

# Andhra Cements Limited



**81<sup>st</sup>**

**Annual Report 2019-20**

## BOARD OF DIRECTORS

<b>Ravindra Kumar Singh</b>	Chairman
<b>K.N. Bhandari</b> (Upto 13-11-2019)	
<b>Pankaj Gaur</b>	
<b>Naveen Kumar Singh</b>	Director & CEO
<b>S. D. M. Nagpal</b>	
<b>R. K. Pandey</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 Dass Gupta & Associates  
Chartered Accountants, New Delhi

### **Secretarial Auditors**

M/s Savita Jyoti Associates  
Practicing Company Secretaries, Hyderabad

### **Cost Auditors**

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

### **Registrar & Share Transfer Agent**

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

### **Regional Marketing Office & Share Department**

Ashoka Hitec Chambers  
3<sup>rd</sup> Floor, Road No. 2, Banjara Hills,  
Hyderabad , 500 034 (TS)

### **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

### **Bankers/Lenders**

Housing Development Finance Corp. Ltd.  
Edelweiss Asset Reconstruction Co. Ltd.  
Karur Vysya Bank Limited  
Andhra Bank  
State Bank of India

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## NOTICE

**NOTICE** is hereby given that the **Eighty-first Annual General Meeting** of the members of **ANDHRA CEMENTS LIMITED** will be held on Tuesday, the 29<sup>th</sup> September, 2020 at 3.30 PM, Indian Standard Time ("IST") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the **Audited Balance Sheet** as at 31<sup>st</sup> March, 2020, the Statement of Profit & Loss for the Year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Ram Bahadur Singh (DIN: 00229692)**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Smt Manju Sharma (DIN: 00023037)**, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To ratify the appointment of **M/s. Dass Gupta & Associates, Chartered Accountants (Firm Regn. No. 000112N)**, as Statutory Auditors of the Company (appointed for the term of five years i.e till the conclusion of 85<sup>th</sup> Annual General Meeting to be held in 2024 by the Shareholders at the 80<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as may be approved by the Board from time to time.

### Special Business:

#### 5. RATIFICATION OF THE REMUNERATION OF COST AUDITOR

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the remuneration payable to **M/s. J.K Kabra & Co, Cost Accountants (Firm Regn. No. 00009)**, appointed by the Board as Cost Auditors to conduct Audit of the cost records of the Company, relating to the Cement and Captive Power Production, for the Financial Year 2020-21, as set out in the Statement annexed to the Notice convening this meeting be and is hereby ratified."

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

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

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

Place : New Delhi  
Date : 29<sup>th</sup> June, 2020

### Notes:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (MCA Circulars) and Securities Exchange Board of India vide its circular dated 12<sup>th</sup> May, 2020 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 81<sup>st</sup> Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer point No. 14).
2. National Securities Depository Limited ("NSDL") will be providing facility for remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by the Members will not be available for the AGM and hence the proxy Form and Attendance Slip are not annexed to this Notice.

However, pursuant to Section 113 of the Companies Act, 2013 Institutional/Corporate Members (i.e other than individuals/HUF, NRI etc.) can appoint their

representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (pdf/jpeg Format) of their Board or governing body Resolution/Authorization etc, authorizing their representative to attend the AGM through VC/OAVM to the Scrutinizer by e-mail through its registered e-mail address to mahadev.pcs@gmail.com with a copy marked to evoting@nsdl.co.in.

4. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website i.e www.andhracemts.com, websites of the Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL i.e www.evoting.nsdl.com.
5. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members may note that the VC/OAVM facility provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e holding 2% or more shareholding), promoters, institutional investors, directors, Key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc, can attend the AGM without any restriction on account of first-come-first-served principle.
8. Explanatory Statements setting out the material facts concerning item of Special Business to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided with this Notice.
9. Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other Documents referred to in the Notice will be available for inspection during the meeting in

electronic mode and same may be accessed upon log-in to NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

10. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN details to RTA viz. CIL Securities Ltd.
11. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018 amended Regulation 40 of SEBI (LODR) Regulations, 2015, which provides that from 1<sup>st</sup> April, 2019 transfer of Securities would not be processed unless the Securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of Securities held in physical form.
12. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending Notice of the Meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail address with the Company and Members holding shares in demat mode are requested to register their e-mail address with their respective Depository Participants (DPs). If there is any change in the e-mail address already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, The Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

**Instructions for voting through electronic means (e-voting), joining the AGM through VC/OAVM and other instructions relating thereto are as under;**

14. The Company has engaged the Services of NSDL as the Agency to provide remote e-voting facility and e-voting during the AGM.
15. Mr. Mahadev Tirunagari, Practicing Company Secretary (Membership No. FCS 6681, CP No. 7350) has been appointed as the Scrutinizer to scrutinize the e-voting

during the AGM and remote e-voting process in a fair and transparent manner.

16. Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e Tuesday, 22<sup>nd</sup> September, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM.
17. The remote e-voting facility will be available during the following period:
  - a. Commencement of remote e-voting: 9.00 am (IST) on Saturday, 26<sup>th</sup> September, 2020.
  - b. End of remote e-voting: 5.00 pm (IST) on Monday, 28<sup>th</sup> September, 2020.
  - c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of the aforesaid period.
18. The Members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
19. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
20. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning their demat account number/folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

##### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

#### Details on Step 1 is mentioned below:

##### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

## c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

## 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:****How to cast your vote electronically on NSDL e-Voting system?**

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 3. Select "EVEN" of company for which you wish to cast your vote.
- 4. Now you are ready for e-Voting as the Voting page opens.
- 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for

which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mahadev.pcs@gmail.com](mailto:mahadev.pcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Mrs. Sarita Mote ([saritam@nsdl.co.in](mailto:saritam@nsdl.co.in)) or Mr. Amit Vishal ([amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- 1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorcell@andhracemts.com](mailto:investorcell@andhracemts.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorcell@andhracemts.com](mailto:investorcell@andhracemts.com).

- 2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.



**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH**

**VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id).

6. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at [gtrao@andhracemts.com](mailto:gtrao@andhracemts.com). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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21. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call toll free no. 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of any grievances connected with facility for remote e-voting, please contact Mrs. Sarita More or Mr. Amit Vishal, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, [saritam@nsdl.co.in](mailto:saritam@nsdl.co.in) or [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in), Tel:02224994360/1800-222-990.

22. Members seeking any information with regard to the annual accounts for 2019-20 are requested to send an e-mail to [gtrao@andhracemts.com](mailto:gtrao@andhracemts.com) from 25<sup>th</sup> September, 2020 to 28<sup>th</sup> September, 2020 (upto 5.00 pm (IST) along with their name, DP ID and Client ID/ Folio Number, PAN and mobile number. The same will be replied by the Company suitably. Further, who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at [gtrao@andhracemts.com](mailto:gtrao@andhracemts.com) from 25<sup>th</sup> September, 2020 to 28<sup>th</sup> September, 2020 (upto 5.00 pm (IST). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
23. Subject the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e 29<sup>th</sup> September, 2020.
24. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
25. The results of the voting will be declared within 48 hours from the conclusion of the AGM. The declared results, along with the Scrutinizer's Report will be submitted with the stock exchanges where the Company's equity shares are listed (BSE & NSE) and shall also be displayed on the Company's website i.e [www.andhracemts.com](http://www.andhracemts.com) and NSDL website i.e [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Scrutinizer's decision on the validity or otherwise of the e-voting will be final.

26. Since, the AGM will be held through VC/OAVM, the Route Map is not annexed with Notice.
27. The Register of Members and Share Transfer Books will remain closed from 21<sup>st</sup> September, 2020 to 29<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
28. (a) The Shareholdings of all the Directors in the Company (including those of who are being re-appointed) have been disclosed in the Report on Corporate Governance.
- (b) None of the Director(s) proposed to be appointed/re-appointed is related to any Director or Key Managerial Personnel of the Company or their respective relatives.
- (c) Additional details in respect of Directors being re-appointed are given with this Notice.

#### STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013

##### Item No. 5

As the members are aware, in terms of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct Audit of the cost records of the Company, relating to the Cement Product of the Company.

M/s. J.K. Kabra & Co, Cost Accountants have been appointed as the Cost Auditors of the Company for the Financial Year 2020-21 by the Board of Directors, in its meeting held on 29<sup>th</sup> June, 2019, on the recommendation of the Audit Committee of the Company. The Board has fixed remuneration of ₹ 75,000/- (Rupees Ninety Thousands only) exclusive of applicable service tax and out-of-pocket expenses.

In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors fixed by the Board of Directors shall be ratified by the members.

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

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

#### DETAILS OF DIRECTORS RETERING BY ROTATION /APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Shri Ram Bahadur	Smt. Manju Sharma
Date of Birth & Age	01.01.1950, (70 Years)	27.07.1964 (56 Years)
Date of Appointment	12.11.2014	11.02.2015
Qualifications	FCA	Graduate (Match), Certificate Course in Application Programming from Landon Institute (UK)
Expertise in specific functional area Experience (Yrs)	Finance & Accounts, Cost Control, Internal Audit, Risk Management and Commercial Functions, Experience: 47 years	Hotel Business & Management, Finance & Accounts, Experience: 30 Years
Chairmanship/ Membership of Board Committees of the Company	Audit Committee – Member, Risk Management Committee – Member, Nomination & Remuneration Committee – Member, Stake Holder Relationship Committee - Member	Nil
Chairmanship/ Membership of Board Committees of other Companies	Nil	CSR Committee – Member (Jaypee Hotels Ltd)
Number of shares held	Nil	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Share holding in the Company	Nil	Nil
No. Board Meetings Attended during the Year	4 Meetings	3 Meetings
Director Ship in Other Companies	Jaypee Cement Corporation Ltd, Bhilai Jaypee Cement Ltd, MP Jaypee Coal Ltd, Sunil Hitech Energy Pvt, Ltd, SHEL Investments Consultancy Pvt, Ltd	Jaypee Hotels Ltd, Ibonshoume Ltd, Hotel and Restaurant Association of North India.



## DIRECTORS' REPORT

### To, The Members

The Directors of your Company are pleased to present the Eighty First Annual Report together with the Audited Accounts of the Company for the Year ended 31<sup>st</sup> March, 2020.

### FINANCIAL HIGHLIGHTS

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

	Current Year 2019-20	Previous Year 2018-19
Net Sales	14292	32124
Other Income	71	180
PBIDT	(702)	1509
Finance Cost	12174	10844
Depreciation	4783	4747
Profit/(Loss) before exceptional Items	(17660)	(14082)
Exceptional Item	-	3974
Profit/(Loss) before Tax	(17660)	(18056)
Deferred Tax	(828)	(43)
Net Profit / (Loss)	(16832)	(18013)
Other Comprehensive Income	(10)	2
Total Comprehensive Income	(16841)	(18011)

### SHARE CAPITAL

The paid up equity share capital as at 31<sup>st</sup> March, 2020 is ₹ 293.52 Crores. During the period under review, your Company has not issued any shares with differential rights,

### KEY FINANCIAL RATIOS

Pursuant to Reg. 34(3) and 53(1) and Schedule V (B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2019-20 are given below:

Sl. No.	Particulars	31.03.2020	31.03.2019	Formula adopted
1	Debtors Turnover Ratio (Days)	50.23	26.44	365 Days/(Net Revenue/ Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	39.04	24.38	365 Days/ Net Revenue/Average Inventories)
3	Interest Coverage Ratio	(0.45)	(0.67)	(Profit before Tax +Interest)/(Interest + Interest Capitalised)
4	Current Ratio	0.08	0.14	Current Assets/(Total Current Liabilities-Security Deposits payable on demand-Current maturities of Long Term Debt)
5	Debt-equity Ratio	(*)	(*)	Total Debt Total Equity
6	Operating Profit Margin Ratio	(0.17)	(0.08)	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(1.18)	(0.56)	Net Profit/Net Revenue
8	Return on Network	(#)	(#)	Total Comprehensive Income/Average Network

(\*) Since equity is negative, ratio cannot be calculated.

(#) Since Networth is negative, ratio cannot be calculated

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.

### Dividend

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

### OPERATIONS

During the year under review, Company's plant viz, Durga Cement Works (DCW) was not operated fully due to some operational, technical reasons and also in view of the massive outbreak of the COVID-19 pandemic, the Company produced Clinker and Cement lesser quantity comparatively previous year and the plant viz, Visakha Cement Works (VCW) was operated till July, 2018, and later the production was stopped due to operational viability reasons. The Company has commissioned its 30 MW Captive Power Plant (CPP) situated at Durga Cement Works but not in operation.

### IMPACT OF COVID-19

Due to Covid-19 virus the Indian Economy is expected to witness a growth rate of around 5% for the year 2019-20, which shall be the lowest witnessed since the Global Financial Crisis in 2008-09. This is largely because of poor showing by manufacturing, construction and mining sectors. Lockdown imposed in the Country as a result of Covid-19 virus has had an unprecedented impact on the entire economy of the Country. In the month of March, 2020 to June, 2020 was visually a complete standstill. There is uncertainty as to how long the impact of lockdown is expected to continue and when one can witness normalcy returning to the economy. In view of the above reasons our Company's performance also effected largely and stopped the entire plant operations since lockdown imposed by the Government of India due to viability and operational reasons.

- a. EBITDA denotes Profit before Interest+Tax+Depreciation.
- b. Increase in Debtor Turnover Ratio is on account of reduction in Sales.
- c. Reduction in Interest Coverage Ratio is due to reduction in Sales and Profit.
- d. Current Ratio is reduced as current liability has increased due to reduction in Sales and Profit.

#### COST

During the year under review, the diesel prices have increased abnormally. Due to this, the cost of raw materials as well as cost of distribution of cement has increased. The relaxation by the Government of India rationalizing the axle load norms for the heavy vehicles, has provided some relief in managing the distribution cost.

The price of pet coke and coal has increased significantly impacting the margins. The company has taken steps to manage the increasing cost by using low cost fuels.

The Company has been continuously taking various measures in the areas of production, productivity, quality and cost reduction, to mitigate the increase in the cost of raw materials, power and transport.

#### FINANCIAL STATEMENTS

As per the provisions of the Companies Act, 2013 and Regulation 34 of LODR, Companies are required to prepare financial statements to be laid before the Annual General Meeting of the Company. Accordingly, the financial statements along with the Auditors' Report thereon, form part of this Annual Report.

As per section 136(1) of the Companies Act, 2013 the Financial Statements are available at the Company's website i.e [www.andhracements.com](http://www.andhracements.com).

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1. Shri Ram Bahadur Singh and Smt. Manju Sharma, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment. Shri K.N. Bhandari, submitted resignation for his Directorship due to his advancing age and other personal reasons and he ceased to be a Director of the Company w.e.f. 13<sup>th</sup> November, 2019. Shri S.D.M. Nagpal, Shri R.K. Pandey and R.K. Singh, independent Directors of the Company are going to retire by 29<sup>th</sup> September, 2020 as their 2<sup>nd</sup> term of appointment is completing on that date.
2. During the year 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 29.05.2019, 30.07.2019, 12.11.2019 and 12.02.2020.

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 lakh 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