: Provision for Obsolete Stores	36.66	36.66
Total	2,503.41	4,070.71

Note 16. - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured Considered Good	291.87	793.03
Considered Doubtful (Refer Note No. 40)	733.31	733.31
	1,025.18	1,526.34
Less: Provision for doubtful	733.31	733.31
Total (A)	291.87	793.03
Other Debts		
Unsecured Considered good	2,860.32	3,842.68
Considered Doubtful	-	-
Total (B)	2,860.32	3,842.68
Total (A+B)	3,152.19	4,635.71

Note 17. - CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Cash and Cash Equivalents		
Cash on hand	4.30	6.86
Balances with banks		
- In Current accounts	828.57	1,671.01
Earmarked Balances		
- Security against unpaid matured Debentures	190.00	190.00
- Savings Bank Account with Mining Department	0.80	0.80
Other Bank Balances		
Margin Money against Guarantees with maturity of more than 3 months but less than 12 months	170.70	104.52
Total	1,194.37	1,973.19

Note 18 - SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Unsecured Considered Good		
Advances to suppliers	2,214.89	4,945.81
Advances to Related Parties	29.73	1,732.54
Advances to employees	6.63	46.86
Total (A)	2,251.24	6,725.21
Unsecured Considered Doubtful		
Advances to suppliers	56.86	56.86
Less: Provision for Doubtful Debts	56.86	56.86
Total (B)	-	-
Total (A+B)	2,251.24	6,725.21

Note 19. - OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Considered Good		
Accrued Interest	72.58	23.84
Other Deposits paid under protest	181.86	199.75
Excise Duty, Royalty etc. paid in Advance	217.03	507.72
Prepaid Expenses	49.11	46.38
Total	520.58	777.69

Note 20. - REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Sale of Products	33,847.49	32,411.47
Less: Excise Duties	4,650.55	4,609.90
TOTAL	29,196.94	27,801.57

Note 21. - OTHER INCOME

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Interest Income	95.46	184.68
Other Receipts	179.98	253.68
Credit balance written back	12.89	467.20
TOTAL	288.33	905.56

Note 22. - COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Limestone	941.76	549.87
Slag	695.56	767.11
Gypsum	500.09	588.25
Pozzolona and Other Material	577.78	390.80
Clinker	1,498.60	1,011.98
TOTAL	4,213.79	3,308.01

Note 23. - CHANGE IN INVENTORIES OF FINISHED/ WIP

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Opening Stocks:		
Work-in-Progress	524.96	686.51
Finished Goods	721.25	662.75
TOTAL (A)	1,246.21	1,349.26
Closing Stocks		
Work-in-Progress	380.41	524.96
Finished Goods	483.70	721.25
TOTAL (B)	864.11	1,246.21
Change in Inventories of Finished/ WIP (A-B)	382.10	103.05

Note 24. - EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Salaries and Wages	1,377.04	1,440.91
Contribution to Provident and Other Funds	53.64	58.73
Gratuity Paid	57.49	61.94
Staff Welfare Expenses	121.81	115.66
TOTAL	1,609.98	1,677.24

24.1 The disclosure as required by Accounting Standard 15(Employee Benefit) relating to employee benefits recognised are set-out below:

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

Disclosure for defined plan based on actuarial report as at March 31, 2016 is as follows:

24.1.1 - Reconciliation of Opening and Closing balances of Defined Benefit Obligation:

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016		For the Fifteen Months Period ended June 30, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at the beginning of the year	503.83	103.53	522.02	105.41
Current Service Cost	20.37	5.03	54.57	12.60
Interest Cost	30.23	6.21	33.02	11.09
Actuarial (gain) / loss	9.27	(5.01)	(18.52)	(8.61)
Benefits Paid	(50.78)	(8.23)	(87.26)	(16.96)
TOTAL	512.92	101.53	503.83	103.53

24.1.2 - Expenses recognised during the year

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016		For the Fifteen Months Period ended June 30, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	20.37	5.03	54.57	12.6
Interest Cost	30.23	6.21	33.02	11.09
Actuarial (gain) / loss	9.27	(5.01)	(18.52)	(8.61)
TOTAL	59.87	6.23	69.07	15.08

24.1.3 Actuarial Assumptions

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Discount Rate (per annum)	8	8
Expected rate of return on plan assets (Per annum)	-	-
Rate of escalation in salary (per annum)	5.5	5.5
Average Balance Service	6.92 Yrs	6.92Yrs

24.1.4

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

24.1.5

Assumptions relating to future salary increases, attrition, interest rate for discount have been considered based on relevant economic factors such as inflation, market growth obligation is expected to be settled and other factors applicable to the period over which the obligation is expected to be settled.

NOTE 25 - FINANCE COST

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Interest on Borrowings	7,104.75	10,698.48
Less: Exceptional Items - Refer No. 36(ii)	-	4,452.55
Other Interest Expenses	199.23	-
TOTAL	7,303.98	6,245.93

NOTE 26 - DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

Particulars	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Depreciation and Amortisation	3,012.28	2,897.77
Less: Transferred from Revaluation Reserve	119.78	379.22
Depreciation and Amortisation	2,892.50	2,518.55

NOTE 27 - OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	For Nine Months Period ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
a. Power and Fuel	9,585.86	9,029.34
TOTAL (a)	9,585.86	9,029.34
b. Freight Loading etc., on Sales	7,389.24	8,028.79
TOTAL (b)	7,389.24	8,028.79
c. Other		
Consumption of Stores and Spares Parts and Components	609.19	549.81
Rent	209.61	130.00
Repairs and Maintenance:		
- Buildings	2.45	3.42
- Machinery	82.50	96.77
- Other Assets	6.88	6.44
Insurance	58.64	91.09
Rates and Taxes	106.74	120.19
Advertisement and Business Promotion	14.56	2.00
Commission on Sales	183.58	183.56
Directors Sitting Fee	10.40	8.03
Payment to Auditors		
- As Statutory Auditor	5.93	7.85
- For reimbursement of Expenses	0.14	0.64
Prior Period Adjustments		
- Expenditure Not relating to the year	-	29.95
Loss on Sale of Assets	-	35.30
Provision for bad and Doubtful debts	-	336.70
Provision for diminution in value of Inventory	-	29.64
Packing Expenses	963.35	1,041.34
Legal and Professional Expenses	126.21	115.99
Printing and Stationery	10.61	18.67
Telephone and Other Communication Expenses	14.26	30.25
Travelling and Conveyance	40.16	78.24
Miscellaneous expenses	173.13	318.42
TOTAL (c)	2,618.34	3,234.30
TOTAL (a+b+c)	19,593.44	20,292.43

NOTE 28. - CIF VALUE OF IMPORTS:

Particulars	(₹ in lakhs)	
	Period ended March 31, 2016	Period ended June 30, 2015
Capital Goods	-	607.74
Stores and Spares	-	208.16
Raw Material	463.01	2,224.86

NOTE 29. - EXPENDITURE IN FOREIGN CURRENCY:

(₹ in lakhs)

Particulars	Period ended March 31, 2016	Period ended June 30, 2015
Professional / Consultancy Charges	NIL	NIL

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

(₹ in lakhs)

	Period ended March 31, 2016		Period ended June 30, 2015	
	Value	%	Value	%
Raw Material Consumed				
Indigenous	4,123.51	97.86	4,745.96	90.14
Imported	90.28	2.14	518.89	9.86
Total	4,213.79	100	5,264.85	100
Spare parts and components				
Indigenous	591.01	97.02	405.76	44.17
Imported	18.18	2.98	512.94	55.83
Total	609.19	100	918.70	100

NOTE 31. - EARNINGS IN FOREIGN EXCHANGE:

(₹ in lakhs)

Particulars	Period ended March 31, 2016	Period ended June 30, 2015
Foreign Income	NIL	NIL

NOTE 32.
(a) Raw Material consumed during the year:

(₹ in lakhs)

Particulars	Period ended March 31, 2016	Period ended June 30, 2015
Limestone	941.76	940.17
Gypsum	500.09	961.76
Clinker	1,498.60	1,550.56
Laterite	425.39	578.58
Iron Ore	11.85	-
Slag	695.56	1,200.02
Flyash	140.54	00.35
Other	-	33.41
Total	4,213.79	5,264.85

During the previous year material consumption amounting of ₹. 1,956.84 lakhs had been transferred for capitalization as trail run cost

(b) Turnover during the year:

(₹ in lakhs)

Particulars	Period ended March 31, 2016	Period ended June 30, 2015
Cement	33,847.49	55,717.06
Clinker	-	208.63

NOTE 33.

Estimated amount of contracts to be executed on capital account (net of advances) ₹ 505.42 lakhs (Previous Year ₹ 985 lakhs).

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

(₹ in lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Government Claims for Non-Statutory dues	195.30	195.30
Electricity Claims	210.72	210.72
Claims of Project Customers	952.00	952.00
Other Claims (Suppliers etc.)	75.37	75.37

(ii) Letter of Credit Outstanding:

(₹ in lakhs)

Particulars	As at March 31, 2016	As at June 30, 2015
Letter of Credit	60.31	118.90

(iii) Disputed demands under litigation:

(₹ in lakhs)

Particulars	As at 31 March, 2016	As at June 30, 2015	As at March 31, 2016 Amount paid under protest, if any
APGST / VAT	36.33	36.33	1.25
C S T	23.18	80.17	-
TNGST	67.29	67.29	1.71
OST	3.48	3.48	0.50
Central Excise	1051.84	1069.22	1.00
Service Tax	415.08	415.08	101.98

(iv) 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.

(v) Excise authority, although accepted payment of ₹629 lacs 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. The Company challenged the demand of interest before Hon'ble Delhi High Court. The Delhi High Court disposed the appeal by remanding back to the Commissioner of Central Excise. The Department has issued a Show Cause Notice (SCN) on 19th June 2015 demanding ₹ 984.70 Lakhs towards interest on the installments. The reply for the SCN is submitted by the Company on March 21, 2016 and simultaneously approached to the Hon'ble High Court, Hyderabad through file Writ petition no 27732 of 2015 dated September 15, 2015 for consider the case fit just and proper in the circumstances. Moreover, The Company is confident of waiver of interest in terms of Hon'ble BIFR directions.

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

(vii) 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 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 demanding payment of ₹ 59.34 Lakhs which had been waived off as per the above settlement with the registered labour union. The case is under trail with Central Government Industrial Tribunal cum Labour Court under section 33(c)(2) of Industrial Dispute Act, 1947.

(viii) FSA (fuel surcharge Adjustment) of ₹ 408.16 lakhs levied by APSPDCL in 2008-09 which is under disputed and challenged by all cement companies in the Hon'ble Supreme Court for same management is confidence that decision in favour of Company.

NOTE 35.

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

NOTE 36.

- (i) Presently, erection of 30 MW Captive Power Plant and certain modifications to the Plant is under progress.
- (ii) As per the Accounting Standard 16 "Borrowing Cost", an amount of ₹4452.55 Lakhs towards interest related to the period during which construction activities remained suspended has been charged to the Statement of Profit and Loss as exceptional item during the previous year.
- (iii) As at March 31, 2016, the Company has accumulated losses of ₹ 33783.23 Lakhs and has incurred losses of ₹ 6510.52 Lakhs and ₹ 9890.63 lakhs in the current period and previous period respectively. Further, the Current liabilities of the Company exceeded its current assets. The Financial Statement of the Company have been prepared on going concern basis as management believe that the Company would be able to establish profitable operations and meet its obligations.

NOTE 37.

To the extent information available with the Company, there are no outstanding, as at the end of the year, to the parties registered under the Micro, Small and Medium Enterprises Development Act, 2006. The Company has also not received any demands/notices from the firms/companies stating their coverage under the said Act.

NOTE 38.

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

NOTE 39. DEFERRED TAX ASSET (NET)

Particulars	(₹ In Lakhs)	
	As at March 31, 2016	As at June 30, 2015
Tax impact of differences between carrying amount of the fixed assets in the financial statements and the income tax	(797.97)	(797.97)
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax	542.8	542.8
Tax Impact of Carry Forward Business Losses	-	-
Tax Impact of Unabsorbed Depreciation under Income Tax Act	3237.61	3237.61
Deferred Tax Asset /(Liability)	2982.44	2982.44

The company has recognized deferred tax asset on Unabsorbed Depreciation upto 31 March 2014 to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets as per the Income Tax Act 1961.

Note 40.

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.

NOTE 41.

- (a) The Hon'ble BIFR has discharged the Company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 vide its Order dated 22nd January 2010. In terms of the said Order, the unimplemented provisions of MS-08 (Modified Rehabilitation Scheme sanctioned by BIFR vide its Order dated 21st July 2008) would be implemented by the concerned agencies.
- b) In terms of MS-08, 13.5% Secured Redeemable Debentures are required to be settled by payment of principal amount only and interest stand waived. The Company has deposited an amount equivalent to the principal amount of these debentures marking a lien in favour of the Debenture Trustees. The unclaimed debentures at year end are shown under the head "Other Current Liabilities".
- c) In terms of the said Scheme, the fixed deposit holders are to accept outstanding principal amount in four annual installments commencing from financial year 2007-08 onwards, on interest-free basis. The unclaimed fixed deposits at year end are shown under the head "Other Current Liabilities".

NOTE 42.

- (a) The Company does not have any outstanding derivative contract as on March 31, 2016.
- (b) Un-hedged foreign currency exposure of the company as on June 30, 2015 are as follows:

(₹ in Lakhs)

	As at March 31, 2016	As at June 30, 2015
Creditors (Import)	162.97	173.42

NOTE 43.

The Company is exclusively engaged in the business of cement and cement related products. As per AS 17 "Segment Reporting", specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segment applicable to the Company.

NOTE 44.

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

- Not later than one Year ₹ 56.46 Lacs
- Later than one year and not later than five years ₹ 70.57 Lacs

Lease payments recognized in the statement of Profit and loss for the year is ₹ 43.05 Lacs.

Leasing Arrangement clause

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

NOTE 45.

(a) Related Parties and transactions with them, as identified by the management in accordance with the Accounting Standard 18, as notified by the Companies Accounting Standard Rules, 2006, are as follows:

S No	Relationship	Parties
1	Key Managerial Personnel (KMP)	Shri K N Bhandari, Chairman from 11.08.2014 Shri S K Mandal, Managing Director from 11.08.2014 Shri A. K Agrawal, Chief Finance Officer Shri G. Tirupati Rao, Company Secretary & GM (L)
2	Ultimate Holding Company	Jaypee Infra Ventures Pvt. Ltd., being Holding Company of Jaypee Development Corporation Limited
3	Holding Company	Jaypee Development Corporation Limited
4	Associate	Jaiprakash Associates Limited
5	Enterprise over which, companies stated at S. No. (2) to (4) above have significant influence.	Jaypee Cement Corporation Limited Himalayaputra Aviation Limited JIL Information Technology Limited BhilaiJaypee Cement Limited BokaroJaypee Cements Limited

(b) Major transaction entered with related parties are given below:-

(₹ in Lakhs)

Particulars	Key Managerial Personnel KMP	Holding Company	Associate	Enterprises having significant Influence
Key Managerial				
K N Bhandari (Sitting Fee)	1.40 (1.00)			
S K Mandal – Managerial remuneration	70.29 (97.15)			
A. K Agrawal	2.31 (-)			
G. Tirupati Rao	15.24 (25.40)			
Repayment of Loan				
Jaypee Development Corporation Limited		538.45 (-)		
Interest expense				
Jaypee Development Corporation Limited		245.39 (415.40)		
Purchase of Fixed Assets				
Jaiprakash Associates Limited			199.89 (-)	
Jaypee Cement Corporation Limited				39.35 (208.42)

(₹ in Lakhs)

Particulars	Key Managerial Personnel KMP	Holding Company	Associate	Enterprises having significant Influence
Sale of Fixed Assets				
Jaypee Cement Corporation Limited				- (82.28)
Purchase of material				
Jaypee Cement Corporation Limited				894.25 (614.59)
Jaiprakash Associates Limited			1512.98 (3615.05)	
Sale of Material				
Jaiprakash Associates Limited			8.26 (987.43)	
Jaypee Cement Corporation Limited				10.79 (29.30)
Services Received				
Jaiprakash Associates Limited			506.42 (1855.03)	
Reimbursement of Expenses				
			- (9003.44)	
Balances at the end of the period				
(i) Loans, Interest payable and Advances				
Jaypee Cement Corporation Limited				
Jaypee Development Corporation Limited		2967.81 (3423.28)		
(ii) Balances Receivable				
Bhilai Jaypee Cement Limited				21.47 (1335.47)
JIL Information Technology Limited				0.05 (-)
(iii) Balances payable				
Jaiprakash Associates Limited			7,634.25 (13082.96)	
Jaypee Cement Corporation Limited				800.63 (1035.62)
JIL Information Technology Limited				- (0.05)

NOTE 46.

The Company has not given advances in the nature of loans whose particulars are required to be disclosed in terms of clause 32 of the listing agreement.

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

Particulars	Period ended March 31, 2016	Period ended June 30, 2015
Net Profit/(loss) attributable to shareholders	(6,510.51)	(9,888.96)
Weighted average number of equity shares outstanding		
For Basic EPS	29,35,20,492	29,35,20,492
For Diluted EPS	29,35,20,492	29,35,20,492
Earnings Per Share (Face Value of ₹ 10 each)		
Basic (Rupees)	(2.22)	(3.37)
Diluted (Rupees)	(2.22)	(3.37)

NOTE 48.

The Board of Directors of the Company vide resolution dated February 11, 2015, approved extension of financial year 2014-15 of the Company by a period of 3 months i.e., upto June 30, 2015. Accordingly, the annual account of the Company for the previous financial year 2014-15 were prepared for a period of 15 months from April 01, 2014 to June 30, 2015 and for current financial year has prepared for period 9 months from July 01, 2015 to March 31, 2016.

NOTE 49.

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.

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner
Membership No. 092087

Place : New Delhi
Date : May 29, 2016

FOR AND ON BEHALF OF THE BOARD

K N Bhandari

Chairman
DIN No. 00191219

G. Tirupati Rao

Company Secretary

S K Mandal

Managing Director
DIN No. 00086235

A K Agrawal

Chief Finance officer

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 1 JULY, 2015 TO MARCH 31, 2016

(₹ in Lacs)

	For Nine Month Period Ended March 31, 2016		For the Fifteen Months Period ended June 30, 2015	
A. Cash flow from operating activities				
Loss Before Tax and Extraordinary Items		(6,510.52)		(5,438.08)
Adjustment for:				
Depreciation	2,892.50		2,518.55	
Loss on sale of fixed assets	-		35.30	
Provision for doubtful debts, advances and deposits	-		336.70	
Liabilities no longer required written back	(12.89)		(468.87)	
Interest income	(95.46)		(184.68)	
Provision for diminution in value of Inventory	-		29.64	
Interest expense	7,303.98	10,088.13	6,245.93	8,512.57
Operating Profit before working capital changes		3,577.61		3,074.49
Decrease / (Increase) in Inventories	1,567.31		(732.39)	
Decrease / (Increase) in Debtors	1,483.52		(2,665.71)	
Increase in Loans & Advances and Other Current Assets	4,372.40		(3,223.24)	
(Decrease) / Increase in Current Liabilities & Provision	(6,537.50)	885.73	18,628.77	12,007.43
Cash generated from operations		4,463.34		15,081.92
Direct Taxes paid		(21.19)		34.87
Net Cash (used in) / generated from operations		4,442.15		15,116.79
B. Cash flow from investing activities				
Purchase of Fixed Assets (included CWIP and net of Capital Creditor and advances)	(1,676.72)		(21,699.16)	
Sale of Fixed Assets	-		2.47	
Purchase of Investments	(0.79)		(0.10)	
Net investment in Bank Fixed Deposit	(43.52)		754.61	
Interest Received	50.90		203.63	
Net cash used in investing activities		(1,670.13)		(20,738.55)
C. Cash flow from financing activities				
Proceeds from Long Term Borrowings	2,800.00		12,000.00	
Repayment of Long Term Borrowings	(923.54)		-	
Proceeds from Unsecured Borrowings	-		674.42	
Proceeds from Short Term Borrowings (net of repayments)	344.99		(6,488.30)	
Interest and Finance Charges Paid	(5,838)		-	
Net cash generated from financing activities		(3,617.01)		6,186.12
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(844.99)		564.36
Cash and cash equivalents at the beginning of the year		1,677.87		1,113.51
Cash and cash equivalents at the end of the period / year		832.87		1,677.87

(₹ in Lacs)

	For Nine Month Period Ended March 31, 2016	For the Fifteen Months Period ended June 30, 2015
Cash and Cash Equivalent		
Cash and bank balance	1,194.37	1,973.19
Less:		
Earmarked Balances		
- Security against unpaid matured Debentures	190.00	190.00
- Savings Bank Account with Mining Department	0.80	0.80
Other Bank Balances		
Margin Money against Guarantees with maturity of more than 3 months but less than 12 months	170.70	104.52
	361.50	295.32
	832.87	1,677.87

1. Bank balance includes restricted amount of ₹ 361.50 Lakhs (₹ 295.31 Lakhs) towards Fixed Deposit.
2. The Cash flow statement is prepared under 'indirect method' as set out in Accounting Standard - 3 on Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
3. Previous year's figures have been regrouped, wherever necessary

As per our report of even date attached

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

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

Place : New Delhi
Date : May 29, 2016

FOR AND ON BEHALF OF THE BOARD

K N Bhandari
Chairman
DIN No. 00191219

G. Tirupati Rao
Company Secretary

S K Mandal
Managing Director
DIN No. 00086235

A K Agrawal
Chief Finance officer

ANDHRA CEMENTS LIMITED

CIN : L26942AP1936PLC002379

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

ADMISSION SLIP

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

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

I/We hereby record my/our presence at the 77th Annual General Meeting of the Company to be held on Friday, September 30, 2016 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) (A.P.)

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) (A.P.)

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

- Name : Address :
having e-mail Id Signature or failing him
- Name : Address :
having e-mail Id Signature or failing him
- 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 77th Annual General Meeting of the Company to be held on Friday, September 30, 2016 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 (comprising 9 months) ended 31st March, 2016, Statement of Profit & Loss for the year ended on that date
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	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

Signed this day of 2016

Signature of Member

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

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

