

# Andhra Cements Limited



77<sup>th</sup>

**Annual Report 2015-16**

## Board of Directors

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

## 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, 3<sup>rd</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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](http://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 31<sup>st</sup> 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 31<sup>st</sup> 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](http://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 25<sup>th</sup> 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 4<sup>th</sup> 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

**K.N. BHANDARI**

Chairman

[DIN: 00191219]

Place: New Delhi

Date: 29<sup>th</sup> May, 2016



## ANNEXURE "A"

## 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 : 29<sup>th</sup> May, 2016

## ANNEXURE "B"

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

FOR THE PERIOD (9 MONTHS) ENDED 31<sup>st</sup> 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'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable during the Audit period)
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;(Not applicable during the Audit period)
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable during the Audit period)
  - 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;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the Audit period) and
  - 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:

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

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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 : 19<sup>th</sup> May, 2016

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> 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 <sup>th</sup> December, 1936
iii)	Name of the Company	Andhra Cements Limited
iv)	Category/Sub-Category of the Company	Public Company
v)	Address of the Registered Office and Contact Details	Durga Cement Works, Sri Durgapuram, Dachehalli- 522414, Guntur Dist, (AP)
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	CIL Securities Ltd, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500001 Phone No.:+91-40-23202465

II.	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the company	As per Attachment - I
III.	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment - II
IV.	<b>SHARE HOLDING PATTERN</b> (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 $\text{₹}$ and AD $\text{₹}$ )	As per Attachment - VI
	v) Shareholding of Directors and Key Managerial Personnel	As per Attachment - VII
V.	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - VIII
VI.	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	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.	<b>PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES</b>	As per Attachment - XII

II	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	<b>ATTACHMENT- I</b>
	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)