



**ANDHRA CEMENTS LIMITED**

**87th ANNUAL REPORT  
2025-26**



## **BOARD OF DIRECTORS**

**Mr. K.V. Vishnu Raju**  
Chairman & Independent Director

**Dr. S. Anand Reddy**  
Managing Director

**Mr. S. Sreekanth Reddy**  
Non-Executive Director

**Mrs. S. Rachana**  
Non-Executive Director

**Mrs. O. Rekha**  
Independent Director

**Mr. Ravichandran Rajagopal**  
Independent Director

**Mr. V.H. Ramakrishnan**  
Independent Director

**Chief Financial Officer**  
Mr. K. Prasad

**Company Secretary**  
Mr. G. Tirupati Rao

**Statutory Auditors**  
M/s B S R and Co.  
Chartered Accountants, Hyderabad

**Cost Auditors**  
M/s Narasimha Murthy & Co.,  
Cost Accountants, Hyderabad

**Registrar & Share Transfer Agent**  
CIL Securities Ltd,  
214, Raghav Ratna Towers, Chirag Ali Lane,  
Abids, Hyderabad - 500001  
Ph: +91-40-69011111 | Fax: +91-40-23203028  
Website: [www.cilsecurities.com](http://www.cilsecurities.com)  
E-mail: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)

**Registered Office**  
Sri Durga Cement Works  
Sri Durgapuram, Dachepalli - 522 414  
Palnadu District, Andhra Pradesh  
CIN: L26942AP1936PLC002379  
Ph: +91-8649-257428 / 8649-257458  
Website: [www.andhracements.com](http://www.andhracements.com)  
E-mail: [investorcell@andhracements.com](mailto:investorcell@andhracements.com)

**Corporate Office**  
Plot No.111, Road No. 10, Jubilee Hills,  
Hyderabad - 500 033, Telangana

**Bankers/Lenders**  
State Bank of India  
IFB, Somajiguda, Hyderabad, Telangana  
YES Bank Limited,  
Rajbhavan Road, Somajiguda, Hyderabad,  
Telangana

Union Bank of India  
Somajiguda, Hyderabad, Telangana

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**ANDHRA CEMENTS LIMITED**

(A Subsidiary of Sagar Cements Limited)

**CIN: L26942AP1936PLC002379**

**Registered Office:** Sri Durga Cement Works, Sri Durgapuram,  
Dachepalli – 522414, Palnadu Dist, (AP)

Telephone: +91-8649-257428, 91-8649-257458

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

**NOTICE** is hereby given that the **Eighty Seventh (87<sup>th</sup>) Annual General Meeting** of the members of **ANDHRA CEMENTS LIMITED** will be held on Thursday, the 25<sup>th</sup> Day of June, 2026 at 11.30 AM, through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

**Ordinary Business:**

- 1. To receive, consider, approve and adopt the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2026, together with the reports of Director’s and Auditor’s thereon and in this regard to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2026 together with the reports of the Director’s and Auditor’s thereon be and are hereby received, considered, approved and adopted.”

- 2. To appoint Mr. S. Sreekanth Reddy (DIN: 00123889), as a Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mr. S. Sreekanth Reddy (DIN: 00123889), who retires by rotation as a director in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

**Special Business:**

- 3. Ratification of remuneration payable to the Cost Auditors**

To consider and, if thought fit, to pass the following Resolution, as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), upon recommendation made by the Audit Committee, the approval accorded by the Board of Directors of the Company for payment of remuneration of Rs.5,00,000/- plus reimbursement of applicable taxes, travelling and other out of pocket expenses, if any, to M/s. Narasimha Murthy & Co, Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration. No. 000042), to conduct the audit of the cost records of the Company, for the Financial Year ended 31<sup>st</sup> March, 2027, be and is hereby ratified.”

**4. Material Related Party Transaction(s) with Sagar Cements Limited.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), and the Company’s Policy on Related Party Transaction(s) , the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into/execute contract(s)/ arrangement(s)/transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Sagar Cements Limited (“SCL”), a holding company of Andhra Cements Limited (‘Company’) a related party under Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as may be agreed between the Company and SCL, for an aggregate value up to Rs.500 crores for a period of one year from the date of approval of this resolution for the transactions as detailed in the explanatory statement provided that the said transaction(s) / contract(s) / arrangement(s) / agreement(s) shall be carried out in the ordinary course of business and at arm’s length basis.”

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorized jointly and or severally to execute necessary documents, declarations, agreements required for the above purpose., if required, under the Common Seal of the Company to be affixed in the presence of Company Secretary/Chief Financial Officer of the Company.”

**5. Material Related Party Transaction(s) with R V Consulting Services Private Limited.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ('Listing Regulations'), and the Company's Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into/execute contract(s)/ arrangement(s)/transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with R V Consulting Services Private Limited ("R V"), a related party under Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as may be agreed between the Company and RV, for any aggregate value upto Rs. 100 cores for a period of one year from the date of approval of this resolution and other transactions for business, being carried out at arm's length and in the ordinary course of business of the Company."

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorized jointly and or severally to execute necessary documents, declarations, agreements required for the above purpose, if required, under the Common Seal of the Company to be affixed in the presence of Company Secretary/Chief Financial Officer of the Company"

By Order of the Board  
For **Andhra Cements Limited**

**G. Tirupati Rao**  
Company Secretary  
(Membership No. FCS- 2818)

Place: Hyderabad  
Date: May 13, 2026

**Registered office:**  
Sri Durga Cement Works, Sri Durgapuram,  
Dachepalli – 522414, Palnadu Dist. (AP)

## Notes:

1. Pursuant to General Circular number 14/2020 dt. 8.4.2020, 17/2020 dt. 13.4.2020, 20/2020 dt. 5.5.2020, 28/2020 dt. 17.8.2020, 02/2021 dt. 13.1.2021, 19/2021 dt. 8.12.2021, 21/2021 dt. 14.12.2021, 02/2022 dt. 5.5.2022, 10/2022 dated 28.12.2022, 09/2023 dated 25.09.2023, 09/2024 dated 19.09.2024 and 03/2025 dated 22.09.2025 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular no(s). SEBI/HO/CFD/CMD2/CIR/P/2022/62 dt. 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 5.1.2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dt. 07.10.2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dt. 03.10.2024 the companies are allowed to hold the Annual General Meeting through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with aforesaid MCA Circulars and SEBI Circulars, the 87<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "AGM"). In accordance with the Secretarial Standard - 2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance / Clarification dated 15<sup>th</sup> April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. The Company has appointed M/s KFin Technologies Limited ("KFIN"), Registrar and Transfer Agent of the Company, as the authorized agency to provide the VC / OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM.
3. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf who may or may not be a 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. Further as per the MCA and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the AGM. However, in pursuance of Sections 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State, or body corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution / Authorization should be sent electronically through their registered email address to the Scrutinizer at [cs@bssandassociates.com](mailto:cs@bssandassociates.com) with a copy marked to **[evoting@kfintech.com](mailto:evoting@kfintech.com)** and company's email id at **[investorcell@andhracements.com](mailto:investorcell@andhracements.com)**
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No(s). 3 to 5 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 13<sup>th</sup> May, 2026 considered all the businesses mentioned in the

notice of the AGM as being unavoidable and needed to be transacted at the 87<sup>th</sup> AGM of the Company.

6. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.
7. The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is CIL Securities Limited having office at CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad, Telangana - 500001.
8. **Attendance at the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFIN. Members may access the same by using the remote e-voting credentials which shall be provided as per Note No.19 below. Kindly refer to Note No.18 below for detailed instructions for participating in the AGM through Video Conferencing.
9. The Members can join the AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
10. As per the MCA Circular, facility of joining the AGM through VC / OAVM shall be available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders 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.
11. A member’s log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the Act).
12. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through KFIN in respect of the business to be transacted at the 87<sup>th</sup> AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM. Kindly refer Note No.19 below for detailed instruction for remote e-voting.
13. **Voting during the AGM:** Members who are present at the AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the AGM through the e-voting system provided by KFIN in the Video Conferencing platform during the AGM. Kindly refer Note No.20 below for instruction for e-voting during the AGM.

14. The Company has fixed 18<sup>th</sup> June, 2026 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.
15. The Register of Members and Transfer Book of the Company will be closed from 19<sup>th</sup> June, 2026 to 25<sup>th</sup> June, 2026 (both days inclusive).
16. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year ended 31<sup>st</sup> March, 2026 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / CIL Securities Limited, Registrar and Share Transfer Agent (“RTA”) of the Company, National Securities Depository Limited (“NSDL”) and / or Central Depository Services (India) Limited (“CDSL”) (collectively referred to as Depositories or NSDL / CDSL) as at close of business hours on Thursday, 18<sup>th</sup> June, 2026 (“cut-off date”). For members whose email addresses are not registered, the Company is sending a physical letter containing a web link to access the Annual Report as permitted under Regulation 36 of the Listing Regulations. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at <https://andhracements.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at <https://www.bseindia.com> and National Stock Exchange of India Limited at <https://www.nseindia.com>. The same is also available on the website of KFIN at their website address <https://evoting.kfintech.com>.
17. In view of the “Green Initiatives in Corporate Governance” introduced by MCA and in terms of the provisions of the Act, Members who are holding shares of the Company are required to register their email addresses, so as to enable the Company to send all notices / reports / documents / intimations and other correspondences, etc., through emails in the electronic mode instead of receiving physical copies of the same.
  - i. Members holding shares in dematerialized form, who have not registered their email Id’s with Depository Participant(s), are requested to register / update their email addresses with their Depository Participant(s).
  - ii. Members holding shares in physical form may register their email address and mobile number with Company’s Registrar and Share Transfer Agent, CIL Securities Limited by sending an e-mail request at the email ID [rta@cilsecurities.com](mailto:rta@cilsecurities.com) along with scanned copy of the duly signed request letter by the first holder providing the email ID, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual Report, AGM Notice and the e-voting instructions.
  - iii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate / update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting CIL Securities Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

18. **Instructions to the Members for attending the AGM through Video Conference.**
- i. **For attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFIN. Members may login into its website link <https://emeetings.kfintech.com/loginv2.aspx> by using the remote e-voting credentials. After logging in, click on “Video Conference” option and the Name of the Company can be selected.
  - ii. 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 instructions provided in remote e-voting in Note No.19 below.
  - iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.
  - iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
  - v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet 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.
  - vi. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.
- vii. Submission of Questions / Queries prior to AGM:**
- a) Members desiring any additional information with regard to Accounts / Annual Report or has any question or query are requested to write to the Company Secretary on the Company’s email-id i.e., [investorcell@andhracemts.com](mailto:investorcell@andhracemts.com) and marking a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) mentioning their name, DP ID - Client ID / Folio number at least 2 days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, members’ questions will be answered only if they continue to hold the shares as of cut-off date.
  - b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link by mentioning their name, demat account number / folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.

**viii. Speaker Registration before AGM:** In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholders who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/loginv2.aspx> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No.18 (vii) above.

ix. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to [investorcell@andhracements.com](mailto:investorcell@andhracements.com).

**19. Instructions for members for remote e-Voting:**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFIN ('remote e-voting'). Members attending the AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- i. The remote e-voting facility will be available during the following period:
  - a. Day, date and time of commencement of remote e-voting on Sunday, 21<sup>st</sup> June, 2026 (9.00 A.M. IST) and ends on Wednesday, 24<sup>th</sup> June, 2026 (5.00 P.M. ST).
  - b. Day, date and time of end of remote e-voting is on Wednesday, 24<sup>th</sup> June, 2026 at 5:00 P.M. IST, beyond which remote e-voting will not be allowed.
- ii. Details of Website for e-voting of Non Individual shareholders/Shareholders holding shares in physical form is <https://evoting.kfintech.com>

- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date being 18<sup>th</sup> June, 2026. During the above period, Members of the Company who are holding shares either in physical form or in dematerialised form, as on the cut-off date, may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on 29<sup>th</sup> May, 2026 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 29<sup>th</sup> May, 2026 being the date reckoned for sending through email, the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. 18<sup>th</sup> June, 2026 may obtain the User Id and password in the manner as mentioned below:
- a) If the mobile number of the Member is registered against Folio No. / DP ID and Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DPID Client ID to +91-9212993399.
- Example for NSDL: MYEPWD<SPACE>IN12345612345678  
Example for CDSL: MYEPWD<SPACE>1402345612345678  
Example for Physical: MYEPWD<SPACE>XXXX1234567890
- b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID and Client ID, then on the home page of **<https://evoting.kfintech.com>**, the Member may click "Forgot Password" and enter Folio No. Or DP ID and Client ID and PAN to generate a password.
- c) Member may call KFIN's Toll free number 1800-3094-001. Member may also send an e-mail request to **[evoting@kfintech.com](mailto:evoting@kfintech.com)**.
- v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of aforesaid period.
- vi. Details of person to be contacted for issues relating to e-voting:**  
Mr. S.V. Raju, Deputy Vice-President, KFin Technologies Limited, Unit: Andhra Cements Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 1800-3094-001.
- vii. Details of Scrutinizer:** Mr. S.Srikanth, Practicing Company Secretary (M.No.22119), Partner, representing M/s. B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- viii. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the

cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.

- ix. 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.
- x. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- xi. The voting rights for the shares of the Company are one vote per equity share, registered in the name of the member.
- xii. Any person holding shares in physical form as of the cut-off date, may obtain the login ID and password by sending a request at **evoting@kfintech.com**.
- xiii. The process and manner for remote e-voting is as under:**

- a. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (“ESP”) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
- b. The process and manner of remote e-voting is explained below:
  - i. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.
  - ii. Access to KFIN's e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

**i. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.**

| Type of Member  | Login Method  |
|---|---|
| Individual Members holding securities in demat mode with NSDL | 1. For OTP based login <ul style="list-style-type: none"> <li>i. You can click on <b><a href="https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp</a></b>.</li> <li>ii. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP.</li> <li>iii. Enter the OTP received on registered email id/mobile number and click on login.</li> <li>iv. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>v. Click on the company name or e-Voting service provider name and you will be re-directed to</li> </ul> |

e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

## **2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users:**

- i. Visit the e-services website of NSDL **<https://eservices.nsd.com>** either on a personal computer or on a mobile.
- ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password.
- iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed.
- iv. Click on company name i.e., '**Andhra Cements Limited**' or ESP i.e. KFIN.
- v. Members will be re-directed to KFIN's website for casting their vote during the remote e-voting period.

## **3. Those not registered under IDeAS:**

- i. Visit **<https://eservices.nsd.com>** for registering.
- ii. Select "Register Online for IDeAS Portal" or click at **<https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>**
- iii. Visit the e-voting website of NSDL **<https://www.evoting.nsd.com>**.
- iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open.
- v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen.
- vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.
- vii. Click on company name i.e., '**Andhra Cements Limited**' or ESP name i.e., KFIN after which

|  |   |
|--|---|
|  | <p>the Member will be redirected to ESP website for casting their vote during the remote e-voting period.</p> <p>viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p>   |
| <p>Individual Members holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> <li><b>1. Existing user who have opted for Electronic Access to Securities Information ("Easi/ Easiest") facility:</b> <ol style="list-style-type: none"> <li>i. Visit <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a><br/>Or <a href="https://www.cdslindia.com">https://www.cdslindia.com</a>.</li> <li>ii. Click on New System Myeasi.</li> <li>iii. Login to Myeasi option under quick login.</li> <li>iv. Login with the registered user ID and password.</li> <li>v. Members will be able to view the e-voting Menu.</li> <li>vi. The Menu will have links of KFIN e-voting portal and will be redirected to the e-voting page of KFIN to cast their vote without any further authentication.</li> </ol> </li> <li><b>2. User not registered for Easi/ Easiest</b> <ol style="list-style-type: none"> <li>i. Visit <a href="https://web.cdslindia.com/myeasitoken/Home/EasiRegistration">https://web.cdslindia.com/myeasitoken/Home/EasiRegistration</a> Or <a href="https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration">https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration</a> for registering.</li> <li>ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</li> <li>iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.</li> </ol> </li> <li><b>3. Alternatively, by directly accessing the e-voting website of CDSL</b> <ol style="list-style-type: none"> <li>i. Visit <a href="https://www.cdslindia.com">https://www.cdslindia.com</a></li> <li>ii. Provide demat account number and PAN.</li> <li>iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</li> <li>iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. '<b>Andhra Cements Limited</b>' or select KFIN.</li> </ol> </li> </ol> |

|  |  |
|--|--|
|  | v. Members will be re-directed to the e-voting page of KFIN to cast their vote without any further authentication.   |
| Individual Members login through their demat accounts / website of DPs | <p>i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility.</p> <p>ii. Once logged-in, Members will be able to view e-voting option.</p> <p>iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.</p> <p>iv. Click on options available against '<b>Andhra Cements Limited</b>' or 'KFIN'.</p> <p>v. Members will be redirected to e-voting website of KFIN for casting their vote during the remote e-voting period without any further authentication.</p> |

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type                | Helpdesk details   |
|---------------------------|--|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990 and 1800 22 44 30</b>             |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022-23058738 or 022-23058542-43</b> |

**ii. Access to KFIN e-voting system in case of members holding shares in physical and non-individual members holding shares in demat mode.**

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFIN which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- a. Launch internet browser by typing the URL: **https://emeetings.kfintech.com**.
- b. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9741, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFIN for e-voting, you can use your existing User ID and password for casting your vote.

- c. After entering these details appropriately, click on "LOGIN".  
You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- d. You need to login again with the new credentials.
- e. On successful login, the system will prompt you to select the e-voting Event Number for **Andhra Cements Limited** and Click on "Submit".
- f. If you are holding shares in Demat form and had logged on to **<https://evoting.kfintech.com>** and casted your vote earlier for any other Company, then your existing login id and password are to be used.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., 18<sup>th</sup> June, 2026 under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST". But the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- h. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- k. You may then cast your vote by selecting an appropriate option and click on "Submit".
- l. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- m. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
- n. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised

representative(s), to the Scrutinizer at e-mail ID: **cs@bssand associates.com** with a copy to **evoting@kfintech.com** and **investorcell@andhracements.com**. They shall upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

- xv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of **<https://evoting.kfintech.com>** or contact Mr. S.V. Raju, Deputy Vice-President, of KFIN at 1800- 3094-001 (toll free).
- xvi. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM, however such Member shall not be allowed to vote again during the AGM.
- xvii. The Scrutinizer's decision on the validity of the vote shall be final.
- xviii. The Scrutinizer shall, immediately after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM, and thereafter unlock the votes cast through remote e-Voting, and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall, then, be sent to the Chairman or a person authorized by him, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- xix. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. **<https://andhracements.com>** and on the website of KFIN i.e. **<https://evoting.kfintech.com>**. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited at **<https://www.nseindia.com>** and **<https://www.bseindia.com>** respectively, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- xx. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

## **20. Instructions for members for Voting during the AGM session**

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the AGM.
- ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.
- iii. Members / shareholders, attending the AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone

shall be eligible to cast their vote through e-voting system available during the AGM.

- iv. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they shall not be allowed to cast their vote again during the AGM.

## **GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS**

21. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by June 30, 2023. Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhaar by June 30, 2023 or any other date as may be specified by the CBDT.

The folios in which PAN is / are not valid as on the notified cut-off date of October 1, 2023 or any other date as may be specified by the CBDT, shall also be frozen by the RTA and shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend after April 1, 2024.

Any service request shall be entertained by CIL Securities Limited only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after October 1, 2023, the folio(s) shall be frozen by RTA in compliance with the SEBI Circulars dated November 03, 2021, December 14, 2021, March 16, 2023, May 17, 2023 and November 17, 2023. If the folio(s) continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

22. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated December 20, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and / or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
23. **Update of Members' details:** Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 and SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, Company / Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or CIL Securities

Limited, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to CIL Securities Limited.

Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 7.

Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 and SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 7.

The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at <https://andhracements.com/Investors.html> & also from the website of its Registrar and Share Transfer Agents i.e., CIL Securities Limited at <https://www.cilsecurities.com/Downloads/RTA>.

Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

24. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent of the Company, immediately on the change in their residential status on return to India for Permanent settlement together with the particulars of their Bank Account maintained in India with complete Name, Branch, Account type, account number and address of the Bank with PIN code number if not furnished earlier.
25. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s)

dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

26. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation in lieu of consolidated share certificate will be issued to such Members after making the requisite changes for dematerializing said shares.
27. The members / investors may send their complaints / queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: **rta@cilsecurities.com** or to the Company's official e-mail id: **investorcell@andhracements.com**.
28. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

A Special Window has been opened for a period of 6 months from July 07, 2025 to January 06, 2026 by SEBI vide its circular dated SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 to facilitate re-lodgement of transfer requests of physical shares which was subsequently extended by SEBI allowing shareholders to transfer or dematerialize shares for a period of one more year from February 05, 2026 to February 04, 2027 vide its circular dated HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026. The facility is available for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended due to deficiency in the documents/process/or otherwise.

Investors who have missed the March 31, 2021 & January 06, 2026 deadlines for lodgement of transfer documents are encouraged to avail advantage of this opportunity by furnishing the necessary documents to the Company's Registrar & Transfer Agent, CIL Securities Limited at the address mentioned in Note No. 7.

29. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification No. SEBI/LADNRO/GN/2022/66 dated January 24, 2022, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 and HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 January 30, 2026) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, renewal, exchange, endorsement, subdivision, consolidation, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the

Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, CIL Securities Limited, for assistance in this regard.

30. The information / documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before 18<sup>th</sup> June, 2026 through email to **investorcell@andhracements.com** for seeking information, If any, and the same will be replied by the Company suitably.
31. During the 87<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC / OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC / OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.
32. The transcript of this meeting shall be made available on the website of the company.
33. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice

By Order of the Board of Directors

Hyderabad  
May 13, 2026

**G. Tirupati Rao**  
Company Secretary  
M.No. F2818

**Registered office:**

Sri Durga Cement Works, Sri Durgapuram,  
Dachepalli – 522414, Palnadu Dist. (AP)

Annexure to the Notice of the 87<sup>th</sup> Annual General Meeting**STATEMENT PURSUANT TO THE SECTION 102(1)  
OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 to 5 of the accompanying Notice dated 13<sup>th</sup> May, 2026.

**On Item No.3**

The Board at its meeting held on May 13, 2026, on the recommendation of the Audit Committee, has approved the appointment of M/s. Narasimha Murthy & Co, Cost Accountants as the Cost Auditors of the Company for the Financial Year 2026-27 and payment of remuneration to the said Cost Auditors as mentioned in the resolution for the FY 2026-27 .

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the rules made thereunder, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the company.

Accordingly, an Ordinary Resolution as set out at Item No. 3 of the Notice containing the remuneration as fixed for Cost Auditors is submitted for the ratification by the shareholders .

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP's of the company are in any way, concerned or interested, financially or otherwise, in the said Resolution.

Your directors recommends the resolution for approval of the shareholders.

**Item No.4**

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year exceeds 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Further, Regulation 2(1)(zb) of the Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the Listing Regulations has enhanced the definition of related party transaction which means a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, as well as (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not. It is in the above context that, No. 4 is placed for the approval of the Shareholders of the Company.

M/s Sagar Cements Limited being the holding company of Andhra Cements Limited and a "related party". The Company proposes to enter into transactions with Sagar Cements Limited ("SCL"), a Holding Company, for Sale and Purchase of Goods and Services, and receiving the Inter corporate deposits/ Borrowings. The Management has provided the Audit Committee with the relevant details of proposed RPTs including rationale, material terms and basis of pricing. The Audit Committee, after discussion and deliberation has granted approval for RPTs by entering into the transactions with SCL for an aggregate value of up to Rs. 500 Crores.

SCL is a related party and being material in nature, the transactions entered are deemed to be material-related party transactions and require specific approval from the shareholders under Regulation 23 (4) and other applicable Listing Regulations. The management of ACL has provided the Audit Committee with all the requisite details of said proposed transactions with ACL.

The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business. As the current proposals is to approve the material related party transactions in nature, these transactions require specific approval from the shareholders under Regulation 23(4) and other applicable Listing Regulations. The Audit Committee has reviewed the certificates furnished by the Managing Director and the Chief Financial Officer as required under the RPT Industry Standards.

The Board has also recommended entering into above said material related party transaction with SCL.

In terms of SEBI Circular dated June 26, 2025 on Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards"), the disclosures in respect of Related Party Transactions are as below

**Details relating to Sale and Purchase of Goods and Services, providing inter corporate loans, corporate guarantee and security by Sagar Cements Limited ("SCL") to Andhra Cements Limited ("ACL")**

| <b>S. No.</b>   | <b>Particulars of the information</b>  | <b>Information provided by the management</b> |
|---|--|---|
| <b>A. Basic details of the related party</b>              |  |   |
| 1.  | Name of the related party  | Sagar Cements Limited (SCL)                   |
| 2.  | Country of incorporation of the related party  | India   |
| 3.  | Nature of business of the related party  | Cement Manufacturing Company                  |
| <b>B. Relationship and ownership of the related party</b> |  |   |
| 1.  | Relationship between the listed entity/ subsidiary (in case of transaction involving the subsidiary) and the related party - including nature of its concern (financial or otherwise) and the following: | SCL is a Holding Company of ACL               |
| a)  | Shareholding of the listed entity/ subsidiary (in case of transaction involving the  |   |

|   | <p>subsidiary), whether direct or indirect, in the related party.<br/> <i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.</p>  | % Shareholding - Nil   |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
|---|--|--|------------------------------|-------------|-----------------|--------|-------------|--------|---------------------------|--------|------------------|-----|-------------------------------------|-------|------------------------|-----|----------------|---|--------------------|----|---------------------------|---|--------------|---------------|
| b)  | <p>Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/subsidiary (in case of transaction involving the subsidiary).</p>  | Not Applicable   |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| c)  | <p>Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary).<br/> <i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.</p> | SCL directly holds 75% Shareholding in ACL   |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| <b>C. Details of previous transactions with the related party</b> |  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| 1.  | <p>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during last financial year.<br/> <b>Note:</b> Details need to be disclosed separately for listed entity and its subsidiary.</p>   | <p>Transactions entered during last financial year are given below:<br/> INR in Lakhs</p> <table border="1"> <thead> <tr> <th><b>Nature of Transaction</b></th> <th><b>FY26</b></th> </tr> </thead> <tbody> <tr> <td>Sale of Clinker</td> <td>10,108</td> </tr> <tr> <td>Loans taken</td> <td>14,998</td> </tr> <tr> <td>Corporate guarantee taken</td> <td>27,000</td> </tr> <tr> <td>Purchase of Coal</td> <td>574</td> </tr> <tr> <td>Interest expenses on unsecured loan</td> <td>1,093</td> </tr> <tr> <td>Expenses from services</td> <td>557</td> </tr> <tr> <td>Sale of Spares</td> <td>8</td> </tr> <tr> <td>Purchase of Spares</td> <td>28</td> </tr> <tr> <td>Reimbursement of expenses</td> <td>2</td> </tr> <tr> <td><b>Total</b></td> <td><b>54,368</b></td> </tr> </tbody> </table> | <b>Nature of Transaction</b> | <b>FY26</b> | Sale of Clinker | 10,108 | Loans taken | 14,998 | Corporate guarantee taken | 27,000 | Purchase of Coal | 574 | Interest expenses on unsecured loan | 1,093 | Expenses from services | 557 | Sale of Spares | 8 | Purchase of Spares | 28 | Reimbursement of expenses | 2 | <b>Total</b> | <b>54,368</b> |
| <b>Nature of Transaction</b>                                      | <b>FY26</b>  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Sale of Clinker   | 10,108   |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Loans taken   | 14,998   |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Corporate guarantee taken   | 27,000   |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Purchase of Coal  | 574  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Interest expenses on unsecured loan                               | 1,093  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Expenses from services  | 557  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Sale of Spares  | 8  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Purchase of Spares  | 28   |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| Reimbursement of expenses   | 2  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |
| <b>Total</b>  | <b>54,368</b>  |  |                              |             |                 |        |             |        |                           |        |                  |     |                                     |       |                        |     |                |   |                    |    |                           |   |              |               |

| 2.   | Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.   | Nil  |  |  |             |                 |          |          |           |          |            |       |
|--|--|--|--|--|-------------|-----------------|----------|----------|-----------|----------|------------|-------|
| 3.   | Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.   | No   |  |  |             |                 |          |          |           |          |            |       |
| <b>D. Amount of the proposed transaction(s)</b>      |  |  |  |  |             |                 |          |          |           |          |            |       |
| 1.   | Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.   | Rs.500 Crores  |  |  |             |                 |          |          |           |          |            |       |
| 2.   | Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?   | Yes  |  |  |             |                 |          |          |           |          |            |       |
| 3.   | Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year  | 113.00%  |  |  |             |                 |          |          |           |          |            |       |
| 4.   | Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)                  | NA   |  |  |             |                 |          |          |           |          |            |       |
| 5.   | Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available. | 18.87%   |  |  |             |                 |          |          |           |          |            |       |
| 6.   | Financial performance of the related party for the immediately preceding financial year:<br><i>Explanations:</i> The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.                                      | <table border="1"> <thead> <tr> <th colspan="2">Details of SCL on standalone basis for FY 2025-2026:</th> </tr> <tr> <th>Particulars</th> <th>Rupees in Lakhs</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>1,76,830</td> </tr> <tr> <td>Net Worth</td> <td>1,64,481</td> </tr> <tr> <td>Net Profit</td> <td>3,357</td> </tr> </tbody> </table> | Details of SCL on standalone basis for FY 2025-2026: |  | Particulars | Rupees in Lakhs | Turnover | 1,76,830 | Net Worth | 1,64,481 | Net Profit | 3,357 |
| Details of SCL on standalone basis for FY 2025-2026: |  |  |  |  |             |                 |          |          |           |          |            |       |
| Particulars  | Rupees in Lakhs  |  |  |  |             |                 |          |          |           |          |            |       |
| Turnover   | 1,76,830   |  |  |  |             |                 |          |          |           |          |            |       |
| Net Worth  | 1,64,481   |  |  |  |             |                 |          |          |           |          |            |       |
| Net Profit   | 3,357  |  |  |  |             |                 |          |          |           |          |            |       |

| <b>E. Basic details of the proposed transactions</b>   |   |
|--|---|
| 1. Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)  | (a) Sale and Purchase of Goods and Services; and<br>(b) Inter Corporate Deposits/ Borrowings  |
| 2. Details of each type of the proposed transaction.   | (a) Sale and Purchase of Goods & Services not exceeding Rs.350 Crores; and<br>(b) Inter Corporate deposits/ Borrowings : Rs.150 Crores  |
| 3. Tenure of the proposed transaction (tenure in number of years or months to be specified)  | (a) Sale and Purchase of Goods and Services is for 1 year for the date of approval.<br>(b) Inter Corporate Deposits/ Borrowings is repayable within 3 years along with Interest.  |
| 4. Whether omnibus approval is being sought?   | Yes   |
| 5. Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.  | Rs.500 Crores   |
| 6. Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity   | The proposed transaction is with the holding company (Sagar Cements Limited) and they are in the interest of the Company as they enhance operational efficiency, ensure cost optimization, and are undertaken at arm's length in the ordinary course of business, thereby creating value for the Company. |
| 7. Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.<br><br><i>Explanation:</i> Indirect interest shall mean interest held through any person over which an individual has control | Dr. S. Anand Reddy, Mr. S. Sreekanth Reddy, Mrs. S. Rachana, Mr. K.V. Vishnu Raju, Mr. Ravichandran Rajagopal and Mrs. O. Rekha, Directors of the Company, also hold directorships in SCL. Mr. K. Prasad, CFO, holds the position of CFO in SCL.  |
| a. Name of the director / KMP  | Dr. S. Anand Reddy, Mr. S. Sreekanth Reddy, Mrs. S. Rachana, Mr. K.V. Vishnu Raju, Mr. Ravichandran Rajagopal and   |

|   |  |   |
|---|--|---|
|   |  | Mrs.O. Rekha, Directors of the Company, also hold directorships in ACL. Mr. K. Prasad, CFO, holds the position of CFO in SCL. |
|   | b. Shareholding of the director / KMP, whether direct or indirect, in the related party  | 21.85   |
| 8.  | A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.  | Not Applicable  |
| 9.  | Other information relevant for decision making.  | None.   |
| <b>F. Additional disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances</b> |  |   |
| 1.  | Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.  | No bidding or other process applied   |
| 2.  | Basis of determination of price.   | Arm's length price  |
| 3.  | In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following: | Not Applicable  |
|   | a. Amount of Trade advance   |   |
|   | b. Tenure  |   |
|   | c. Whether same is self-liquidating?   |   |
| <b>G. Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary</b>   |  |   |
| 1.  | Material covenants of the proposed transaction   | -   |
| 2.  | Interest rate (in terms of numerical value or base rate and applicable spread)   | 10% p.a.  |
| 3.  | Cost of borrowing<br>Note: This shall include all costs associated with the borrowing  | -   |
| 4.  | Maturity / due date  | Repayable within 3 years from the date of disbursement  |
| 5.  | Repayment schedule & terms   | Repayable within 3 years from the date of disbursement  |
| 6.  | Whether secured or unsecured   | Unsecured   |

|   |  |   |
|---|--|---|
| 7 | If secured, the nature of security & security coverage ratio                       | NA  |
| 8 | The purpose for which the funds will be utilized by the listed entity / subsidiary | To fund the modernization and expansion project to increase cement grinding capacity from 1.82 MTPA to 3.00 MTPA, and for other general corporate purposes. |

The material Related Party Transactions has been approved by the Audit Committee, and the Board of Directors recommends the proposed transaction for approval by the shareholders.

Accordingly, the necessary resolution is submitted in Item No.4 of the Notice and your Board recommends the same for approval of the shareholders.

The Members may please note that in terms of provisions of the Listing Regulations, none of the related party(ies) (whether such related party(ies) are a party to the proposed transactions or not), shall vote to approve the resolution as specified in Item No. 4 of the Notice.

Dr. S.Anand Reddy, Mr. S.Sreekanth Reddy, Mrs. S.Rachana, Mr. K.V.Vishnu Raju, Mr. Ravichandran Rajagopal and Mrs. O.Rekha, Directors of the Company, hold directorships in SCL. Mr. K. Prasad, CFO holds the position of CFO in SCL.

None of the Directors and Key Managerial Personnel of the company and their relatives is in any way concerned or interested financially or otherwise in the resolution, except to the extent of their designations and shareholding, if any, in ACL and in SCL.

#### **Item No. 5**

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year exceeds 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Further, Regulation 2(1)(zb) of the Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the Listing Regulations has enhanced the definition of related party transaction which means a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, as well as (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not. It is in the above context that, item No. 5 is placed for the approval of the Shareholders of the Company.

R V Consulting Services Private Limited ("RV") is a promoter group of Sagar Cements Limited which is a holding company and also Mrs. S. Rachana, director of the company

also holds directorship and shareholder of RV by virtue of which, RV has become "related party" to ACL.

The Company proposes to enter into transactions with RV as that of the previous year such as (i) Technical Consultancy, Site Supervision, Third Party Inspection (ii) Purchase of Property, Plant & Equipment including machinery for Mechanical Equipment's and repairs and electrical instrumental (iii) Civil, electrical and mechanical Works (iv) Development works including green belt development an site cleaning and any other related transactions. The Management has provided the Audit Committee with the relevant details of proposed RPTs including rationale, material terms and basis of pricing. The Audit Committee, after discussion and deliberation has granted approval for the RPTs by entering into transactions with RV for an aggregate value of up to Rs. 100 crores.

RV is a related party and being material in nature, the transactions entered are deemed to be material-related party transactions and require specific approval from the shareholders under Regulation 23 (4) and other applicable Listing Regulations. The management of ACL has provided the Audit Committee with all the requisite details of said proposed transactions with RV.

The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business. The Audit Committee has reviewed the certificates furnished by the Managing Director and the Chief Financial Officer as required under the RPT Industry Standards.

The Board has also recommended entering into above said material related party transaction with RV.

In terms of SEBI Circular dated June 26, 2025 on Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards"), the disclosures in respect of Related Party Transactions are as below:

**Details relating to Sale and Purchase of Goods and Services by RV to ACL**

| S. No  | Particulars of the information                | Information provided by the management   |
|--|---|--|
| <b>A. Basic details of the related party</b> |   |  |
| 1.   | Name of the related party                     | R V Consulting Services Private Limited ("RV")   |
| 2.   | Country of incorporation of the related party | India  |
| 3.   | Nature of business of the related party       | Advisers, Consultancy services to governments, business, commerce, industry and engineering and to generate, harness, develop, accumulate, distribute, transmit and supply electricity by setting up power plants. |

| <b>B. Relationship and ownership of the related party</b>         |  |        |
|---|--|--------|
| 1.  | Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party - including nature of its concern (financial or otherwise) and the following:<br>R V Consulting Services Private Limited ("RV") is a promoter group of Sagar Cements Limited which is a holding company and also Mrs. S.Rachana, director of the company also holds directorship and shareholder of RV   |        |
| a)  | Shareholding of the listed entity/subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.<br><i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.<br>% Shareholding - Nil  |        |
| b)  | Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).<br>Not Applicable  |        |
| c)  | Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary).<br><i>Explanation:</i> Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.<br>RV along with Rachana is holding 14.3% in SCL and SCL is holding 75% in ACL |        |
| <b>C. Details of previous transactions with the related party</b> |  |        |
| 1.  | Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during last financial year.<br><b>Note:</b> Details need to be disclosed separately for listed entity and its subsidiary.  |        |
|   | Transactions entered during last financial year are given below:<br>INR in Lakhs   |        |
|   | <b>Nature of Transaction</b>   |        |
|   | <b>FY26</b>  |        |
|   | Purchase of Plant & Machinery and other equipment  | 14,556 |
|   | Unsecured Loans taken  | 25,000 |
| Interest Paid on Loan   | 632  |        |
| Reimbursement of expenses   | 5  |        |
| <b>Total</b>  | <b>40,193</b>  |        |

|   |  |               |
|---|--|---------------|
| 2.  | Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.   | Nil           |
| 3.  | Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.   | No            |
| <b>D. Amount of the proposed transaction(s)</b> |  |               |
| 1.  | Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.   | Rs.100 Crores |
| 2.  | Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?   | Yes           |
| 3.  | Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year  | 22.60%        |
| 4.  | Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)                  | NA            |
| 5.  | Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available. | 3.80%         |

|    |   |   |                        |
|----|---|---|------------------------|
| 6. | Financial performance of the related party for the immediately preceding financial year:<br><i>Explanations: The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.</i> | Details of RV on standalone basis for FY 2024-25: |                        |
|    |   | <b>Particulars</b>                                | <b>Rupees in Lakhs</b> |
|    |   | Turnover  | 12,313                 |
|    |   | Net Worth   | 14,700                 |
|    |   | Net Profit  | 1050                   |

### E. Basic details of the proposed transactions

|    |   |   |
|----|---|---|
| 1. | Specific type of the proposed transaction (e.g. sale of goods/ services, purchase of goods/ services, giving loan, borrowing etc.)  | Sale and Purchase of Plant & Machinery, equipment and civil works, electrical / instrumentation and repairs & maintenance and other Plant related Services etc.,  |
| 2. | Details of each type of the proposed transaction  | Sale and Purchase of Plant & Machinery, equipment and civil works, electrical / instrumentation and repairs & maintenance and other Plant related Services etc., not exceeding Rs.100 Crores  |
| 3. | Tenure of the proposed transaction (tenure in number of years or months to be specified)  | For 1 year for the date of approval.  |
| 4. | Whether omnibus approval is being sought?   | Yes   |
| 5. | Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.  | Rs.100 Crores   |
| 6. | Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity.  | The proposed transaction is with the RV are in the interest of the Company as they enhance operational efficiency, ensure cost optimization, and are undertaken at arm's length in the ordinary course of business, thereby creating value for the Company. |
| 7. | Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.<br><i>Explanation: Indirect interest shall mean interest held through any person over which an individual has control</i> | Mrs. S. Rachana Director of the Company, also hold directorships and shareholder in RV  |
|    | a. Name of the director / KMP   | Mrs. S. Rachana   |

|   |  |                                     |
|---|--|-------------------------------------|
|   | b. Shareholding of the director / KMP, whether direct or indirect, in the related party  | 75.94%                              |
| 8.  | A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.  | Not Applicable                      |
| 9.  | Other information relevant for decision making.  | None.                               |
| <b>F. Additional disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances</b> |  |                                     |
| 1.  | Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.  | No bidding or other process applied |
| 2.  | Basis of determination of price.   | Arm's length price                  |
| 3.  | In case of Trade advance ( <i>of upto 365 days or such period for which such advances are extended as per normal trade practice</i> ), if any, proposed to be extended to the related party in relation to the transaction, specify the following: | Not Applicable                      |
|   | a. Amount of Trade advance   |                                     |
|   | b. Tenure  |                                     |
|   | c. Whether same is self-liquidating?   |                                     |

The material Related Party Transactions has been approved by the Audit Committee, and the Board of Directors recommends the proposed transaction for approval by the shareholders.

Accordingly, the necessary resolution is submitted in Item No.5 of the Notice and your Board recommends the same for approval of the shareholders.

The Members may please note that in terms of provisions of the Listing Regulations, none of the related party(ies) (whether such related party(ies) are a party to the proposed transactions or not), shall vote to approve the resolution as specified in Item No.5 of the Notice.

Mrs. S.Rachana, as Director to that extent she along with Mr. S.Sreekanth Reddy, who is the other director related to her, may be deemed to be interested in the resolution.

None of the Directors and Key Managerial Personnel of the company and their relatives is in any way concerned or interested financially or otherwise in the resolution, except to the extent of their designations and shareholding, if any.

By Order of the Board  
For **Andhra Cements Limited**

Place: Hyderabad  
Date: May 13, 2026

**G. Tirupati Rao**  
Company Secretary  
(Membership No. FCS- 2818)

**Registered office:**  
Sri Durga Cement Works, Sri Durgapuram,  
Dachepalli – 522414, Palnadu Dist. (AP)

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)

**Details of Directors seeking appointment/re-appointment  
at the Annual General Meeting**

|  |  |
|--|--|
| <b>Name of the Director</b>  | <b>Mr. S. Sreekanth Reddy</b>  |
| DIN  | 00123889   |
| Date of birth  | 27.08.1971   |
| Age  | 55 years   |
| Qualification  | B.E(I&P) and PG Diploma in Cement Technology   |
| Experience in specific functional areas  | Corporate Executive  |
| Date of first appointment on the Board   | 07-03-2023   |
| Nature of Appointment  | Retires by rotation and being eligible offers himself for re-appointment.  |
| Terms and Conditions of Appointment / Reappointment                                    | Appointment as a director subject to retire by rotation under Section 152 of the Companies Act, 2013   |
| Directorships in other Companies (other than listed companies)                         | 1. Sagar Power Limited<br>2. Sagar Priya Housing & Industrial Enterprises Limited<br>3. Super Hydro Electric Private Limited<br>4. Sagar Cements (M) Private Limited<br>5. Sree Venkateswara Winery and Distillery Private Limited |
| Directorships in other Listed Companies  | Sagar Cements Limited<br>Sagarsoft (India) Limited   |
| Names of Listed Companies from which he has resigned in the past three years           | Nil  |
| Membership/Chairmanship of Committees of other Boards                                  | Member in CSR Committee and Chairman in Risk Management & ESG Committee of Sagar Cements Limited   |
| Membership of Audit / Stakeholders Relationship Committees of Listed Companies         | Audit Committee member in Sagar Cements (M) Private Limited  |
| No. of shares held including shareholding as a beneficial owner in Andhra Cements Ltd. | Nil  |
| Number of Board Meetings attended during FY 2024-25                                    | 6  |

|  |   |
|--|---|
| Details of Remuneration last drawn   | Nil   |
| Details of Remuneration sought to be paid  | No remuneration was paid except the sitting fee   |
| Inter-se relationship with other Directors and Key Managerial Personnel of the Company   | Related to Dr. S. Anand Reddy, Executive Director and Mrs. S. Rachana, Non-Executive Director   |
| The skills and capabilities required for the role and the manner in which the proposed person meets such requirements  | He holds bachelor degree in Engineering and having vast experience in Cement sector.  |
| Information as required pursuant to BSE Circular no. LIST/ COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/ 24 dated June 20, 2021. | We affirm that Mr. S. Sreekanth Reddy is not debarred from holding the office of any other such authority. Nomination and Remuneration Committee and Board of Directors of the Company has also verified that Mr. Sreekanth Reddy is not debarred from holding the office of Director pursuant to any SEBI Order. |

By Order of the Board  
For **Andhra Cements Limited**

Place: Hyderabad  
Date: May 13, 2026

**G. Tirupati Rao**  
Company Secretary  
(Membership No. FCS- 2818)

**Registered office:**  
Sri Durga Cement Works, Sri Durgapuram,  
Dachepalli - 522414, Palnadu Dist. (AP)

# ANDHRA CEMENTS LIMITED

## DIRECTORS' REPORT

### Dear Members

Your Directors are pleased to present the Eighty Seventh (87<sup>th</sup>) Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2026.

### FINANCIAL HIGHLIGHTS

This discussion on the financial performance and results of operations of your Company for the year ended March 31, 2026, which are summarized below

(Rs. in lakhs, unless otherwise stated)

| Particulars  | 2025-26        | 2024-25         |
|--|----------------|-----------------|
| Revenue from Operations  | 44,249         | 27,405          |
| Other Income   | 990            | 749             |
| Profit before Interest, Depreciation and Tax                   | 2,596          | (2,176)         |
| Finance Cost   | 9,799          | 7,486           |
| Depreciation   | 8,445          | 7,163           |
| Profit/(Loss) before exceptional Items                         | (15,648)       | (16,825)        |
| Exceptional Item   | -              | 626             |
| Profit/(Loss) before Tax                                       | (15,648)       | (17,451)        |
| Current Tax  | -              | -               |
| Profit/(Loss) after Tax  | (15,648)       | (17,451)        |
| Deferred Tax   | (8,932)        | (2,240)         |
| <b>Net Profit / (Loss)</b>                                     | <b>(6,716)</b> | <b>(15,211)</b> |
| Other Comprehensive Income                                     | 8              | (15)            |
| Total Comprehensive Income                                     | (6,708)        | (15,226)        |
| <b>Basic &amp; Diluted Earnings per share of Rs. 10/- each</b> | <b>(7.29)</b>  | <b>(16.50)</b>  |

### SHARE CAPITAL

#### AUTHORISED SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 500 crores comprising of 40,00,00,000 equity Shares of Rs. 10/- each amounting to Rs. 400 crores and 1,00,00,000 preference Shares of Rs. 100/- each amounting to Rs. 100 crores.

#### PAID-UP SHARE CAPITAL

As on March 31, 2026, the paid-up equity share capital of the Company is at Rs. 92,17,21,400/- divided into 9,21,72,140 Equity Shares of Rs. 10/- each.

During the period under review, your Company has not issued any shares with differential rights, sweat equity shares and equity shares under employee's stock option scheme except the above allotments. Your Company has also not bought back its own shares during the period under review.

## **DIVIDEND**

Dividend has been considered by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business consideration as well as the applicable regulatory requirements read with the dividend distribution policy adopted by your company, which is available on your company's website and can be accessed at: <https://www.andhracements.com/ACL-Dividend-Distribution-Policy.pdf>

Considering the losses incurred, no dividend is proposed for the year.

## **TRANSFER TO RESERVES**

No transfer to any reserve is proposed and accordingly, the entire balance available in the Statement of Profit and Loss is retained in it.

## **PLANT OPERATIONS**

During the year under review, the Company re-commenced its Plant Operations/Grinding Operations from 12<sup>th</sup> April, 2023 at its Sri Durga Cement Works and since, then the plant has been operating successfully. The company's other Plant Visaka Cement Works (VCW) stopped the production operations, as the plant falls under city limits, making it difficult to run the plant.

## **STATUS OF MODERNISATION & EXPANSION PROJECT**

Your board of directors at its meeting held on 24<sup>th</sup> January, 2024 has approved a proposal for the modernization/expansion project to enhance the clinker manufacturing capacity from 1.65 MTPA to 2.30 MTPA and the cement grinding capacity from 1.82 MTPA to 3 MTPA and also to install a new 6 stage preheater system along with necessary modifications / replacement of the existing equipment's to be in line with the enhanced facilities and to optimize the fuel cost at its plant situated at Dachehalli, Andhra Pradesh. The estimated cost of the project to implement the above said facilities will be around Rs. 47,069 lakhs and the same will be met through equity/internal accruals and borrowing from banks/institutions.

The new 6 stage preheater construction has been completed and commissioned on 23<sup>rd</sup> October, 2025. With regard to the Cement Mill, civil works were under progress and complete building will be ready by May 2026. Fabrication works for ducting & bag filter were under progress. Main equipment's for the project were ordered and Indigenous equipment's & imported equipment's will be received in phased manner before end of June, 2026. The modernization/expansion project expected to be completed by the end of September 2026.

Further, your Board of Directors at its meeting held on March 28, 2024 had also approved a proposal for raising funds for an amount not exceeding Rs.180 crores to part finance the above expansion and for upgradation as detailed above and also to achieve the Minimum Public shareholding of 25%, through Issue of Equity Shares of the Company on a Rights basis to the existing shareholders of the company in accordance with the provisions of the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The company has received the necessary approvals from the concerned authorities for the Rights Issue and was valid till December 16, 2025. Due to the prevailing capital market conditions, the company has not moved

forward with the proposed fund raising through Rights Issue. Your company has taken the necessary steps during the year to fulfill the minimum public shareholding in accordance with the said regulations.

### **OFFER FOR SALE (OFS) BY THE HOLDING COMPANY**

During FY 2025-26, Sagar Cements Limited, promoter of the company, made an Offer for Sale (OFS) of equity shares through the stock exchange mechanism in compliance with SEBI guidelines and Rule 19A of the Securities Contracts (Regulation) Rules, 1957. SCL has divested part of its holdings, thereby reducing its stake from 90% to 75%. Consequently, the public shareholding in ACL increased to 25%, enabling our company to achieve the mandated Minimum Public Shareholding (MPS) requirement within the stipulated time period.

The Board of Directors of the Company, at its meeting held on March 30, 2026, has accorded its in-principle approval for the merger of our Company with its Holding Company viz., Sagar Cements Limited, which will be subject to necessary approvals as may be required from the regulatory and other concerned authorities.

### **SHIFTING OF REGISTERED OFFICE**

In terms of Sections 12(4), 12(5), 12(6) & 13(4) of the Companies Act, 2013 and other applicable provisions, if any, the shareholders of the company, by passing a Special Resolution at the 86<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> June, 2025, approved for shifting of the registered office of the Company from Sri Durga Cements Works, Sri Durgapuram, Srinagar Post, Dachepalli Mandal, Guntur District, PIN-522414, Andhra Pradesh to Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad – 500033, Telangana for the purpose of administrative and operational convenience.

Accordingly, necessary application was made to the Regional Director, Ministry of Corporate Affairs, Hyderabad, along with required documents for their approval for the shifting of Registered Office of the Company from the “State of Andhra Pradesh” to “State of Telangana”.

The Company has received an Order from the Regional Director, Hyderabad, Ministry of Corporate Affairs vide Order No: 24/RD (SER)/SEC-13(4)/AP to TG/2026/459, dated. May 4, 2026, approving the shifting of the Registered Office of the Company from the “State of Andhra Pradesh” to the “State of Telangana”.

The Board of Directors of the Company at its meeting held on 13<sup>th</sup> May, 2026 noted the above said Order and accorded its approval for shifting of the registered office of the Company to Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad – 500 033, Telangana, and filed the necessary e-forms with the Ministry of Corporate Affairs.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. S.Sreekanth Reddy will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Necessary resolutions seeking the approval of the member for the re-appointment have been incorporated in the notice of the annual general meeting of the company.

Except Mrs. S. Rachana, who is a director and major shareholder in R V Consulting Services Private Limited, whose transactions with the company have been reported under the related parties disclosure in the notes to the accounts, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

## **INDEPENDENT DIRECTORS DECLARATION**

The company has received necessary declarations from all the Independent Directors of the Company in accordance with Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence as laid down in Section 149(6) of the said Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). There has been no change in the circumstances affecting their status as an Independent Director during the year.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company’s Code of Conduct.

The Board of Directors is of the opinion that all the Independent Directors possess requisite qualifications, experience and expertise in industry knowledge and corporate governance and they hold highest standards of integrity.

## **NUMBER OF MEETINGS OF THE BOARD**

During the year 2025-26, six meetings of the board were held and the details of these meetings of the Board as well as its committees have been given in the corporate governance report, which forms part of the Annual Report.

## **BOARD EVALUATION**

The Board of Directors have carried out an annual evaluation of its own performance and of its committees as well as its individual directors, on the basis of criteria such as composition of the board/committee structure, effectiveness, process, information flow, functioning etc.

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions entered into during the financial year were on an arm’s length basis and in the ordinary course of business. During the year, the Company had entered into a 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 <https://www.andhracements.com/ACL-Policy%20on%20Related%20Party%20Transactions.pdf>.

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

## **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.

### **AUDITORS**

#### **1. Statutory Auditors**

M/s. B S R and Co, Chartered Accountants (Firm Registration No. 128510W), who were appointed as statutory Auditors' of the company by the Shareholders at their 86<sup>th</sup> Annual General Meeting held on June 30, 2025 for a term of five years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 91<sup>st</sup> Annual General Meeting to be held in the year 2030, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

#### **Auditors Report**

The Auditors' Report does not contain any qualifications, reservations or adverse remarks and it is an unmodified one.

#### **2. Cost Auditors**

M/s. Narasimha Murthy & Co., Cost Accountants (FR No.000042), have been appointed as Cost Auditors of the company for the year ending 31<sup>st</sup> March 2027. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditors has been included in the notice of the AGM.

The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

#### **3. Secretarial Auditors**

M/s. B S S & Associates, practicing Company Secretaries (Firm Registration No. 3744) who were appointed as Secretarial Auditors' of the Company by the Shareholders at their 86<sup>th</sup> Annual General Meeting held on June 30, 2025 for a term of five years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 91<sup>st</sup> Annual General Meeting to be held in the year 2030, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

#### **Secretarial Auditors' Report**

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure-B**, which forms part of this report.

The said report does not contain any qualification reservation, or adverse remarks.

## **ANNUAL RETURN**

The draft Annual Return in Form MGT-7 for the year ended 31<sup>st</sup> March, 2026 is available on the Company's website and link for the same is <https://www.andhracements.com/Investors.html>.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the financial statements at appropriate places.

## **DISCLOSURE OF ACCOUNTING TREATMENT**

The applicable Accounting Standards as notified from time to time under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2016 issued by the Ministry of Corporate Affairs, have been followed in preparation of the financial statements of the company.

## **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.

The Risk Management policy of the Company is available at the Company's website.

## **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.

## **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.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your board of directors, to the best of their knowledge and ability confirm 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31<sup>st</sup> March, 2026 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 by the company and such internal financial controls were adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

## **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. Said policy is available on the Company's website [www.andhracements.in](http://www.andhracements.in)

## **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 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.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No frauds were reported by the Auditors under Sub-Section 12 of Section 143 of the Companies Act, 2013 read with the Rules made there under.

## **STATE OF THE COMPANY'S AFFAIRS**

The Company is actively engaged in the business of manufacturing of cement and clinker.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There were no change in the nature of business of the company.

## **DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT**

There is no revision of financial statement or the Report.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company doesn't have any subsidiaries or joint ventures or associate Companies during the year.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT**

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the report.

## **THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

There were no Companies which have become or ceased to be its subsidiaries, joint ventures or Associate Companies during the year.

## **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## **DEPOSITS**

The company did not accept any deposits from public during the year.

## **DISCLOSURE ON DONATIONS TO POLITICAL PARTY**

The company did not donate any amount to political parties during the FY 2026.

## **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- C**" 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- C**" to this Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required under Section 134 (3) (m) of the Companies Act, 2013 have been provided in the **Annexure-D**, which forms part of this Report”.

## **POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Regarding the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013, your company has an Internal Complaints Committee. No complaints were received or disposed of during the year under the above Act and no complaints were pending either at the beginning or at the end of the year. Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC). ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at corporate offices as well as at manufacturing units.

## **COMPLIANCE WITH THE DIGITAL PERSONAL DATA PROTECTION ACT, 2023**

The Digital Personal Data Protection Act, 2023, enacted by Parliament and operationalised through the Digital Personal Data Protection Rules, 2025, establishes a comprehensive legal framework governing the collection, processing, storage and protection of personal data in India. As an organisation that processes personal data of its employees, contractual workers, vendors, dealers, logistics partners and other stakeholders in the ordinary course of business, the Company is a Data Fiduciary under the Act and bears direct accountability for the lawful, purposeful and secure handling of such data.

During the financial year under review, the Company has initiated a structured DPDP compliance programme. Key steps undertaken include the mapping of personal data across operating departments, the designation of departmental Data Points of Contact, a review of vendor contracts to incorporate data protection clauses, and the establishment of internal incident reporting protocols. Awareness sessions have been conducted for management personnel across operating locations to embed data protection responsibilities at the operational level.

The Board of Directors regards compliance with the Act as an integral dimension of the Company's governance framework and its commitment to responsible stewardship of stakeholder trust. The compliance programme will be reviewed and strengthened on a continuing basis, and the Company remains committed to building a culture of data responsibility across all levels of its organisation.

## **UTILIZATIONS OF FUNDS RAISED THROUGH ISSUE OF EQUITY SHARES**

During the financial year 2025-26, no funds were raised through Rights Issue, Preferential Issue etc. and hence there is no requirement to provide any explanation as required under Regulation 32(4) of the SEBI (LODR) Regulations, 2015.

## **CREDIT RATING**

Details of Credit Rating obtained by the company have been given in the Report on the Corporate Governance, which forms part of the Annual Report.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 have been disclosed in the corporate governance report.

Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

## **FUTURE OUTLOOK, TREATS AND OPPORTUNITIES**

Details relating to future outlook, treats and opportunities have been given in detail in the Management Discussion and Analysis Report, which is part of the Directors' Report.

## **INSURANCE**

All the properties of the Company have been adequately insured.

## **POLLUTION CONTROL**

Your company is committed to keep the pollution at its plant within the acceptable norms and as part of this commitment, it has, inter-alia, an adequate number of bag filters in the plant.

## **SUB COMMITTEES OF THE BOARD**

The Board has an Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance pursuant to Schedule V read with Regulation 34 of the SEBI Listing Regulations, which forms part of the Annual Report.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

There was no such instance arose to transfer any amount to the Investor Education and Protection Fund.

## **SECRETARIAL STANDARDS**

Your company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are found to be adequate and operating effectively.

## **THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

No application has been admitted or any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

## **COMPLIANCE CERTIFICATE**

A Certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from a Practicing Company Secretary regarding compliance with the conditions of Corporate Governance is attached to this Report along with our report on Corporate Governance.

## **CAUTIONARY STATEMENT**

Statement in this report and its annexures describing the company's projections, expectations and hopes are forward looking. Though these are based on reasonable assumptions, their actual results may differ.

## **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: Hyderabad  
Date: May 13, 2026

**K.V. Vishnu Raju**  
Chairman  
(DIN: 00480361)

**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 arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Andhra Cements Limited has not entered into any contract or arrangement to transaction with its related parties which is not in its ordinary course of business or at arm's length during FY 2025-26

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

There were no material contracts or arrangements or transactions with related parties during FY 2025-26.

For and on behalf of the Board

Place: Hyderabad  
Date: May 13, 2026

**K.V. Vishnu Raju**  
Chairman  
(DIN: 00480361)

## Form No. MR-3

**SECRETARIAL AUDIT REPORT****For the Financial Year ended on March 31, 2026**

*[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)  
Sri Durga Cement Works, Sri Durgapuram,  
Guntur, Andhra Pradesh - 522414, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Andhra Cements Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our 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 financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also 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 financial year ended on March 31, 2026 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;
- (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the audit period;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company 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 - Not applicable to the Company during the audit period;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period.
  - (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
  - (vii) Employees State Insurance Act, 1948;
  - (viii) Employers Liability Act, 1938;
  - (ix) Equal Remuneration Act, 1976;
  - (x) Factories Act, 1948;
  - (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
  - (xii) Maternity Benefits Act, 1961;
  - (xiii) Minimum Wages Act, 1948;
  - (xiv) Negotiable Instruments Act, 1881;
  - (xv) Payment of Bonus Act, 1965;
  - (xvi) Payment of Gratuity Act, 1972;
  - (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
  - (xviii) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
    - i. Cement Cess Rules, 1993;
    - ii. Cement (Quality Control) Order, 2003;
    - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
    - iv. The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
    - v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
    - vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
    - vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
    - viii. The Noise Pollution (Regulation And Control) Rules, 2000;
    - ix. Mines Act, 1952 and Rules issued thereunder;
    - x. Mines and Mineral (Regulation and Development) Act, 1957.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same is not within the scope of our audit.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

We further report that 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

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

We further report that during the audit period the Company has not incurred any specific event / action that can have major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

**For B S S & Associates**  
Company Secretaries

**S.Srikanth**

Partner

ACS No.: 22119

C.P. No.: 7999

Place: Hyderabad

Date: 13.05.2026

Peer Review No: 6513/2025

UDIN: A022119H000317568

This Report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

To,  
The Members,  
**Andhra Cements Limited,**  
(CIN: L26942AP1936PLC002379)  
Sri Durga Cement Works, Sri Durgapuram,  
Guntur, Andhra Pradesh - 522414, India.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **B S S & Associates**  
Company Secretaries

**S.Srikanth**

Partner

ACS No.: 22119

C.P. No.: 7999

Peer Review No: 6513/2025

UDIN: A022119H000317568

Place: Hyderabad

Date: 13.05.2026

**Secretarial Compliance Report of Andhra Cements Limited  
for the year ended March 31, 2026**

To,  
The Members,  
**Andhra Cements Limited,**  
(CIN: L26942AP1936PLC002379)  
Sri Durga Cement Works, Sri Durgapuram,  
Guntur, Andhra Pradesh - 522414, India.

We, B S S & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Andhra Cements Limited ("the listed entity"),
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification

for the year ended March 31, 2026 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the Review Period;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars / guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| S. No. | Compliance Requirement (Regulations / circulars / guidelines including specific clause) | Regulation / Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations / Remarks of the Practicing Company Secretary | Management Response | Remarks |
|--------|---|---------------------------|------------|-----------------|----------------|----------------------|-------------|--|---------------------|---------|
| Nil    |   |                           |            |                 |                |                      |             |  |                     |         |

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| S. No. | Observations/ Remarks of the Practicing Company Secretary (PCS) in the previous reports) | Observations made in the Secretarial Compliance report for the year ended ..... (The years are to be mentioned) | Compliance Requirement (Regulations / circulars / guidelines including specific clause) | Details of violation / Deviations and actions taken / penalty imposed, if any, on the listed entity | Remedial actions, if any, taken by the listed entity | Comments of the PCS on the actions listed entity |
|--------|--|---|---|---|--|--|
| NA     |  |   |   |   |  |  |

- (c) We hereby report that, during the review period the compliance status of the listed entity is appended as below:

| Sr. No. | Particulars   | Compliance Status (Yes/NO/NA) | Observations/ Remarks by PCS |
|---------|---|-------------------------------|------------------------------|
| 1.      | <u>Secretarial Standards:</u><br><ul style="list-style-type: none"> <li>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</li> </ul>   | Yes                           | Nil                          |
| 2.      | <u>Adoption and timely updation of the Policies:</u><br><ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations / circulars / guidelines issued by SEBI</li> </ul> | Yes                           | Nil                          |
| 3.      | <u>Maintenance and disclosures on Website:</u><br><ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> </ul>   |                               |                              |

|    |   |           |   |
|----|---|-----------|---|
|    | <ul style="list-style-type: none"> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>                               | Yes       | Nil   |
| 4. | <u>Disqualification of Director:</u><br>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013   | Yes       | Nil   |
| 5. | <u>Details related to subsidiaries of listed entities have been examined w.r.t.:</u><br>(a) Identification of material subsidiary companies<br>(b) Requirements with respect to disclosure of material as well as other subsidiaries  | NA<br>NA  | There was no subsidiary to the listed entity                    |
| 6. | <u>Preservation of Documents:</u><br>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015   | Yes       | Nil   |
| 7. | <u>Performance Evaluation:</u><br>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations  | Yes       | Nil   |
| 8. | <u>Related Party Transactions:</u><br>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions<br>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee. | Yes<br>NA | Nil<br>There were no such transactions during the review period |
| 9. | <u>Disclosure of events or information:</u><br>The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.  | Yes       | Nil   |

|     |   |     |   |
|-----|---|-----|---|
| 10. | <u>Prohibition of Insider Trading:</u><br>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015  | Yes | Nil   |
| 11. | <u>Actions taken by SEBI or Stock Exchange(s), if any:</u><br>No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder   | Yes | Nil   |
| 12. | <u>Resignation of statutory auditors from the listed entity or its material subsidiaries:</u><br>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has/ have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities. | NA  | There were no such transactions during the review period.                                     |
| 13. | <u>Additional Non-compliances, if any:</u><br>No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.  | Yes | No additional non-compliance observed for all SEBI regulation / circular / guidance note etc. |

We further, report that the listed entity is in compliance / not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2)(za) of the LODR Regulations. - NA

**Assumptions & limitation of scope and review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.

4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **B S S & Associates**  
Company Secretaries

**S.Srikanth**

Partner

ACS No.: 22119

C.P. No.: 7999

Peer Review No: 6513/2025

UDIN: A022119H000317612

Place: Hyderabad

Date: 13.05.2026

**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 Rs.1,02,00,000/- or more per annum: - Nil
- (B) Employed for part of the year and in receipt of remuneration aggregating Rs.8,50,000/- or more per month:-

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

**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 |
|-------------|------------------------------|
| N.A.        | N.A.                         |

Note : There is no remuneration to any director, except for sitting fee.

- (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 |
|--|--------------------------------|
| Mr. G. Tirupati Rao, Company Secretary | 8.46%                          |

- (iii) **The percentage increase in the median remuneration of employees in the financial year.**

The percent increase in median remuneration of employees in the Financial Year was 5.82%.

- (iv) **The number of permanent employees on the rolls of Company including on secondment: 180**
- (v) **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:**

(Rs. in lakhs unless otherwise stated)

| <b>Particulars</b>  | <b>Remuneration in Financial Year 2025-26</b> | <b>% increase in Remuneration in Financial year 2025-26</b> |
|---|---|---|
| Average monthly salary of all employees (other than Key Managerial Personnel) | 0.70  | 5.82%   |
| Salary of Company Secretary   | 28.20   | 8.46%   |
| Salary of CFO   | Nil   | Nil   |

**(vi) Percentage increase or decrease in the market quotations of the shares of the company, compared to its price at which the company came out with its last public offer:**

| <b>Particulars</b>  | <b>On March 31, 2026 (Rs.)</b> | <b>On January 02, 1942</b> | <b>% Change</b> |
|---------------------|--------------------------------|----------------------------|-----------------|
| Market Price in NSE | 40.50                          | Not Listed                 | -               |
| Market Price in BSE | 40.60                          | 23.45                      | 73.13           |

**(vii) 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.

For and on behalf of the Board

**K.V. Vishnu Raju**  
Chairman  
(DIN: 00480361)

Place: Hyderabad  
Date: May 13, 2026

**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) The steps taken or impact on conservation of energy:**

The Company initiated various steps during the year and the following machinery was installed for the conservation of energy:

1. Replaced 4/5 stage preheater with high efficiency 6 stage preheater with inline calciner, resulted in reduction of power consumption and fuel consumption.
2. Replaced existing GRR Starters with VFDS to reduce the power consumption on critical main Motors.

**(ii) The steps taken by the Company for utilizing alternate sources of energy:**

The Company initiated steps to implement usage of AFR and the projects are under implementation and likely to be commissioned in FY 2026-27.

**(iii) The capital investment on energy conservation equipment's:**

The Company has made Capital investment of Rs. 1.25 crores on energy conservation equipment's during the year.

**B. Technology Absorption:**

- (i) the efforts made towards technology absorption - Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

**C. Foreign Exchange Earnings and Out go: Rs. 64.11 crores out go**

For and on behalf of the Board

Place: Hyderabad  
Date: May 13, 2026

**K.V. Vishnu Raju**  
Chairman  
(DIN: 00480361)

## **ANDHRA CEMENTS LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Industry overview and outlook**

India is the second-largest cement manufacturer in the world. The industry is gradually embracing change to bolster decarbonization efforts and using technological advancements to implement sustainable practices. Indian cement manufacturers are set to invest ~ \$ 14.30 billion over the next few years to increase capacity by 25%. This will add 70-75 MT over the next two years and 160-170 MT to the annual cement production by 2030. The expansion will be led by the government's massive infrastructure push, with plans to invest \$ 1.70 trillion in infrastructure projects by 2030.

The cement industry faced multiple challenges during FY2026, including slower growth and lower sales. Growth slowed to 4-5%, down from double-digit growth in previous years. This was partly due to a long monsoon season, as well as labour shortages. However, the medium-to long term outlook remains positive, with various industry houses pegging the sector growth at 7-8% per annum, at par with the GDP growth.

The infrastructure segment continues to see strong demand, driven by increased government spending across various infrastructure segments. Housing, which accounts for 55% of cement demand, is expected to grow steadily, supported by rural housing expansion, due to favourable monsoons, moderating inflation and ongoing urban real estate projects. The government's emphasis on affordable housing and investments in mega projects such as highways, railways and industrial development is expected to further sustain cement demand.

Most brokerage reports indicate that pent-up demand, a renewed capex push, and sustained momentum in the housing sector are going to drive up demand. While a brief slowdown is anticipated in FY 2026, the sector is poised for robust growth, driven by favourable demand fundamentals and structural industry shifts.

The Reserve Bank of India (RBI) reduced the repo rate, making borrowing more affordable for both individuals and businesses. The lower interest rates are expected to encourage higher spending and investment, stimulating economic activity and supporting overall economic growth. Further, the new tax structure will substantially reduce taxes for the middle class and leave more money in their hands, boosting household consumption, savings and investment, which is expected to work in favour of the cement sector.

#### **Key trends**

##### **Consolidation:**

The Indian cement industry has already witnessed significant consolidation over the past few years, with several large firms acquiring smaller players to enhance their market share. The trend is expected to continue, driven by the need to optimise operations, cut costs and gain better pricing power.

##### **Infrastructure development and urbanisation:**

Infrastructure development and urbanisation continue to be significant drivers of the cement industry. Due to urbanisation, the demand for housing, transportation and urban amenities continues to grow, thereby increasing cement consumption.

### **Sustainability takes centre stage:**

Indian cement companies are effectively leveraging three key levers: (a) energy efficiency, (b) clinker substitution and (c) grid decarbonisation to drive sustainable development. Scaling up these efforts would further promote the adoption of innovative products and process enhancements. A holistic approach, supported by a well-defined policy framework that addresses economic viability challenges, will be crucial for facilitating future transitions. Cement is the only sector to have voluntarily devised a Low Carbon Technology Roadmap aimed at reducing its direct CO<sub>2</sub> emission intensity by 45% till 2050 from a 2010 baseline. <https://www.cmaindia.org/the-indian-cement-industry-greengrowth-initiatives>.

### **Circular economy practices:**

The industry is rapidly adopting circular economy practices witnessed in the increasing commitment to reducing waste, reusing materials and recycling by-products such as fly ash, blast furnace slag, silica fume etc. Rise in the use of alternative raw materials, particularly industrial by-products, is expected to decrease the industry's reliance on conventional resources.

### **Digital transformation and industry:**

The cement industry is undergoing a significant digital transformation, driven by Industry 4.0 principles. Manufacturers are increasingly adopting advanced technologies such as the Internet of Things (IoT), artificial intelligence (AI), and big data analytics to optimise operations, enhance productivity, and reduce costs. These digital tools enable real-time equipment monitoring, predictive maintenance, and improved process efficiency. Additionally, automation and digitalisation are streamlining material tracking, waste management and overall operational performance, paving the way for a more sustainable.

### **Outlook:**

We continue to grow at a steady pace through capacity expansion, presence in new markets and implementation of innovative processes that help to inculcate sustainable practices across our operations. Our practices and policies minimise our environmental footprint while strengthening our relationship with all our stakeholders and empower us to carry on business with the highest standards of integrity, ethics and transparency.

Our strategically located plants help to optimise costs and facilitate our expansion into new geographies. Besides, technological innovation has improved our operational efficiency. Looking forward, the Indian cement industry holds substantial potential for sustainable development. Our Company is poised to capitalise on these opportunities and continue to be a preferred brand for customers.

### **Segment-wise Performance together with Discussion on Financial Performance with respect to Operational Performance:**

Segment-wise (only one segment) performance together with discussion on financial performance with respect to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

**Internal control systems and their adequacy:**

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use or disposition.

The internal control systems of the company comprise of statutory audit, cost audit and internal audit. The work of all the audits have been assigned to reputed, external, independent and qualified people.

The Audit Committee comprising of independent directors will review all quarterly, half yearly and annual financial statements.

**Key financial ratios**

Pursuant to Reg. 34(3) and Schedule V (B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2024-25 are given below:

| Sl. No. | Particulars                     | 31.03.2026 | 31.03.2025 | Formula adopted  |
|---------|---------------------------------|------------|------------|--|
| 1       | Debtors Turnover Ratio (Days)   | 32         | 46         | $365 \text{ Days}/(\text{Net Revenue}/\text{Average Trade Receivables})$             |
| 2       | Inventory Turnover Ratio (Days) | 60         | 82         | $365 \text{ Days}/ \text{Net Revenue}/\text{Average Inventories})$                   |
| 3       | Interest Coverage Ratio         | (0.60)     | (1.33)     | $(\text{Profit before Tax} + \text{Interest}) / (\text{Interest})$                   |
| 4       | Current Ratio                   | 1.04       | 0.54       | $\text{Current Assets}/(\text{Total Current Liabilities}-\text{Current borrowings})$ |
| 5       | Debt-equity Ratio               | 13.81      | 5.24       | $\text{Total Debt} / \text{Total Equity}$  |
| 6       | Operating Profit Margin Ratio   | 0.06       | (0.08)     | $\text{EBITDA} / \text{Net Revenue}$   |
| 7       | Net Profit Margin Ratio         | (0.15)     | (0.56)     | $\text{Net Profit}/\text{Net Revenue}$   |
| 8       | Return on Networth              | (0.60)     | (0.69)     | $\text{Total Comprehensive Income} / \text{Average Networth}$                        |

a. EBITDA denotes Profit before Interest+Tax+Depreciation.

**Disclosures with respect to demat suspense account/ unclaimed suspense account**

The Company has opened a Demat suspense Account for unclaimed shares (51 shares), which were not credited to the respective shareholders' demat account at the time of crediting the new equity shares into their demat accounts, post capital reduction. The Company will release these shares, whenever the claims received from the respective shareholders.

**Human resource development and industrial relations:**

Your Company continues to enjoy cordial relationship with all its personnel at its Plants, Offices and on the field. Your company is organizing training programmes wherever required for the employees concerned to improve their skill. They are also encouraged

to participate in the seminars organized by the external agencies related to the areas of their operations.

Your company continues to focus on attracting and retaining competent personnel and providing a holistic environment where they get opportunities to grow and realize their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

**Cautionary Statement:**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government policies and regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speaks only as of their dates.

For and on behalf of the Board

Place: Hyderabad  
Date: May 13, 2026

**K.V. Vishunu Raju**  
Chairman  
(DIN: 00480361)

## ANDHRA CEMENTS LIMITED

### **Corporate Governance Report for the year 2025-26**

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), compliance with the requirements of Corporate Governance is set out below

#### **1. Company's philosophy on code of governance:**

Andhra Cements Limited ("The Company") believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relationship with all its stakeholders and in the process, inter-alia, would enable it to become one of the most respected and attractive company in the industry and creating value for all its stakeholders.

#### **2. Board of Directors:**

##### **Composition:**

As on 31<sup>st</sup> March, 2026, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 and 17A of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

- (i) As on 31<sup>st</sup> March, 2026 the Company had seven Directors
- (ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31<sup>st</sup> March, 2026 are given hereunder. Other directorships do not include their directorships if any, in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee are alone considered for the purpose.

| Name of the Director | Category   | Number of board meetings during the year 2025-26 |          | Whether attended the last AGM held on 30.6.2025 | Number of Directorships in other Unlisted Public Companies |        | Number of Committee positions held in other Unlisted Public Companies |        |
|----------------------|--|--|----------|---|--|--------|---|--------|
|                      |  | Held   | Attended |   | Chairman   | Member | Chairman  | Member |
| Mr. K.V.Vishnu Raju  | Chairman, Independent and Non-Executive Director | 6  | 6        | Yes   | 0  | 5      | 0   | 0      |
| Dr.S.Anand Reddy     | Executive Director                               | 6  | 6        | Yes   | 0  | 4      | 1   | 0      |

|                            |  |   |   |     |   |   |   |   |
|----------------------------|--|---|---|-----|---|---|---|---|
| Mr. S.Sreekanth Reddy      | Non-Executive Director                 | 6 | 6 | Yes | 0 | 4 | 0 | 1 |
| Mrs. S.Rachana             | Non-Executive Director                 | 6 | 6 | Yes | 0 | 0 | 0 | 0 |
| Mrs. O.Rekha               | Independent and Non-Executive Director | 6 | 6 | Yes | 0 | 1 | 1 | 0 |
| Mr. Ravichandran Rajagopal | Independent and Non-Executive Director | 6 | 6 | Yes | 0 | 1 | 0 | 0 |
| Mr. V H Ramakrishnan       | Independent and Non-Executive Director | 6 | 6 | Yes | 0 | 0 | 0 | 0 |

(iii) Directorships and their category in other listed entities:

| Sl No. | Name of the Director       | Category   | Names of the other Listed Entities where the person is a director and the category of such directorship |                                   | Chairmanship / Membership in Committees of other Listed Entities |        |
|--------|----------------------------|--|---|-----------------------------------|--|--------|
|        |                            |  | Company   | Category                          | Chairman   | Member |
| 1      | Mr. K.V.Vishnu Raju        | Chairman and Independent Director and Non-Executive Director | Anjani Foods Limited  | Chairman and Director             | 2  | 0      |
|        |                            |  | Sagar Cements Limited   | Chairman and Independent Director | 0  | 3      |
| 2      | Dr.S.Anand Reddy           | Executive Director   | Sagar Cements Limited   | Executive Director                | 0  | 1      |
| 3      | Mr. S.Sreekanth Reddy      | Non-Executive Director                                       | Sagarsoft (India) Limited   | Chairman – Non-Executive Director | 0  | 0      |
|        |                            |  | Sagar Cements Limited   | Executive Director                | 0  | 0      |
| 4      | Mrs. S.Rachana             | Non-Executive Director                                       | Sagar Cements Limited   | Non-Executive Director            | 0  | 0      |
| 5      | Mrs. O.Rekha               | Independent and Non-Executive Director                       | Sagar Cements Limited   | Independent Director              | 1  | 0      |
| 6      | Mr. Ravichandran Rajagopal | Independent and Non-Executive Director                       | Anjani Foods Limited  | Whole Time Director               | 1  | 0      |
|        |                            |  | Sagar Cements Limited   | Independent Director              | 0  | 1      |
|        |                            |  | Palred Technologies Ltd.  | Independent                       | 0  | 0      |

- (iv) As on 31<sup>st</sup> March, 2026, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the Listed companies in which he/she was a Director. Necessary disclosures regarding Committee positions held by the Directors in other public companies as on 31<sup>st</sup> March, 2026 have been made by them.
- (v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- (vi) The Board held six meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are as under:  
12<sup>th</sup> May, 2025, 28<sup>th</sup> May, 2025, 21<sup>st</sup> July, 2025, 23<sup>rd</sup> October, 2025, 21<sup>st</sup> January, 2026 and 30<sup>th</sup> March, 2026.
- (vii) **Disclosure of relationship between directors inter-se:**  
Dr.S.Anand Reddy, Managing Director is brother of Mr. S.Srekanth Reddy, Non-Executive Director.  
Mr. S.Srekanth Reddy, Non-Executive Director is brother of Dr.S.Anand Reddy, Managing Director and is the spouse of Mrs. S.Rachana, Non-Executive Director.  
Mrs.S.Rachana, a Non-Executive Director is the spouse of Mr. S.Srekanth Reddy, Non-Executive Director.  
Except as mentioned above, none of the other Directors is related inter-se.
- (viii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of the SEBI Listing Regulations, was placed before the Board for its consideration.
- (ix) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.
- (x) During the year, the Independent Directors separately held a meeting among themselves on 21<sup>st</sup> January, 2026.
- (xi) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.
- (xii) The details of the familiarization programme of the Independent Directors are available on the website of the Company. <https://www.andhracements.com/ACL-Familiarisation%20Programme.pdf>
- (xiii) In the opinion of the Board, the independent directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

- (xiv) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:

The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant for performing their function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the whole-time directors of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and cement industry for discharging their respective responsibilities.

#### **Board Skill Matrix:**

In terms of the requirement of the SEBI Listing Regulation, the Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board, along with the names of the Directors, who have such skill/expertise/ competence:

|                         |  |
|-------------------------|--|
| Business & Industry     | Domain Knowledge in Business and understanding of business environment, the development in the industry for improving Company's business   |
| Financial Expertise     | Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions |
| Governance & Compliance | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values   |

| Sl.No | Name of the Director       | Skill/Expertise/Competence   |
|-------|----------------------------|--|
| 1     | Mr. K.V.Vishnu Raju        | Business & Industry, Financial, Technical expertise, Governance and Entrepreneurship |
| 2     | Mr. Ravichandran Rajagopal |  |
| 3     | Dr. S.Anand Reddy          |  |
| 4     | Mr. S.Sreekanth Reddy      |  |
| 5     | Mrs. S.Rachana             | Business & Industry  |
| 6     | Mrs. O.Rekha               | Financial Expertise, Governance & Compliance   |
| 7     | Mr. V H Ramakrishnan       | Financial Expertise, Governance & Compliance   |

- (xv) Details of equity shares and convertible securities of the Company held by the Directors as on 31<sup>st</sup> March, 2026 are given below:

As on 31<sup>st</sup> March, 2026 none of the Executive/Non-Executive Directors/ Independent Directors were holding any shares or convertible securities in the company.

- (xvi) During the financial year 2025-26, none of the Independent Directors had resigned from his/her directorship,

### 3. Audit Committee

- i. The composition of the audit committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.
- ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:
- 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;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - Approval of payment to statutory auditors for any other services rendered by them;
  - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
    - Changes, if any, in the accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of related party transactions
    - Modified opinion(s) in the draft audit report.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 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 utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- To review the functioning of the whistle blower mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Reviewing the utilisation of loans and/or advances from / investments by the holding company in the subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

- iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditors and internal auditors. The Company Secretary acts as the Secretary to the Committee.
- iv. Mr. G. Tirupati Rao, Company Secretary, has been appointed by the Board as the Compliance Officer to ensure compliance with and effective implementation of the Insider Trading Code.
- v. The previous Annual General Meeting (“AGM”) of the Company was held on 30<sup>th</sup> June, 2025 and the Chairman of the audit committee was present at the said meeting.
- vi. The composition of the Audit Committee as on 31<sup>st</sup> March, 2026 and the details of attendance at its meetings held during the year 2025-26 are given below:

| Name of the Member              | Category               | Number of meetings held during the tenure of member in the financial year 2025-26 |          |
|---------------------------------|------------------------|---|----------|
|                                 |                        | Held  | Attended |
| Mr. V H Ramakrishnan - Chairman | Independent Director   | 6   | 6        |
| Mr. K V Vishnu Raju, Member     | Independent Director   | 6   | 6        |
| Mrs. O.Rekha, Member            | Independent Director   | 6   | 6        |
| Mr. S.Sreekanth Reddy, Member   | Non-Executive Director | 6   | 6        |

- vii. The Audit committee met 6 times during the year 2025-26 and the dates of these meetings are as under:

12<sup>th</sup> May, 2025, 28<sup>th</sup> May, 2025, 21<sup>st</sup> July, 2025, 23<sup>rd</sup> October, 2025, 21<sup>st</sup> January, 2026 and 30<sup>th</sup> March, 2026.

#### 4. Nomination and Remuneration Committee

- i. The Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.
- ii. The terms of reference of the NRC are available on the company’s website, <https://www.andhracements.com/ACL-Nomination%20&%20Remuneration%20Policy.pdf>, as part of the Nomination and Remuneration Policy adopted by the company.

##### **Nomination and Remuneration policy:**

The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and motivating workforce. Individual

performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's website, <https://www.andhracements.com/ACL-Nomination%20&%20Remuneration%20Policy.pdf>

- iii. The details of the composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2026 and the details of the attendance at its meetings during the year 2025-26, are given below:

| Name of the Member                 | Category               | Number of meetings held during the tenure of Member in the financial year 2025-26 |          |
|------------------------------------|------------------------|---|----------|
|                                    |                        | Held  | Attended |
| Mrs. O.Rekha - Chairperson         | Independent Director   | 1   | 1        |
| Mr. K.V.Vishnu Raju, Member        | Independent Director   | 1   | 1        |
| Mr. S.Sreekanth Reddy, Member      | Non-Executive Director | 1   | 1        |
| Mr. Ravichandran Rajagopal, Member | Independent Director   | 1   | 1        |

During the year, One meeting of the Nomination and Remuneration Committee was held on 21<sup>st</sup> January, 2026.

- iv. The Company presently does not have any Employee Stock Option Scheme.  
v. Performance Evaluation Criteria / Policy for Independent Directors:

The company has adopted a Policy for evaluating the performance of its Independent Directors, and the same is available on the company's web site as part of its Nomination and Remuneration Policy.

## 5. Remuneration of Directors

### **Remuneration to Non-Executive Directors:**

Currently, Non-Executive Directors are not paid any remuneration other than the sitting fee of Rs.40,000/-, for each meeting of the Board and Committees thereof attended by them.

Details of sitting fees paid to the non-executive directors during the year 2025-26 are given below:

| S.No. | Name of the Director       | Sitting Fee (In Rupees) |
|-------|----------------------------|-------------------------|
| 1     | Mr. K.V. Vishnu Raju       | 6,00,000                |
| 2     | Mrs. O.Rekha               | 6,00,000                |
| 3     | Mr. V H Ramakrishnan       | 5,20,000                |
| 4     | Mr. Ravichandran Rajagopal | 3,20,000                |
| 5     | Mr. S. Sreekanth Reddy     | 5,20,000                |
| 6     | Mrs. S.Rachana             | 2,40,000                |
|       | <b>Total</b>               | <b>28,00,000</b>        |

There were no other pecuniary relationship or transactions between the Non-Executive Directors and the Company.

The Criteria for making the payment to Non-Executive Directors are available on the company's website <https://www.andhracements.com/ACL-Criteria%20for%20making%20payments%20to%20Non-Executive%20Directors.pdf>

**Remuneration to the Managing Director and Whole time Directors:**

The Company has not paid any remuneration to its Managing Director (MD) of the Company.

**6. Stakeholders' Relationship Committee**

- i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
  - Review of measures taken for effective exercise of voting rights by shareholders.
  - Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar to an issue & Share Transfer Agent.
  - Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
  - Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants
- iii. The composition of the Stakeholders Relationship Committee as on March 31, 2026 and the details of attendance during the year 2025-26 are as under:

| Name of the Member             | Category of the Director | Number of meetings held during the tenure of Member in the financial year 2025-26 |          |
|--------------------------------|--------------------------|---|----------|
|                                |                          | Held  | Attended |
| Mr. K.V.Vishnu Raju - Chairman | Independent Director     | 1   | 1        |
| Mrs. O.Rekha, Member           | Independent Director     | 1   | 1        |
| Dr. S.Anand Reddy, Member      | Executive Director       | 1   | 1        |

During the year, one meeting of the Stakeholders' Relationship Committee was held on January 21, 2026.

Mr. G. Tirupati Rao, Company Secretary, is the compliance officer for the above purpose.

Based on the information obtained from the Company's Registrars, the Company had received 5 complaints from the investors during the year 2025-26 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There were no complaints pending as on 31<sup>st</sup> March, 2026.

| Sl.No | Particulars  | Opening  | Received | Resolved | Pending  |
|-------|--|----------|----------|----------|----------|
| 1     | Non-receipt of shares after transfer / transmission                      | 0        | 5        | 5        | 0        |
| 2     | Non-receipt of dividend warrants   | 0        | 0        | 0        | 0        |
| 3     | Non-receipt of Annual Report   | 0        | 0        | 0        | 0        |
| 4     | Non-receipt of Securities  | 0        | 0        | 0        | 0        |
| 5     | Non-receipt of duplicate / transmission / deletion of share certificates | 0        | 0        | 0        | 0        |
| 6     | SEBI/BSE/NSE/CSE complaints  | 0        | 0        | 0        | 0        |
|       | <b>Total</b>   | <b>0</b> | <b>5</b> | <b>5</b> | <b>0</b> |

- iv. Name, designation and address of Compliance Officer:

Mr. G. Tirupati Rao  
 Company Secretary  
 Andhra Cements Limited  
 Registered Office: Sri Durga Cement Works, Sri Durgapuram,  
 Dachepalli – 522414, Palnadu District, (AP)  
 Telephone: +91-8649-257428

## 7. Risk Management Committee

- i. The composition of the Risk Management Committee is in line with the provisions of Regulation 21 of the SEBI Listing Regulations.
- ii. The details of the composition of the Risk Management Committee as on 31<sup>st</sup> March, 2026 are given below:

| Name of the Member             | Category               |
|--------------------------------|------------------------|
| Mr. S.Srekanth Reddy, Chairman | Non-Executive Director |
| Mr. K.V. Vishnu Raju           | Independent Director   |
| Mrs. O.Rekha                   | Independent Director   |
| Mr. V H Ramakrishnan           | Independent Director   |
| Mr. Ravichandran Rajagopal     | Independent Director   |

The Risk Management Committee is not applicable to the Company as the Company was not in top 1000 listed entities at the end of the immediately

preceding financial year. However, the Company has voluntarily constituted the Committee for future requirements and no meeting of the Committee was held during the year. No meeting of the Risk Management Committee was held during the financial year 2025-26.

**Senior management:**

Particulars of senior management including the changes therein since the close of the previous financial year:

**(a) The details of Senior Management as on March 31, 2026 pursuant to SEBI Listing Regulations:**

| Sl. No. | Name                  | Designation                 |
|---------|-----------------------|-----------------------------|
| 1       | K. Prasad             | Chief Financial Officer     |
| 2       | G. Tirupati Rao       | Company Secretary           |
| 3       | Ch. Subba Rao         | Vice-President (Operations) |
| 4       | A. Narender Reddy     | Sr. GM (Operations)         |
| 5       | J. Naveen Kumar Reddy | GM (Mines)                  |
| 6       | K.S. Ramanuja Chary   | GM (Human Resource)         |

**(b) Changes in Senior Management since the close of the previous financial year:**

During the year no changes in Senior Management.

**8. General Body Meetings**

**General Meeting**

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

| AGM                  | Date                        | Time       | Venue           |
|----------------------|-----------------------------|------------|-----------------|
| 86 <sup>th</sup> AGM | 30 <sup>th</sup> June, 2025 | 02.00 p.m. | Through VC/OAVM |
| 85 <sup>th</sup> AGM | 26 <sup>th</sup> June, 2024 | 11.30 a.m. | Through VC/OAVM |
| 84 <sup>th</sup> AGM | 5 <sup>th</sup> June, 2023  | 03.00 p.m. | Through VC/OAVM |

**Following are the details of Special Resolutions passed in the above said Annual General Meetings:**

At the 84<sup>th</sup> AGM, eight special resolutions were passed in respect of appointment Dr. S. Anand Reddy, Mr. K.V. Vishnu Raju, Mrs. O. Rekha, Mr. R. Rajagopal, Mr. V.H. Ramakrishnan and consents under sections 180 (1)(c), 180 (1) (a) and 186 of the Companies Act, 2013.

No special resolutions were passed at the 85<sup>th</sup> Annual General Meeting.

At the 86<sup>th</sup> AGM, one special resolution was passed in respect of shifting of Registered Office from the State of Andhra Pradesh to State of Telangana under sections 12(4), 12(5), 12(6) & 13(4) of the Companies Act, 2013.

**Whether any special resolution passed last year through postal ballot:**

During the year under review, no special resolution was passed through postal ballot.

There is no proposal to pass any special resolution exclusively through postal ballot.

**Procedure for Postal Ballot – when conducted**

The postal ballot will be conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote through e-voting. The postal ballot notice is sent to shareholders in electronic form to their email addresses, wherever available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013 in connection with the above.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of the conclusion of the e-voting period. The results are displayed on the website of the Company ([www.andhracemts.com](http://www.andhracemts.com)), and communicated to the Stock Exchanges, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for exercising e-voting.

**9. Means of communication**

**Quarterly results:**

As part of compliance with Regulation 33, 10 and 47 of the SEBI Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations.

**Newspapers in which the results were published:**

Details of newspapers in which quarterly results relating to the Financial Year 2025-26 were published are given below:

| Quarter ended                    | Date of Board Meeting | Date of Publication            | Name of the newspapers carrying the publication |
|----------------------------------|-----------------------|--------------------------------|---|
| 30 <sup>th</sup> June, 2025      | July 21, 2025         | 22 <sup>nd</sup> July, 2025    | Financial Express<br><br>Andhra Prabha          |
| 30 <sup>th</sup> September, 2025 | October 23, 2025      | 24 <sup>th</sup> October, 2025 |   |
| 31 <sup>st</sup> December, 2025  | January 21, 2026      | 22 <sup>nd</sup> January, 2026 |   |
| 31 <sup>st</sup> March, 2026     | May 13, 2026          | 14 <sup>th</sup> May, 2026     |   |

**Website where displayed:**

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website, [https://www.andhracements.com / Investors.html](https://www.andhracements.com/Investors.html), and also on the website of NSE and BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

**Press Release**

Press Releases as and when issued by the company following the publication of financial results are also made available at the company's website.

**Presentation made to Institutional Investors and Financial Analysts:**

During the year under review, the Company has not made any presentation to institutional investors or to the analysts.

**Management Discussion and Analysis Report**

The Annual Report of the Company contains the Management Discussion and Analysis as annexure to the Directors' Report.

**10. General Shareholder information:**

**a. Annual General Meeting:**

|            |   |
|------------|---|
| Day & Date | Thursday 25 <sup>th</sup> of June, 2026 |
| Time       | 11.30 AM                                |
| Venue      | Through VC/OAVM                         |

**b. Financial Year:** 1<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2026

**c. Book Closure Dates:** From 19<sup>th</sup> June, 2026 to 25<sup>th</sup> June, 2026 (both days inclusive)

**d. Dividend payment:**

Considering the losses incurred by the company, the Board has not recommended any Dividend

**e. Listing on Stock Exchanges:**

The paid-up share capital of the company as on 31<sup>st</sup> March, 2026 is Rs. 92,17,21,400/- consisting of 9,21,72,140 equity shares of Rs.10/- each. All these shares have been listed on the National Stock Exchange of India Ltd. Mumbai and BSE Ltd., Mumbai. There are no dues against listing fee payable to these stock exchanges.

**f. Stock and ISIN Codes for the Company's shares:**

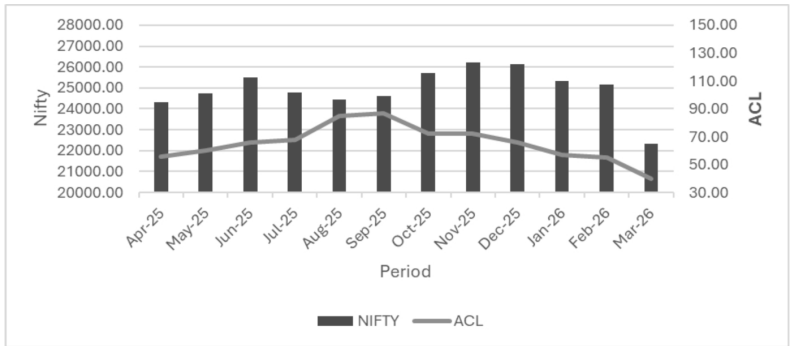
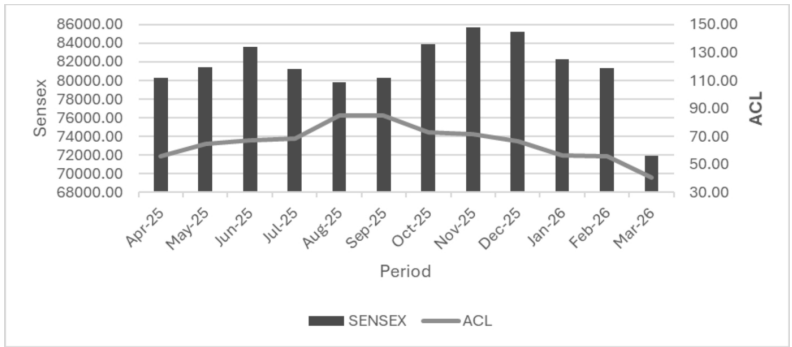
| Name of the Stock Exchange   | Scrip Code   |
|--|--------------|
| National Stock Exchange of India Limited,<br>"Exchange Plaza", 5 <sup>th</sup> Floor, Bandra – Kurla<br>Complex, Bandra (East), Mumbai – 400 051 | ACL          |
| BSE Limited, P J Towers, Dalal Street, Mumbai-400001   | 532141       |
| ISIN   | INE666E01020 |

**g. Market price details:**

Monthly High, Low and closing prices for the Company's shares of Rs.10/- each during the Financial Year 2025-26 as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

| Month          | BSE    |       |       |
|----------------|--------|-------|-------|
|                | High   | Low   | Close |
| April 2025     | 60.40  | 49.90 | 56.00 |
| May 2025       | 65.00  | 52.46 | 64.89 |
| June 2025      | 74.99  | 62.81 | 66.90 |
| July 2025      | 73.00  | 65.41 | 68.45 |
| August 2025    | 93.09  | 58.01 | 85.18 |
| September 2025 | 109.80 | 80.95 | 84.87 |
| October 2025   | 86.50  | 69.31 | 72.99 |
| November 2025  | 84.25  | 70.00 | 71.50 |
| December 2025  | 76.00  | 65.10 | 66.79 |
| January 2026   | 75.86  | 53.87 | 56.28 |
| February 2026  | 60.99  | 54.17 | 55.41 |
| March 2026     | 57.99  | 40.39 | 40.60 |

| Month          | NSE    |       |       |
|----------------|--------|-------|-------|
|                | High   | Low   | Close |
| April 2025     | 59.00  | 52.00 | 55.50 |
| May 2025       | 61.00  | 55.00 | 60.00 |
| June 2025      | 69.00  | 66.00 | 66.00 |
| July 2025      | 70.00  | 66.00 | 68.00 |
| August 2025    | 85.00  | 61.00 | 85.00 |
| September 2025 | 109.99 | 87.00 | 87.00 |
| October 2025   | 83.00  | 72.00 | 72.00 |
| November 2025  | 80.00  | 72.00 | 72.00 |
| December 2025  | 73.00  | 66.00 | 66.00 |
| January 2026   | 69.00  | 54.00 | 57.00 |
| February 2026  | 61.00  | 52.00 | 55.00 |
| March 2026     | 56.00  | 40.50 | 40.00 |



**h. Transfer of unclaimed / unpaid dividend amounts to the Investor Education and Protection Fund (“IEPF”):**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”)

There were no amounts which are required to be transferred to the Investors Education and Protection Fund by the Company.

i. None of the securities of the Company were suspended from trading

**j. Registrars to an issue and Share Transfer Agents:**

CIL Securities Limited  
 214, Raghava Ratna Towers, Chirag Ali Lane,  
 Abids, Hyderabad -500001  
 Phone No. 040-69011111  
 e-mail: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)  
 Website: <https://www.cilsecurities.com>

**k. Share Transfer System:**

Around 99.53% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

A Special Window has been opened for a period of 6 months from July 07, 2025 to January 06, 2026 by SEBI vide its circular dated SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 to facilitate re-lodgement of transfer requests of physical shares which was subsequently extended by SEBI allowing shareholders to transfer or dematerialize shares for a period of one more year from February 05, 2026 to February 04, 2027 vide its circular dated HO/38/13/11(2)2026-MIRSD-POD/ 1/3750/2026 dated January 30, 2026. The facility is available for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/ returned/not attended due to deficiency in the documents/process/or otherwise.

Investors who have not made the lodgement of transfer documents are encouraged to avail advantage of this opportunity by furnishing the necessary documents to the Company's Registrars and Share Transfer Agents, whose address has been given above.

**l. Shareholdings particulars as on 31<sup>st</sup> March, 2026**

**(i) Distribution of shareholdings:**

| Sl. No | Category (Shares) | No. of Holders | % to Holders  | No. of Shares   | % to Equity   |
|--------|-------------------|----------------|---------------|-----------------|---------------|
| 1      | 1 - 500           | 83131          | 97.48         | 2371446         | 2.57          |
| 2      | 501 - 1000        | 1106           | 1.30          | 851747          | 0.92          |
| 3      | 1001 - 2000       | 531            | 0.62          | 780886          | 0.85          |
| 4      | 2001 - 3000       | 218            | 0.26          | 547051          | 0.59          |
| 5      | 3001 - 4000       | 72             | 0.08          | 257938          | 0.28          |
| 6      | 4001 - 5000       | 51             | 0.06          | 236183          | 0.26          |
| 7      | 5001 - 10000      | 84             | 0.10          | 598790          | 0.65          |
| 8      | 10001 and above   | 83             | 0.10          | 86528099        | 93.88         |
|        | <b>TOTAL:</b>     | <b>85276</b>   | <b>100.00</b> | <b>92172140</b> | <b>100.00</b> |

(ii) **Shareholding pattern:**

| Description                             | No. of holders | Shares          | % to Total Share Capital | in Demat Form                    |                        |
|---|----------------|-----------------|--------------------------|----------------------------------|------------------------|
|   |                |                 |                          | No. of Shares held in Demat Form | % to total shares held |
| Promoter                                | 1              | 69129105        | 75.00                    | 69129105                         | 75.35                  |
| Domestic Companies                      | 334            | 10150463        | 11.01                    | 10148186                         | 11.06                  |
| Mutual Funds                            | 5              | 760             | 0.00                     | 166                              | 0.00                   |
| Indian Financial Institutions and Banks | 31             | 316631          | 0.34                     | 315698                           | 0.34                   |
| FII's                                   | 1              | 369500          | 0.40                     | 0                                | 0.00                   |
| NRI's                                   | 768            | 141230          | 0.15                     | 139323                           | 0.15                   |
| Public – Individuals                    | 83485          | 11738602        | 12.74                    | 11680469                         | 12.73                  |
| HUF                                     | 627            | 317850          | 0.34                     | 317850                           | 0.35                   |
| Foreign Portfolio Investor              | 0              | 0               | 0.00                     | 0                                | 0.00                   |
| Insurance Companies                     | 15             | 515             | 0.00                     | 0                                | 0.00                   |
| Clearing Members                        | 4              | 166             | 0.00                     | 166                              | 0.00                   |
| QIB                                     | 2              | 6767            | 0.01                     | 6767                             | 0.01                   |
| Trusts                                  | 3              | 551             | 0.00                     | 551                              | 0.00                   |
| KMP                                     | 0              | 0               | 0.00                     | 0                                | 0.00                   |
| <b>Total</b>                            | <b>85276</b>   | <b>92172140</b> | <b>100</b>               | <b>91738281</b>                  | <b>100</b>             |

**m. Dematerialization of Shares and liquidity:**

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is INE666E01020. Shares representing 99.53% of the share capital were kept in dematerialized form as on 31<sup>st</sup> March, 2026 as detailed below:

| In physical form |      | In Demat Form |       |           |       | Total    |        |
|------------------|------|---------------|-------|-----------|-------|----------|--------|
|                  |      | With NSDL     |       | With CDSL |       |          |        |
| Shares           | %    | Shares        | %     | Shares    | %     | Shares   | %      |
| 433859           | 0.47 | 76832644      | 83.36 | 14905637  | 16.17 | 92172140 | 100.00 |

**n. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:**

The company has not issued any GDR/ADR/Warrants or any other convertible instruments

**o. Plants Location:**

**Cement Plants:**

1. Sri Durga Cements Works,  
Sri Durgapuram, Srinagar Post  
Dachepalli Mandal, Palnadu Dist, AP - 522414
2. Visaka Cement Works  
Parlupalem Vilege, Durganagar Post  
Visakhapatnam, AP – 530029

**p. Address for investors related correspondence:**

Company Secretary  
Andhra Cements Limited  
Corporate Office: Plot No.111, Road No.10,  
Jubilee Hills, Hyderabad – 500033, Telangana  
Telephone - +91-40-23351571  
Email: gtrao@andhracements.com

**q. Credit Rating and Details of Revision:**

| <b>Rating Agency</b>                       | <b>Type of Instrument</b>             | <b>Rating as on 31<sup>st</sup> March, 2026</b>   | <b>Rating as on 31<sup>st</sup> March, 2025</b> |
|--|---------------------------------------|---|---|
| India Ratings and Research Private Limited | Fund-based Working Capital Limits     | IND A3+/Rating watch with developing implications | IND BBB+ Negative                               |
|  | Non-Fund based Working Capital Limits | IND A3+/Rating watch with developing implications | IND BBB+ Negative<br>IND A2                     |
|  | Term Loan                             | IND BBB/Rating watch with developing implications | IND BBB+ Negative                               |

**11. Other disclosures**

**i. Related Party Transactions:**

Full disclosures of related party transactions entered into during the year 2025-26 as per the Ind AS 24 issued by Institute of Chartered Accountants of India (“the ICAI”) have been given in the Notes 33 of the Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2026. These transactions were entered into by the company in its ordinary course of business and at an arm’s length basis. During the year 2025-26, there were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts

containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions wherever required.

**ii. Statutory compliance, Penalties and Strictures:**

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

**iii. Establishment of Vigil mechanism, Whistle Blower Policy and affirmation:**

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company. No personnel has been /will be denied access to the audit committee.

**iv. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:**

(a) The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations.

(b) The audited financial statements of the Company are unqualified.

(c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

v. The Policy on dealing with related party transactions is available on the company's website <https://www.andhracemments.com/ACLPolicy%20on%20Related%20Party%20Transactions.pdf>. The Company does not have any subsidiary. Hence, no policy for determining 'material' subsidiaries is adopted.

**vi. Commodity Price risks and hedging activities**

Commodity price risk is a financial risk on an entity's financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces.

Any Sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company.

Andhra Cements Limited has captive limestone mine which is one of the major raw materials to produce cement. Commodities like Iron ore, bauxite and laterite are utilized in the manufacturing process but they are not significant.

Further the price of fuels includes Coal and Pet Coke which are major expenditure of the cost of production, have a significant impact on the

performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials in advance to meet around six months of its operational requirement, by optimizing the domestic and import sources through establishment of long term financial instruments.

Company's current exposures to the major commodities are given below:

| Commodity Name             | Exposure INR (Rs. in Crores) | Exposure in Qty in (MT) | % of such exposure hedged through commodity derivatives |          |                      |          | Total |
|----------------------------|------------------------------|-------------------------|---|----------|----------------------|----------|-------|
|                            |                              |                         | Domestic Market   |          | International Market |          |       |
|                            |                              |                         | OTC   | Exchange | OTC                  | Exchange |       |
| Pet Coke / Coal (imported) | 38.95                        | 38977                   | 0%  | -        | 0%                   | -        | 0%    |
| Pet Coke / Coal (Domestic) | 94.77                        | 108656                  | 0%  | -        | 0%                   | -        | 0%    |
| Total                      | 133.72                       | 147633                  | 0%  | -        | 0%                   | -        | 0%    |

**vii. Utilization of funds raised through preferential allotment or qualified institutions placement:**

During the financial year 2025-26, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the SEBI Listing Regulations.

**viii. Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.**

**ix. None of the recommendations made by any Committee at its meetings was rejected by the Board.**

**x. Fee paid to Statutory Auditors:**

A total fee of Rs. 36 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2025-26.

**xi. Disclosure in relation to sexual harassment:**

During the year 2025-26, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**xii. The company has not provided any loans and advances in the nature of loans to other firms / companies in which directors are interested.**

**xiii. Details of material subsidiary as on 31st March, 2026**

As on 31.03.2026, the Company did not have any subsidiary

**xiv. Reconciliation of Share Capital Audit:**

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India)

Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

**xv.** The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company <https://www.andhracements.com/ACL-Policy%20on%20Determination%20of%20Materiality%20of%20Events%20-%20New.pdf>.

**xvi. Code of Conduct**

The members of the board and senior management personnel have affirmed their compliance during the year ended 31<sup>st</sup> March, 2026 with the Code applicable to them. A certificate by the Managing Director to this effect has been given in the annexure to this report.

**xvii.** There are no unclaimed / unpaid dividend amounts to transfer to the Investor Education and Protection Fund.

**12.** The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the SEBI Listing Regulation.

**13.** The following discretionary requirements have been adopted pursuant to Part E of Schedule II of SEBI Listing Regulations.

- (a) The financial statements of the company are with un-modified opinion.
- (b) The Internal Auditors of the company are directly reporting to the Audit Committee.
- (c) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director. The Company reimburses the expenses incurred in performance of the Chairman's duties.

**14.** As on 31<sup>st</sup> March, 2026, the company was in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

**15.** The compliance certificate from the Company Secretary in practice regarding compliance with conditions of corporate governance has been annexed to the Directors Report.

**16. The Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)**

Pursuant to Regulation 39 of the SEBI Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on their response, such shares have been transferred to "unclaimed suspense account" as per the provisions of Schedule VI of the SEBI Listing Regulations. The disclosure as required under Schedule V of the SEBI Listing Regulations is given below:

**Disclosure with respect to unclaimed shares:**

| <b>S.No.</b> | <b>Description</b>   | <b>Shareholders</b> | <b>Shares</b> |
|--------------|--|---------------------|---------------|
| A            | Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year | 51                  | 51            |
| B            | Number of shareholders who approached claiming shares against the above                            | 0                   | 0             |
| C            | Number of shareholders to whom shares were transferred against (a) above                           | 0                   | 0             |
| D            | Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year       | 51                  | 51            |

The voting rights on the shares outstanding on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**17. Details of agreements that bind the company**

During the financial year 2025-26, the Company has not entered into any agreement that binds the company.

**Certificate regarding compliance of conditions of  
Corporate Governance**

To

The Members,

**Andhra Cements Limited,**

(CIN: L26942AP1936PLC002379)

Sri Durga Cement Works, Sri Durgapuram,

Guntur, Andhra Pradesh - 522414, India.

1. We have examined the compliance of the conditions of Corporate Governance by Andhra Cements Limited (the “Company”) for the financial year ended on March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”).

**Management’s responsibility**

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Our responsibility**

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

**Opinion**

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2026.

**Other matters and restriction on use**

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate

Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **B S S & Associates**  
Company Secretaries

**S.Srikanth**

Partner

ACS No.: 22119

C.P. No.: 7999

Peer Review No: 6513/2025

UDIN: A022119H000317623

Place: Hyderabad

Date: 13.05.2026

**Certificate of Non-disqualification of Directors**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members,  
**Andhra Cements Limited,**  
(CIN: L26942AP1936PLC002379)  
Sri Durga Cement Works, Sri Durgapuram,  
Guntur, Andhra Pradesh - 522414, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Andhra Cements Limited having CIN: L26942AP1936PLC002379 and having registered office at Sri Durga Cement Works, Sri Durgapuram, Guntur, Andhra Pradesh - 522414, India (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2026 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

| <b>Sr. No.</b> | <b>Name of Director</b>         | <b>DIN</b> | <b>Date of appointment in Company</b> |
|----------------|---------------------------------|------------|---------------------------------------|
| 01             | Anand Reddy Sammidi             | 00123870   | 07/03/2023                            |
| 02             | Kalidindi Venkata Vishnu Raju   | 00480361   | 23/03/2023                            |
| 03             | Sreekanth Reddy Sammidi         | 00123889   | 07/03/2023                            |
| 04             | Rachana Sammidi                 | 01590516   | 07/03/2023                            |
| 05             | Rekha Onteddu                   | 07938776   | 23/03/2023                            |
| 06             | Rajagopal Ravichandran          | 00110930   | 14/04/2023                            |
| 07             | Valliyur Hariharan Ramakrishnan | 00143948   | 05/06/2023                            |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B S S & Associates**  
Company Secretaries

**S.Srikanth**  
Partner

ACS No.: 22119

C.P. No.: 7999

Peer Review No: 6513/2025

UDIN: A022119H000317645

Place: Hyderabad

Date: 13.05.2026

**Declaration regarding compliance by  
Board Members and Senior Management Personnel with the Company's  
Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website. I confirm that the company has in respect of the year ended March 31, 2026, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice President and above cadre and the Company Secretary as on March 31, 2026.

Place: Hyderabad  
Date: May 13, 2026

**Dr. S Anand Reddy**  
Managing Director  
(DIN: 00123870)

## INDEPENDENT AUDITOR'S REPORT

To

The Members of,  
**ANDHRA CEMENTS LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of **Andhra Cements Limited** (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2026, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Management's assessment of Going concern

See Note 45 to financial statements

| The Key audit matter  | How the matter was addressed in our audit  |
|---|--|
| <p>The Management and the Board of Directors have evaluated the Company's ability to continue as a going concern for the foreseeable future. This assessment is based on various factors, including, inter alia, past history of losses, projections of future operating cash flows, availability of undrawn bank credit facilities, existing cash and bank balances and financial support from Holding company (Sagar Cements Limited).</p> <p>The Company has incurred losses during the year and has a net current liabilities position as at 31 March 2026. These conditions may cast significant doubt on the Company's ability to continue as a going concern. These events and conditions require the Company to consider mitigating circumstances in support of Company's ability to continue as a going concern.</p> <p>The Company has used certain estimates and judgements in forecasting its future cash requirements and its ability to generate sufficient cash flows on a timely basis. These estimates and judgements include assumptions relating to revenue growth, improvement in operating margins, availability of financing facilities, and expected operational efficiencies. These matters are fundamental to obtaining sufficient and appropriate audit evidence regarding the appropriateness of the use of the going concern basis of accounting.</p> <p>In preparing the financial statements on a going concern basis, the Company has relied on existing liquidity, projected future operating cash flows, and ongoing</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation and testing the operating effectiveness of management's review controls over key assumptions and inputs used in preparing cash flow projections.</li> <li>• Obtaining an understanding of the estimates and judgements made by Management in preparing cash flow forecasts, testing the underlying data, and assessing the reasonableness of key assumptions used, including consistency with our understanding of the Company's business.</li> <li>• Comparing the assumptions used in the forecasted statement of profit and loss and cash flow projections with the business plan approved by the Board of Directors.</li> <li>• Assessing the reliability of the cash flow forecasts by performing a retrospective review, comparing actual results with previously prepared forecasts and budgets.</li> <li>• Performing sensitivity analysis by considering reasonably possible changes in key assumptions underlying the business plan.</li> <li>• Assessing the mitigating factors considered by Management, including the financial support provided by the Parent Company and its ability to support.</li> <li>• Assessing the adequacy of related disclosures in the financial statements.</li> </ul> |

financial support from its Holding Company. Due to the judgement involved in this assessment made by Management and the Board of Directors, we have identified the appropriateness of management's use of the going concern basis of accounting as a key audit matter.

### Revenue Reconciliation - Discounts and Rebates

See Notes 18 and 37 to financial statements

| <b>The Key audit matter</b>  | <b>How the matter was addressed in our audit</b>   |
|--|--|
| <p>The Company recognises revenue from sale of goods on the transfer of control of goods to customers in accordance with Ind AS 115. Revenue is measured at the transaction price, including the impact of discounts and rebates, which represent variable consideration under the standard.</p> <p>The Company operates across multiple marketing regions and offers various discount and rebate schemes based on factors such as region, product, customer profile, volume, seasonality and market conditions. These schemes form an integral part of the transaction price.</p> <p>Revenue recognition requires careful evaluation due to the high volume of transactions, diverse discount and rebate structures, and the complexity of accurately identifying and applying the relevant schemes across multiple regions, with a combination of automated and manual processes.</p> <p>Considering the significance of revenue to the financial statements and the risk of misstatement arising from incorrect application or computation of discounts and rebates, this matter was determined to be a key audit matter.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the compliance of the Company's accounting policies relating to discounts and rebates with applicable accounting standards.</li> <li>• Assessing the design and implementation and testing the operating effectiveness of general IT controls, key manual and application controls over provisions, approvals and settlement of discounts and rebates.</li> <li>• Performing substantive audit procedures by selecting statistical samples of discounts and rebates recorded during the year and matching key terms with approved schemes, underlying documents and credit notes issued by the Company.</li> <li>• Assessing the Company's computations for accrual of discounts and rebates, on a statistical sample basis, and comparing the year end accruals made with the approved schemes.</li> <li>• Comparing historical trends of discount and rebate payments and reversals with provisions recorded to assess the appropriateness of current-year accruals. In addition, performing substantive audit</li> </ul> |

|  |   |
|--|---|
|  | <p>procedures by selecting all items from the reciprocal population and tracing these to revenue recognised and contract liabilities as at the reporting date to identify any unrecorded discounts or rebates.</p> <ul style="list-style-type: none"> <li>• Assessing the reasonableness of discounts and rebates recognised during the year by comparing expectations based on historical trends with actual amounts recognised and investigating any significant or unusual fluctuations.</li> <li>• Testing manual journal entries posted to revenue to identify unusual items.</li> <li>• Assessing the adequacy of related disclosures in the financial statements.</li> </ul> |
|--|---|

**Recoverability of Deferred Tax Assets**

See Note 27 to financial statements

| <b>The Key audit matter</b>  | <b>How the matter was addressed in our audit</b>  |
|--|---|
| <p>Deferred tax assets as at March 31, 2026 include an amount of INR 32,357 lakhs. Recognition of deferred tax assets in accordance with Ind AS 12 requires management to assess whether it is probable that sufficient future taxable profits will be available to utilise carried forward unused tax losses and unabsorbed depreciation within the prescribed time limits under the Income tax act. This assessment involves significant judgement and estimation, particularly in forecasting future taxable profits based on assumptions relating to revenue growth, capacity utilisation, gross margin, etc.</p> <p>Considering the significance of the deferred tax asset balance, the history of losses, and the judgement and complexity involved in evaluating future taxable profits and the recoverability of deferred tax assets, the matter is considered to be a key audit matter.</p> | <ul style="list-style-type: none"> <li>• Assessing the design and implementation and testing the operating effectiveness of management review controls over key inputs and assumptions used in preparing projections of future taxable profits.</li> <li>• Evaluating the reasonableness of management’s projections by comparing historical forecasts with actual results and assessing consistency with approved budgets and business plans.</li> <li>• Reading minutes of meetings to verify approval of budgets by the Board of Directors.</li> <li>• Performing sensitivity analysis on key assumptions to assess the impact of reasonably possible changes on recoverability of deferred tax assets.</li> </ul> |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Testing the accuracy of deferred tax computations, including applicable tax rates, utilisation periods and reconciliation with tax records.</li> <li>• Assessing the adequacy of related disclosures in the financial statements.</li> </ul> |
|--|---|

**Other Information**

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report which includes statutory reports such as Management discussion and analysis, Business responsibility and sustainability report, Corporate governance and Board’s report, but does not include the financial statements and auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management’s and Board of Directors’ Responsibilities for the Financial Statements**

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 12 May 2025.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. 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 it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors on 01 April 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting

under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- B. 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:
- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d(i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

- i. In case of an accounting software used for general ledger, audit trail (edit log) facility was not enabled at the application level for certain fields relating to master data.

Further, the audit trail (edit log) facility at the database level was not enabled for certain fields in tables relating to books of account. Accordingly, we are unable to comment on whether there were any instances of the audit trail logs being tampered with.

- ii. In the absence of an independent auditor's report from 1 January 2026 to 31 March 2026 in relation to controls at a service organization for an accounting software used for maintaining the books of account relating to leave records of employees, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled at the database level to log any direct data changes and operated from 1 January 2026 to 31 March 2026 for all relevant transactions recorded in the software. Further, as per the independent auditor's report for the period from 1 April 2025 to 31 December 2025, the feature of recording audit trail (edit log) facility was enabled at the database level from 3 April 2025.

Further, for the periods where the audit trail (edit log) facility was enabled and operated for the respective accounting software and except for sub-paragraph (i) above, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**  
*Chartered Accountants*  
Firm's Registration No.:128510W

**Balkishan Kabra**  
*Partner*

Place: Hyderabad  
Date: 13 May 2026

Membership No.: 221202  
ICAI UDIN:26221202UEHZIH5727

**Annexure A to the Independent Auditor's Report on the Financial Statements of Andhra Cements Limited for the year ended 31 March 2026**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-Use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years and all Right of use assets are verified once in three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. Immovable properties of land whose title deeds have been pledged as security against loans, are held in the name of the Company based on the confirmation directly received by us from custodian.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/ delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters. The Company has not been sanctioned working capital limits from financial institutions.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of service tax, duty of excise, sales tax and value added tax during the since effective 1 July 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, duty of customs or cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities except for slight delay in one instance of income tax. Further, in one instance of labour cess due of Rs. 26 lakhs remained outstanding as at the balance sheet date.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of goods and service tax, provident fund, employees state insurance, income-tax, duty of customs or cess or other statutory dues

were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable except for labour cess amounting to Rs. 5 lakhs has remained outstanding as at 31 March 2026 for a period exceeding six months from the date it became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
  - (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
  - (f) The Company does not hold any securities in any subsidiaries, joint ventures or associate company (as defined under the Act). Hence, reporting under clause 3(ix)(f) of the Order is not applicable
- (x)
  - (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.

- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 7,340 lakhs in the current financial year and Rs 10,262 lakhs in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.

- (xix) We draw attention to Note 45 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2026. Further, the Company's current liabilities exceed its current assets as at 31 March 2026 by Rs. 9,521 lakhs.

Management has assessed the appropriateness of the going concern assumption after considering these indicators, future business plans, projected future operating cash flows, availability of undrawn bank credit facilities, existing cash and bank balances, continued financial support from the Holding Company in the form of corporate guarantees for bank borrowings, and the Holding Company's unconditional support letter confirming its intention and ability to provide operational and financial support to the Company, as necessary, to enable it to continue its operations and meet its liabilities as and when they fall due in the normal course of its business for the foreseeable future.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R and Co**  
*Chartered Accountants*  
Firm's Registration No.:128510W

**Balkishan Kabra**  
*Partner*  
Membership No.: 221202  
ICAI UDIN:26221202UEHZIH5727

Place: Hyderabad  
Date: 13 May 2026

**Annexure B to the Independent Auditor's Report on the financial statements  
of Andhra Cements Limited for the year ended 31 March 2026**

**Report on the internal financial controls with reference to the aforesaid financial  
statements under Clause (i) of Sub-section 3 of Section 143 of the Act  
(Referred to in paragraph 2(A)(i)(g) under 'Report on Other Legal and Regulatory  
Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Andhra Cements Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**  
*Chartered Accountants*  
Firm's Registration No.:128510W

**Balkishan Kabra**  
*Partner*  
Membership No.: 221202  
ICAI UDIN:26221202UEHZIH5727

Place: Hyderabad  
Date: 13 May 2026

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**BALANCE SHEET AS AT MARCH 31, 2026**

All amounts are in ₹ Lakhs unless otherwise stated

| PARTICULARS  | NOTE NO | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--|---------|-------------------------|-------------------------|
| <b>ASSETS</b>  |         |                         |                         |
| <b>Non-Current assets</b>  |         |                         |                         |
| (a) Property, plant and equipment  | 2       | 95,941                  | 75,864                  |
| (b) Capital work-in-progress   | 38      | 637                     | 10,606                  |
| (c) Right-of-use assets  | 3       | 1,756                   | 6                       |
| (d) Intangible assets  | 4       | 7                       | 12                      |
| (e) Financial assets   |         |                         |                         |
| (i) Other financial assets   | 5       | 1,683                   | 1,307                   |
| (f) Deferred tax assets (net)  | 27      | 21,890                  | 12,961                  |
| (g) Other non-current assets   | 6       | 1,159                   | 1,028                   |
| <b>Total Non-current assets</b>  |         | <b>1,23,073</b>         | <b>1,01,784</b>         |
| <b>Current assets</b>  |         |                         |                         |
| (a) Inventories  | 7       | 8,129                   | 6,302                   |
| (b) Financial assets   |         |                         |                         |
| (i) Trade receivables  | 8       | 4,640                   | 3,030                   |
| (ii) Cash and cash equivalents   | 9       | 21                      | 19                      |
| (iii) Bank balances other than (ii) above  | 10      | 711                     | 2,186                   |
| (iv) Other financial assets  | 5       | 4,634                   | 265                     |
| (c) Current tax assets (net)   | 27      | 66                      | 44                      |
| (d) Other current assets   | 6       | 732                     | 811                     |
| <b>Total Current assets</b>  |         | <b>18,933</b>           | <b>12,657</b>           |
| <b>TOTAL ASSETS</b>  |         | <b>1,42,006</b>         | <b>1,14,441</b>         |
| <b>EQUITY AND LIABILITIES</b>  |         |                         |                         |
| <b>Equity</b>  |         |                         |                         |
| (a) Equity share capital   | 11      | 9,217                   | 9,217                   |
| (b) Other equity   | 12      | (1,143)                 | 5,238                   |
| <b>Total Equity</b>  |         | <b>8,074</b>            | <b>14,455</b>           |
| <b>Liabilities</b>   |         |                         |                         |
| <b>Non-current liabilities</b>   |         |                         |                         |
| (a) Financial liabilities  |         |                         |                         |
| (i) Borrowings   | 13A     | 1,01,216                | 69,853                  |
| (iia) Lease liabilities  | 34      | 946                     | 2                       |
| (iii) Other financial liabilities  | 14      | 2,603                   | 417                     |
| (b) Provisions   | 15      | 713                     | 633                     |
| <b>Total Non-current liabilities</b>   |         | <b>1,05,478</b>         | <b>70,905</b>           |
| <b>Current liabilities</b>   |         |                         |                         |
| (a) Financial liabilities  |         |                         |                         |
| (i) Borrowings   | 13B     | 10,248                  | 5,858                   |
| (ii) Lease liabilities   | 34      | 297                     | 4                       |
| (iii) Trade payables   | 16      |                         |                         |
| (a) Total outstanding dues of micro enterprises and small enterprises; and                 |         | 1,195                   | 667                     |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |         | 10,547                  | 12,721                  |
| (iv) Other financial liabilities   | 14      | 4,806                   | 6,364                   |
| (b) Other current liabilities  | 17      | 1,280                   | 3,399                   |
| (c) Provisions   | 15      | 81                      | 68                      |
| <b>Total Current liabilities</b>   |         | <b>28,454</b>           | <b>29,081</b>           |
| <b>Total Liabilities</b>   |         | <b>1,33,932</b>         | <b>99,986</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |         | <b>1,42,006</b>         | <b>1,14,441</b>         |
| <b>Summary of material accounting policies</b>   | 1       |                         |                         |
| <b>The accompanying notes are an integral part of these financial statements</b>           |         |                         |                         |

As per our report of even dated attached.

**For B S R and Co**  
Chartered Accountants  
Firm Registration No: 128510W

**Balkishan Kabra**  
Partner  
Membership No: 221202

Place : Hyderabad  
Date : May 13, 2026

For and on behalf of the Board of Directors of

**Dr. S. Anand Reddy**  
Managing Director  
DIN: 00123870

Place: New Delhi  
Date: May 13, 2026

**G. Tirupati Rao**  
Company Secretary  
M. No. F2818  
Place: Hyderabad  
Date: May 13, 2026

**S. Sreekanth Reddy**  
Director  
DIN: 00123889

Place: Chicago, USA  
Date: May 13, 2026

**K. Prasad**  
Chief Financial officer

Place: Hyderabad  
Date: May 13, 2026

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026**

All amounts are in ₹ Lakhs unless otherwise stated

| PARTICULARS  | NOTE NO | For the Year Ended<br>March 31, 2026 | For the Year Ended<br>March 31, 2025 |
|--|---------|--------------------------------------|--------------------------------------|
| <b>I</b> Revenue from Operations   | 18      | 44,249                               | 27,405                               |
| <b>II</b> Other Income   | 19      | 990                                  | 749                                  |
| <b>III Total Income (I+II)</b>   |         | <b>45,239</b>                        | <b>28,154</b>                        |
| <b>IV Expenses:</b>  |         |                                      |                                      |
| (a) Cost of materials consumed   | 20      | 6,420                                | 4,747                                |
| (b) Changes in inventories of finished goods and work-in-progress                | 21      | 1,040                                | (2,489)                              |
| (c) Employee benefits expense  | 22      | 1,716                                | 1,640                                |
| (d) Finance costs  | 23      | 9,799                                | 7,486                                |
| (e) Depreciation and amortisation expenses                                       | 24      | 8,445                                | 7,163                                |
| (f) Power and fuel expense   |         | 17,783                               | 15,440                               |
| (g) Freight and forwarding expense   |         | 9,929                                | 5,718                                |
| (h) Other expenses   | 25      | 5,755                                | 5,274                                |
| <b>Total Expenses</b>  |         | <b>60,887</b>                        | <b>44,979</b>                        |
| <b>V Loss before exceptional items and tax (III - IV)</b>                        |         | <b>(15,648)</b>                      | <b>(16,825)</b>                      |
| <b>VI Exceptional Items</b>  | 26      | -                                    | 626                                  |
| <b>VII Loss before tax (V - VI)</b>  |         | <b>(15,648)</b>                      | <b>(17,451)</b>                      |
| <b>VIII Tax Expense:</b>   |         |                                      |                                      |
| (a) Current tax  | 27      | -                                    | -                                    |
| (b) Deferred tax   | 27      | (8,932)                              | (2,240)                              |
| <b>Total Tax expense</b>   |         | <b>(8,932)</b>                       | <b>(2,240)</b>                       |
| <b>IX Loss after tax (VII - VIII)</b>  |         | <b>(6,716)</b>                       | <b>(15,211)</b>                      |
| <b>X Other comprehensive income</b>  |         |                                      |                                      |
| (i) Items that will not be reclassified to profit or loss                        |         |                                      |                                      |
| (a) Remeasurement of defined benefits plan                                       | 31      | 11                                   | (15)                                 |
| (b) Income tax effect on above   | 27      | (3)                                  | -                                    |
| <b>Other comprehensive income for the year, net of tax</b>                       |         | <b>8</b>                             | <b>(15)</b>                          |
| <b>XI Total comprehensive loss (IX + X)</b>                                      |         | <b>(6,708)</b>                       | <b>(15,226)</b>                      |
| <b>XII Earnings per equity share (Face value of ₹ 10 each fully paid</b>         | 35      |                                      |                                      |
| Basic (in ₹)   |         | (7.29)                               | (16.50)                              |
| Diluted (in ₹)   |         | (7.29)                               | (16.50)                              |
| <b>Summary of material accounting policies</b>                                   | 1       |                                      |                                      |
| <b>The accompanying notes are an integral part of these financial statements</b> |         |                                      |                                      |

As per our report of even dated attached.

**For B S R and Co**

Chartered Accountants

Firm Registration No: 128510W

**Balkishan Kabra**

Partner

Membership No: 221202

Place : Hyderabad

Date : May 13, 2026

For and on behalf of the Board of Directors of

**Dr. S. Anand Reddy**

Managing Director

DIN: 00123870

Place: New Delhi

Date: May 13, 2026

**G. Tirupati Rao**

Company Secretary

M. No. F2818

Place: Hyderabad

Date: May 13, 2026

**S. Sreekanth Reddy**

Director

DIN: 00123889

Place: Chicago, USA

Date: May 13, 2026

**K. Prasad**

Chief Financial officer

Place: Hyderabad

Date: May 13, 2026

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**Statement of Cash Flows for the year ended March 31, 2026**

All amounts are in ₹ Lakhs unless otherwise stated

| PARTICULARS  | For the Year Ended<br>March 31, 2026         |                 | For the Year Ended<br>March 31, 2025 |                 |
|--|--|-----------------|--------------------------------------|-----------------|
|  | <b>A Cash flow from operating activities</b> |                 |                                      |                 |
| <b>Loss before tax</b>   |  | <b>(15,648)</b> |                                      | <b>(17,451)</b> |
| Adjustments for  |  |                 |                                      |                 |
| Depreciation and amortisation expenses   | 8,445  |                 | 7,163                                |                 |
| Finance costs  | 9,799  |                 | 7,486                                |                 |
| Interest income  | (296)  |                 | (218)                                |                 |
| Unwinding of discount on Security deposit  | (6)  |                 | -                                    |                 |
| Liabilities no longer required written back  | (194)  |                 | -                                    |                 |
| Expected credit loss allowance on trade receivables  | 61   |                 | 6                                    |                 |
| Net loss on fair value change in financial instruments   | (4)  |                 | 29                                   |                 |
| Unrealised gain on foreign currency transactions and translation   | 6  |                 | (9)                                  |                 |
| Profit on sale of property, plant and equipment (net)  | (490)  | 17,321          | (519)                                | 13,938          |
| <b>Operating profit/ (loss) before working capital changes</b>   |  | <b>1,673</b>    |                                      | <b>(3,513)</b>  |
| <b>Changes in working capital</b>  |  |                 |                                      |                 |
| Adjustments for (increase)/decrease in operating assets:   |  |                 |                                      |                 |
| Trade receivables  | (1,671)                                      |                 | 815                                  |                 |
| Inventories  | (1,827)                                      |                 | (383)                                |                 |
| Other financial assets   | (126)  |                 | (148)                                |                 |
| Other assets   | 31   | (3,593)         | (67)                                 | 217             |
| Adjustments for increase/(decrease) in operating liabilities:  |  |                 |                                      |                 |
| Trade payables   | (1,458)                                      |                 | 7,326                                |                 |
| Other financial liabilities  | 2,942  |                 | (72)                                 |                 |
| Provisions   | 62   |                 | 40                                   |                 |
| Other liabilities  | (2,119)                                      | (573)           | 1,945                                | 9,239           |
| <b>Cash (used in)/ generated from operating activities</b>   |  | <b>(2,493)</b>  |                                      | <b>5,943</b>    |
| Income tax (paid)/ refunded, net   |  | (22)            |                                      | 12              |
| <b>Net cash (used in)/ generated from operating activities</b>   |  | <b>(2,515)</b>  |                                      | <b>5,955</b>    |
| <b>B Cash flow from investing activities</b>   |  |                 |                                      |                 |
| Purchase of property, plant and equipment including capital work-in-progress, capital advances and capital creditors | (22,624)                                     |                 | (8,459)                              |                 |
| Deposits not considered as cash and cash equivalents   |  |                 |                                      |                 |
| - Placed   | (2,908)                                      |                 | (1,213)                              |                 |
| - Matured  | 7  |                 | 665                                  |                 |
| Proceeds from disposal of property, plant and equipment  | 496  |                 | 797                                  |                 |
| Interest received  | 196  |                 | 151                                  |                 |
| <b>Net cash used in investing activities</b>   |  | <b>(24,833)</b> |                                      | <b>(8,059)</b>  |
| <b>C Cash flow from financing activities</b>   |  |                 |                                      |                 |
| Proceeds from non-current borrowings   | 37,154                                       |                 | 8,202                                |                 |
| Repayment of non-current borrowings  | (2,009)                                      |                 | (1,801)                              |                 |
| Repayment of loan from related party   | -  |                 | (200)                                |                 |
| Proceeds from current borrowings (net)   | 350  |                 | 1,991                                |                 |
| Payment of principal portion on lease liabilities  | (533)  |                 | (19)                                 |                 |
| Payment of interest on lease liabilities   | (66)   |                 | -                                    |                 |
| Interest paid  | (7,546)                                      |                 | (7,121)                              |                 |
| <b>Net cash generated from financing activities</b>  |  | <b>27,350</b>   |                                      | <b>1,052</b>    |
| <b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>   |  | <b>2</b>        |                                      | <b>(1,052)</b>  |
| Cash and cash equivalents at the beginning of the year   |  | 19              |                                      | 1,071           |
| <b>Cash and cash equivalents at the end of the year (Refer note 9)</b>   |  | <b>21</b>       |                                      | <b>19</b>       |
| Note:  |  |                 |                                      |                 |
| Cash and cash equivalents comprises of:  |  |                 |                                      |                 |
| Cash in hand   |  | 1               |                                      | 1               |
| Balances with banks  |  | 20              |                                      | 18              |
| <b>Cash and cash equivalents (Refer note 9)</b>  |  | <b>21</b>       |                                      | <b>19</b>       |

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**Statement of Cash Flows for the year ended March 31, 2026**

All amounts are in ₹ Lakhs unless otherwise stated

**Changes in liabilities arising from financing activities:**

| Particulars   | As at April 01, 2025 | Cash flow changes |                 | Liability related changes* | As at March 31, 2026 |
|---|----------------------|-------------------|-----------------|----------------------------|----------------------|
|   |                      | Proceeds          | Repayment       |                            |                      |
| Non-current borrowings (including current maturities of non-current borrowings) | 71,653               | 37,154            | (2,009)         | 258                        | 1,07,056             |
| Interest accrued but not due  | 1,048                | -                 | (7,546)         | 9,287                      | 2,789                |
| Lease liabilities   | 6                    | -                 | (599)           | 1,836                      | 1,243                |
| Current borrowings  | 4,058                | 350               | -               | -                          | 4,408                |
| <b>Total liabilities from financing activities</b>                              | <b>76,765</b>        | <b>37,504</b>     | <b>(10,154)</b> | <b>11,381</b>              | <b>1,15,496</b>      |

| Particulars   | As at April 01, 2024 | Cash flow changes |                | Liability related changes* | As at March 31, 2025 |
|---|----------------------|-------------------|----------------|----------------------------|----------------------|
|   |                      | Proceeds          | Repayment      |                            |                      |
| Non-current borrowings (including current maturities of non-current borrowings) | 65,452               | 8,202             | (2,001)        | -                          | 71,653               |
| Interest accrued but not due  | 845                  | -                 | (7,121)        | 7,324                      | 1,048                |
| Lease liabilities   | 17                   | -                 | (19)           | 8                          | 6                    |
| Current borrowings  | 2,067                | 1,991             | -              | -                          | 4,058                |
| <b>Total liabilities from financing activities</b>                              | <b>68,381</b>        | <b>10,193</b>     | <b>(9,141)</b> | <b>7,332</b>               | <b>76,765</b>        |

\* Liability related changes includes

- interest expense on Non-current borrowings calculated using effective interest rate,
- interest accrued on all other borrowings for the period,
- interest on lease liability and initial recognition of lease liability for Right-of-use asset.

Summary of material accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached.

For and on behalf of the Board of Directors of

**For B S R and Co**  
Chartered Accountants  
Firm Registration No: 128510W

**Dr. S. Anand Reddy**  
Managing Director  
DIN: 00123870  
Place: New Delhi  
Date: May 13, 2026

**S. Sreekanth Reddy**  
Director  
DIN: 00123889  
Place: Chicago, USA  
Date: May 13, 2026

**Balkishan Kabra**  
Partner  
Membership No: 221202

**G. Tirupati Rao**  
Company Secretary  
M. No. F2818  
Place: Hyderabad  
Date: May 13, 2026

**K. Prasad**  
Chief Financial officer  
Place: Hyderabad  
Date: May 13, 2026

Place : Hyderabad  
Date : May 13, 2026

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**Statement of Changes in Equity for the year ended March 31, 2026**

**A Equity Share Capital**

All amounts are in ₹ Lakhs unless otherwise stated

| PARTICULARS   | Amount       |
|---|--------------|
| <b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b> |              |
| <b>Balance as at March 31, 2024</b>                                 | 9,217        |
| Changes in equity share capital during the year                     | -            |
| <b>Balance as at March 31, 2025</b>                                 | <b>9,217</b> |
| Changes in equity share capital during the year                     | -            |
| <b>Balance as at March 31, 2026</b>                                 | <b>9,217</b> |

**B Other Equity**

| Particulars   | Reserves and Surplus |                            |                    |                             |                   | Remeasurements of the net defined benefits plan | Total other equity |
|---|----------------------|----------------------------|--------------------|-----------------------------|-------------------|---|--------------------|
|   | Capital Reserve      | Capital Redemption Reserve | Securities premium | Deemed investment in equity | Retained earnings |   |                    |
| <b>Balance as at March 31, 2024</b>                                 | 39,014               | 2                          | 23,489             | 719                         | (42,759)          | (1)   | 20,464             |
| <b>Total comprehensive income for the year ended March 31, 2025</b> |                      |                            |                    |                             |                   |   |                    |
| Loss for the year   | -                    | -                          | -                  | -                           | (15,211)          | -   | (15,211)           |
| Other comprehensive income for the year (net of tax)                | -                    | -                          | -                  | -                           | -                 | (15)  | (15)               |
| <b>Total comprehensive income for the year</b>                      | -                    | -                          | -                  | -                           | (15,211)          | (15)  | (15,226)           |
| <b>Balance as at March 31, 2025</b>                                 | 39,014               | 2                          | 23,489             | 719                         | (57,970)          | (16)  | 5,238              |
| <b>Total comprehensive income for the year ended March 31, 2026</b> |                      |                            |                    |                             |                   |   |                    |
| Loss for the year   | -                    | -                          | -                  | -                           | (6,716)           | -   | (6,716)            |
| Other comprehensive income for the year (net of tax)                | -                    | -                          | -                  | -                           | -                 | 8   | 8                  |
| <b>Total comprehensive income for the year</b>                      | -                    | -                          | -                  | -                           | (6,716)           | 8   | (6,708)            |
| <b>Transactions with owners of the Company</b>                      |                      |                            |                    |                             |                   |   |                    |
| Deemed investment in equity (Refer note 37)                         | -                    | -                          | -                  | 327                         | -                 | -   | 327                |
| <b>Total transactions with owners of the Company</b>                | -                    | -                          | -                  | 327                         | -                 | -   | 327                |
| <b>Balance as at March 31, 2026</b>                                 | 39,014               | 2                          | 23,489             | 1,046                       | (64,686)          | (8)   | (1,143)            |

**Summary of material accounting policies**

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

As per our report of even dated attached.

For and on behalf of the Board of Directors of

For **B S R and Co**

Chartered Accountants

Firm Registration No: 128510W

**Dr. S. Anand Reddy**

Managing Director

DIN: 00123870

**S. Sreekanth Reddy**

Director

DIN: 00123889

**Balkishan Kabra**

Partner

Membership No: 221202

Place: New Delhi

Date: May 13, 2026

Place: Chicago, USA

Date: May 13, 2026

**G. Tirupati Rao**

Company Secretary

M. No. F2818

**K. Prasad**

Chief Financial officer

Place : Hyderabad

Date : May 13, 2026

Place: Hyderabad

Date: May 13, 2026

Place: Hyderabad

Date: May 13, 2026

**Notes to financial statements for the year ended March 31, 2026****1. Corporate information and material accounting policies****(a) Corporate information**

Andhra Cements Limited (“the Company”) was incorporated under the Companies Act, 1956 as a public limited company on December 09, 1936. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Dachepalli, Palnadu district, Andhra Pradesh and Corporate office at Hyderabad, Telangana. Its shares are listed on The National Stock Exchange (NSE) of India Limited and the BSE Limited (BSE). Sagar Cements Limited is Holding Company listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India.

**(b) Basis of Preparation****(i) Statement of Compliance**

The Balance Sheet of the Company as at 31 March 2026, the related Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended 31 March 2026 and the material accounting policies (together referred to as ‘Financial Statements’) are prepared in accordance with the Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 (“the Act”) and amendments thereto, other relevant provisions of the Act. These Financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 13, 2026.

**(ii) Functional and Presentation currency**

The Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

**(iii) Basis of measurement**

These financial statements have been prepared under historical cost basis, except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Employee’s Defined Benefit Plan as per actuarial valuation and
- Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of initial application. Right-to-use asset (‘ROU’) has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

#### **(iv) Use of estimates and judgements**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, Income and expenses. Actual results may differ from them estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

##### **- Judgement**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

- o Note 27 – Recognition and measurement of deferred tax assets.
- o Note 34 – Lease term and classification.
- o Note 30 - Fair value measurement of financial instruments
- o Note 40 - Classification of Trade deposits

##### **- Assumptions and estimation uncertainties:**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is included in the following notes:

- o Note 3 and 4 – Useful lives of property, plant and equipment and intangible assets
- o Note 27 – Recognition and measurement of deferred tax assets.
- o Note 31 - Measurement of defined benefit obligations.
- o Note 5,8 – Impairment of financial assets.
- o Note 3, 3 and 4 - Impairment of non-financial assets.
- o Note 30 - Fair value measurement of financial instruments
- o Note 15 – Land restoration obligation.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## **Recognition and measurement of deferred tax assets**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses including unabsorbed depreciation can be utilized. Judgement is involved in assessing the recoverability of deferred tax assets recognised in respect of carried forward tax losses, unabsorbed depreciation and other deductible temporary differences. It involves estimation in respect of future taxable income, projected profitability and timing of reversal of temporary differences.

## **Useful lives of Property, plant and equipment and intangible assets**

The Company uses technical expertise along with historical and industry trends for determining the economic life of an certain asset/component of an asset. The useful lives are reviewed by management yearly and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

## **Measurement of defined benefit obligations**

The cost of defined benefit gratuity plan and its present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit obligation is highly sensitive to changes in these assumptions particularly the discount rate and estimate of future salary increase. All assumptions are reviewed at each reporting date.

## **Impairment of financial assets**

Impairment allowance for trade receivables and other financial assets is determined based on assumptions regarding expected default rates, historical loss experience and forward-looking information. If the financial condition of a customer deteriorates, additional allowances may be required.

## **Impairment of non-financial assets**

Impairment of non-financial assets is assessed by comparing the carrying amount of an asset or cash generating unit with its recoverable amount, which is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is estimated using market-based evidence for similar assets and expected disposal costs. Value in use is determined using a Discounted Cash Flow (DCF) model, which requires key estimates and assumptions, including future cash flows, operating margins, production volumes, capacity utilisation, terminal growth rates, and discount rates. The Company reviews its non-financial assets at each reporting date to identify any indicators of impairment.

## **Land restoration obligation**

In determining the fair value of the land restoration obligation, assumptions and estimates are made in relation to discount rates, the expected cost of land restoration and the expected timing of those costs.

### **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### **Lease term and classification**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. It involves judgement in assessing whether the interest rate implicit in the lease is readily determinable and, where it is not available, in determining the appropriate basis for estimation of the incremental borrowing rate.

### **Classification of Trade deposits**

The Company receives security deposits from dealers under dealership agreements, which are primarily intended to support long-term business relationships and are therefore held for long-term purposes. The agreements may be cancelled at the discretion of the Company or, in limited force majeure circumstances, at the dealer's request. However, even in cases of early termination of the contract, such deposits are generally not refundable or are refundable only at the discretion of the Company. Accordingly, dealers do not have an unconditional right to immediate refund. The Management has exercised judgement in classifying these deposits as non-current liabilities, as settlement is not expected within twelve months from the reporting date, based on contractual terms, the nature of dealership arrangements, and historical experience. Deposits expected to be settled within twelve months are classified as current liabilities. Upon cancellation, the deposits are adjustable against outstanding balances and are refundable only after completion of all requisite adjustments and internal processes.

### **(C) Classification of Assets and Liabilities into Current/ Non-Current**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **(D) Material accounting policies**

##### **Property, plant and equipment (PPE)**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to

bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Freehold Land and buildings are measured at historical cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably.

The Company had opted for deemed cost exemption under Ind AS 101 on transition of Ind AS.

#### **Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current assets".

#### **Depreciation**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery, railway siding is charged under straight line method and on other assets depreciation is charged under diminishing balance method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| <b>Class of asset</b>    | <b>Useful lives</b> |
|--------------------------|---------------------|
| Plant and machinery      |                     |
| - Power plant            | 30 - 40 years       |
| - Other than power plant | 5 - 30 years        |
| Electrical installations | 3 - 35 years        |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company follows the process of componentization for property, plant and equipment. 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 that 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 Company had opted for deemed cost exemption under Ind AS 101 on transition of Ind AS.

### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and the cost of the asset can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A summary of the policies applied to the Company's intangible assets is, as follows:

| <b>Class of Intangible Asset</b> | <b>Useful Lives estimated by the management</b> | <b>Amortisation method used</b>                                 |
|----------------------------------|---|---|
| Specialized Software             | 3 years   | Amortised on a straight-line basis over the period of agreement |

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets is derecognised.

There are no Internally generated intangible assets by the Company.

### **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU and lease liabilities for short-term leases that have a lease term of 12 months or lower and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

### **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### **Inventories**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies,

transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work-in-progress and finished goods include appropriate proportion of overheads. The methods of determining cost of various categories of inventories are as follows:

| <b>Type of Inventory</b>                           | <b>Method</b>   |
|--|---|
| Raw materials and coal                             | Weighted average method   |
| Stores and spares and packing materials            | Weighted average method   |
| Work-in-progress and finished goods (manufactured) | Weighted average method and including an appropriate share of applicable overheads. |

### **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

#### **Sale of goods:**

Revenue from sale of goods is recognised on the basis of approved contracts regarding the transfer of control of promised goods to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which is generally on dispatch/ delivery of the goods.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration and outgoing taxes on sale. The variable consideration includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Other operating revenue: It would include revenue arising from Company's operating activity i.e either its principal or ancillary revenue generating activities, but which is not revenue activity from sale of goods or rendering of services.

## **Retirement and other employee benefits**

### Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

### Defined contribution plans:

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. Retirement benefit in the form of Provident Fund, Employees State Insurance Corporation (ESIC) and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined benefit plans:

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to remeasurements of the net defined benefits reserve under reserves and surplus, through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement Profit and Loss in subsequent periods. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined plan when the settlement occurs.

### Long-term employee benefits:

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not

have an right at the end of the reporting period to defer the settlement for at least twelve months after the reporting period. Where the Company has legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

## **Taxes**

### **Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, of and Contingent Assets.

**Current Taxes:** Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

### **Segment reporting:** Identification of Segments

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

### **Earnings per share**

Basic -share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **Land Restoration**

An obligation for restoration, arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration

at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and are also used for the purpose of Statement of Cash Flows, as these are considered an integral part of the Company's cash management.

### **Financial instruments**

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. Trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A Financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

### **Financial assets - classification and subsequent measurement:**

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income

on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

### **Financial liabilities - classification and subsequent measurement:**

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities:

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Other financial liabilities:

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

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

### **De-recognition of financial instruments**

Financial asset:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters transaction whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liability:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or the same expires.

The Company also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **Impairment**

Financial assets (other than at fair value through profit and loss)

The Company assesses at each date of the balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables and contract assets that

do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In addition to the provision matrix, the Company also performs individual assessment of credit risk for specific customers where there is objective evidence of increased credit risk. Where such individual assessment indicates that a trade receivable meets the criteria for being classified as credit impaired under Ind AS 109, the Company recognises a loss allowance based on lifetime ECL and discloses such credit impaired trade receivables separately in the balance sheet.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- a. significant financial difficulty of the debtor
- b. a breach of contract, such as a default or 3 years past due
- c. it is probable that the debtor will enter bankruptcy or other financial reorganization
- d. the disappearance of an active market for a security because of financial difficulties

The Company considers a financial asset to be in default when:

- a. the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- b. the financial asset is more than 90 days past due

The ECL loss allowance (or reversal) during the year is recognised in the statement of profit and loss.

The Company write-off's the receivables only on completion of the legal proceedings or if it is certain that the balance will not be recoverable.

### **Exceptional items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

### **Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **Other income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be

measured reliably. Interest income is recognised using effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Statement of Profit and Loss.

### **Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### **Financial guarantee contract**

Financial guarantee contracts are initially recognised at their fair value in accordance with Ind AS 109. Financial guarantee arrangements provided by the parent company on behalf of the Company are recognised at fair value on initial recognition.

The fair value of such guarantee is recognised as a financial asset, with a corresponding credit recognized as equity (deemed capital contribution) from the parent.

The financial guarantee asset is subsequently measured at amortised cost and is amortised over the tenure of the underlying borrowing. The amortisation is recognised as part of finance costs in the Statement of Profit and Loss at amortised cost using effective interest method.

### **Recent pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments which are effective from 1st April 2025:

- a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has reviewed the amendments and made appropriate disclosures in its financial statements including classification of current and non-current liabilities.
- b. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier

finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier- finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendments and made appropriate disclosures in its financial statements.

- c. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

The following are the notified amendments to the standards but not yet effective:

- a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2026 - when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The Company does not expect this amendment to have any significant impact in its financial statements.

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**Notes to Financial Statements**

All amounts are in ₹ Lakhs unless otherwise stated

**2 Property, plant and equipment**

| <b>PARTICULARS</b>                     | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|--|---------------------------------|---------------------------------|
| Freehold land                          | 851                             | 810                             |
| Land restoration                       | 226                             | 268                             |
| Buildings                              | 7,578                           | 8,739                           |
| Plant and machinery                    | 79,967                          | 62,628                          |
| Furniture and fittings                 | 72                              | 45                              |
| Office and other equipment             | 1,308                           | 231                             |
| Electrical installations and equipment | 5,809                           | 2,959                           |
| Computers                              | 10                              | 12                              |
| Railway Siding                         | -                               | -                               |
| Vehicles                               | 120                             | 172                             |
| <b>Total</b>                           | <b>95,941</b>                   | <b>75,864</b>                   |

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**Notes to Financial Statements****For the year 2025-26**

All amounts are in ₹ Lakhs unless otherwise stated

| Description of Assets                      | Freehold land | Land-restoration | Buildings     | Plant and machinery | Furniture and fittings | Office and other equipment | Electrical installations and equipment | Computers | Railway siding | Vehicles   | Total           |
|--|---------------|------------------|---------------|---------------------|------------------------|----------------------------|--|-----------|----------------|------------|-----------------|
| <b>Cost</b>                                |               |                  |               |                     |                        |                            |  |           |                |            |                 |
| <b>Opening Balance</b>                     | <b>810</b>    | <b>350</b>       | <b>14,936</b> | <b>1,14,435</b>     | <b>76</b>              | <b>364</b>                 | <b>7,896</b>                           | <b>80</b> | -              | <b>360</b> | <b>1,39,307</b> |
| Add: Additions                             | 47            | -                | 212           | 23,285              | 44                     | 1,284                      | 3,577                                  | 6         | -              | -          | 28,455          |
| Less: Disposals/ adjustments               | 6             | -                | -             | -                   | -                      | -                          | -                                      | -         | -              | -          | 6               |
| <b>Balance as at March 31, 2026</b>        | <b>851</b>    | <b>350</b>       | <b>15,148</b> | <b>1,37,720</b>     | <b>120</b>             | <b>1,648</b>               | <b>11,473</b>                          | <b>86</b> | -              | <b>360</b> | <b>1,67,756</b> |
| <b>Accumulated depreciation</b>            |               |                  |               |                     |                        |                            |  |           |                |            |                 |
| <b>Opening Balance</b>                     | -             | <b>82</b>        | <b>6,197</b>  | <b>51,807</b>       | <b>31</b>              | <b>133</b>                 | <b>4,937</b>                           | <b>68</b> | -              | <b>188</b> | <b>63,443</b>   |
| Add: Depreciation                          | -             | 42               | 1,373         | 5,946               | 17                     | 207                        | 727                                    | 8         | -              | 52         | 8,372           |
| Less: Disposals                            | -             | -                | -             | -                   | -                      | -                          | -                                      | -         | -              | -          | -               |
| <b>Balance as at March 31, 2026</b>        | -             | <b>124</b>       | <b>7,570</b>  | <b>57,753</b>       | <b>48</b>              | <b>340</b>                 | <b>5,664</b>                           | <b>76</b> | -              | <b>240</b> | <b>71,815</b>   |
| <b>Carrying value as at March 31, 2026</b> | <b>851</b>    | <b>226</b>       | <b>7,578</b>  | <b>79,967</b>       | <b>72</b>              | <b>1,308</b>               | <b>5,809</b>                           | <b>10</b> | -              | <b>120</b> | <b>95,941</b>   |
| Carrying Value as at March 31, 2025        | 810           | 268              | 8,739         | 62,628              | 45                     | 231                        | 2,959                                  | 12        | -              | 172        | 75,864          |

**For the year 2024-25**

All amounts are in ₹ Lakhs unless otherwise stated

| Description of Assets                      | Freehold land | Land-Restoration | Buildings     | Plant and machinery | Furniture and Fittings | Office and other equipment | Electrical installations and equipment | Computers  | Railway siding | Vehicles   | Total           |
|--|---------------|------------------|---------------|---------------------|------------------------|----------------------------|--|------------|----------------|------------|-----------------|
| <b>Cost</b>                                |               |                  |               |                     |                        |                            |  |            |                |            |                 |
| <b>Opening Balance</b>                     | <b>811</b>    | <b>350</b>       | <b>15,862</b> | <b>1,16,229</b>     | <b>83</b>              | <b>392</b>                 | <b>8,588</b>                           | <b>100</b> | <b>183</b>     | <b>351</b> | <b>1,42,949</b> |
| Add: Additions                             | -             | -                | 687           | 742                 | 1                      | 33                         | 205                                    | -          | -              | 9          | 1,677           |
| Less: Disposals/ adjustments               | 1             | -                | 1,613         | 2,536               | 8                      | 61                         | 897                                    | 20         | 183            | -          | 5,319           |
| <b>Balance as at March 31, 2025</b>        | <b>810</b>    | <b>350</b>       | <b>14,936</b> | <b>1,14,435</b>     | <b>76</b>              | <b>364</b>                 | <b>7,896</b>                           | <b>80</b>  | <b>-</b>       | <b>360</b> | <b>1,39,307</b> |
| <b>Accumulated depreciation</b>            |               |                  |               |                     |                        |                            |  |            |                |            |                 |
| <b>Opening Balance</b>                     | <b>-</b>      | <b>41</b>        | <b>6,156</b>  | <b>49,568</b>       | <b>24</b>              | <b>116</b>                 | <b>5,215</b>                           | <b>67</b>  | <b>183</b>     | <b>114</b> | <b>61,484</b>   |
| Add: Depreciation                          | -             | 41               | 1,625         | 4,667               | 15                     | 78                         | 616                                    | 21         | -              | 74         | 7,137           |
| Less: Disposals                            | -             | -                | 1,584         | 2,428               | 8                      | 61                         | 894                                    | 20         | 183            | -          | 5,178           |
| <b>Balance as at March 31, 2025</b>        | <b>-</b>      | <b>82</b>        | <b>6,197</b>  | <b>51,807</b>       | <b>31</b>              | <b>133</b>                 | <b>4,937</b>                           | <b>68</b>  | <b>-</b>       | <b>188</b> | <b>63,443</b>   |
| <b>Carrying value as at March 31, 2025</b> | <b>810</b>    | <b>268</b>       | <b>8,739</b>  | <b>62,628</b>       | <b>45</b>              | <b>231</b>                 | <b>2,959</b>                           | <b>12</b>  | <b>-</b>       | <b>172</b> | <b>75,864</b>   |
| Carrying Value as at March 31, 2024        | 811           | 309              | 9,706         | 66,661              | 59                     | 276                        | 3,373                                  | 33         | -              | 237        | 81,465          |

**Notes:**

- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
- For charge created on Property, plant and equipment of the Company towards borrowings, refer note 13A and 13B.
- For disclosure on capital commitments, refer Note 28.

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All amounts are in ₹ Lakhs unless otherwise stated

| 3 | Particulars                | As at          | As at          |
|---|----------------------------|----------------|----------------|
|   |                            | March 31, 2026 | March 31, 2025 |
|   | <b>Right of use assets</b> |                |                |
|   | Buildings                  | 17             | 6              |
|   | Plant and machinery        | 1,739          | -              |
|   | <b>Total</b>               | <b>1,756</b>   | <b>6</b>       |

**For the year 2025-26**

| Particulars                         | Buildings | Plant and machinery | Total        |
|-------------------------------------|-----------|---------------------|--------------|
| <b>I. Gross block</b>               |           |                     |              |
| <b>Opening Balance</b>              | <b>7</b>  | <b>-</b>            | <b>7</b>     |
| Add: Additions                      | 31        | 1,787               | 1,818        |
| Less: Deletion                      | 3         | -                   | 3            |
| <b>Balance as at March 31, 2026</b> | <b>35</b> | <b>1,787</b>        | <b>1,822</b> |
| <b>II. Accumulated depreciation</b> |           |                     |              |
| <b>Opening Balance</b>              | <b>1</b>  | <b>-</b>            | <b>1</b>     |
| Add: Depreciation                   | 20        | 48                  | 68           |
| Less: Deletion                      | 3         | -                   | 3            |
| <b>Balance as at March 31, 2026</b> | <b>18</b> | <b>48</b>           | <b>66</b>    |
| <b>Net block (I-II)</b>             |           |                     |              |
| Carrying value as at March 31, 2026 | 17        | 1,739               | 1,756        |
| Carrying Value as at March 31, 2025 | 6         | -                   | 6            |

**For the year 2024-25**

| Particulars                         | Buildings | Plant and machinery | Total     |
|-------------------------------------|-----------|---------------------|-----------|
| <b>I. Gross block</b>               |           |                     |           |
| <b>Opening Balance</b>              | <b>31</b> | <b>-</b>            | <b>31</b> |
| Add: Additions                      | 7         | -                   | 7         |
| Less: Deletion                      | 31        | -                   | 31        |
| <b>Balance as at March 31, 2025</b> | <b>7</b>  | <b>-</b>            | <b>7</b>  |
| <b>II. Accumulated depreciation</b> |           |                     |           |
| <b>Opening Balance</b>              | <b>14</b> | <b>-</b>            | <b>14</b> |
| Add: Depreciation                   | 18        | -                   | 18        |
| Less: Deletion                      | 31        | -                   | 31        |
| <b>Balance as at March 31, 2025</b> | <b>1</b>  | <b>-</b>            | <b>1</b>  |
| <b>Net block (I-II)</b>             |           |                     |           |
| Carrying value as at March 31, 2025 | 6         | -                   | 6         |
| Carrying Value as at March 31, 2024 | 17        | -                   | 17        |

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All amounts are in ₹ Lakhs unless otherwise stated

|          | <b>Particulars</b>   | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|----------|--|---------------------------------|---------------------------------|
| <b>4</b> | <b>Intangible assets</b>   |                                 |                                 |
|          | Computer software  | 7                               | 12                              |
|          | <b>Total</b>   | <b>7</b>                        | <b>12</b>                       |
|          | <b>Computer Software:</b>  |                                 |                                 |
|          | <b>Cost</b>  |                                 |                                 |
|          | <b>Opening Balance</b>   | <b>21</b>                       | <b>21</b>                       |
|          | Add: Additions   | -                               | -                               |
|          | <b>Closing Balance</b>   | <b>21</b>                       | <b>21</b>                       |
|          | <b>Accumulated amortisation</b>  |                                 |                                 |
|          | <b>Opening Balance</b>   | <b>9</b>                        | <b>1</b>                        |
|          | Add: Amortisation  | 5                               | 8                               |
|          | <b>Closing Balance</b>   | <b>14</b>                       | <b>9</b>                        |
|          | <b>Carrying Value</b>  | <b>7</b>                        | <b>12</b>                       |
| <b>5</b> | <b>Other financial assets</b>  |                                 |                                 |
|          | (Unsecured, considered good)   |                                 |                                 |
|          | <b>Non-current</b>   |                                 |                                 |
|          | Security deposits  | 1,203                           | 950                             |
|          | Bank deposits due to mature after twelve months of the reporting date (Including interest accrued thereon)   | 16                              | 15                              |
|          | Financial benefit due to guarantee by Holding company  | 464                             | 342                             |
|          | <b>Total</b>   | <b>1,683</b>                    | <b>1,307</b>                    |
|          | <b>Current</b>   |                                 |                                 |
|          | Security deposits  | 63                              | 157                             |
|          | Bank deposits with remaining maturity of less than twelve months of the reporting date (Including interest accrued thereon)  | 4,413                           | -                               |
|          | Derivative assets  | 4                               | -                               |
|          | Financial benefit due to guarantee by Holding company  | 154                             | 108                             |
|          | <b>Total</b>   | <b>4,634</b>                    | <b>265</b>                      |
|          | <b>Total other financial assets</b>  | <b>6,317</b>                    | <b>1,572</b>                    |
|          | <b>Notes:</b>  |                                 |                                 |
|          | a) Deposits for ₹ 4,429 (March 31, 2025: ₹ 15) are pledged with Government Departments/ Banks as security and other deposits earmarked for issue of letter of credit/ Margin monies. |                                 |                                 |
|          | (b) Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 30.  |                                 |                                 |

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All amounts are in ₹ Lakhs unless otherwise stated

|   | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|---|---------------------------------|---------------------------------|
| <b>6 Other assets (Unsecured, considered good)</b>  |                                 |                                 |
| <b>Non-current</b>  |                                 |                                 |
| Capital advances (Refer note 33 and below)  | 818                             | 735                             |
| Prepaid expenses  | 341                             | 293                             |
| Deposits against demand under dispute   |                                 |                                 |
| Unsecured, considered good  | -                               | -                               |
| Considered doubtful   | 179                             | 179                             |
| Less: Loss allowance  | (179)                           | (179)                           |
|   | -                               | -                               |
| <b>Total</b>  | <b>1,159</b>                    | <b>1,028</b>                    |
| <b>Current</b>  |                                 |                                 |
| Advances to suppliers and service providers   | 354                             | 169                             |
| Prepaid expenses  | 200                             | 418                             |
| Advances to employees   | 2                               | 1                               |
| Balances with government authorities  | 176                             | 223                             |
| <b>Total</b>  | <b>732</b>                      | <b>811</b>                      |
| <b>Total other assets</b>   | <b>1,891</b>                    | <b>1,839</b>                    |
| <b>Notes:</b>   |                                 |                                 |
| (a) There are no other receivables due from directors or other officer of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member. |                                 |                                 |
| (b) Refer Note 33 for related party transactions.   |                                 |                                 |
| <b>7 Inventories (at lower of cost and net realisable value)</b>  |                                 |                                 |
| Raw materials   | 162                             | 237                             |
| Fuels   | 2,621                           | 142                             |
| Work-in-progress  | 3,405                           | 4,321                           |
| Stores and spares   | 1,005                           | 1,181                           |
| Packing materials   | 5                               | 32                              |
| Finished goods  | 239                             | 363                             |
| <b>Total (A)</b>  | <b>7,437</b>                    | <b>6,276</b>                    |
| <b>Goods-in-transit:</b>  |                                 |                                 |
| Raw materials   | -                               | 1                               |
| Fuels   | 658                             | -                               |
| Stores and spares   | 34                              | 25                              |
| <b>Total (B)</b>  | <b>692</b>                      | <b>26</b>                       |
| <b>Total inventories (A+B)</b>  | <b>8,129</b>                    | <b>6,302</b>                    |

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All amounts are in ₹ Lakhs unless otherwise stated

| Particulars   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---|-------------------------|-------------------------|
| <b>Notes:</b>   |                         |                         |
| (a) Inventories are pledged against the borrowings of the Company as referred in note 13A and 13B.  |                         |                         |
| (b) Inventories of stores and spares have been reduced by ₹ 99 (March 31, 2025 : ₹ 181) as a result of provision on account of slow and non-moving inventory.   |                         |                         |
| <b>8 Trade Receivables</b>  |                         |                         |
| Trade receivables considered good - Secured   | 165                     | 84                      |
| Trade receivables considered good - Unsecured   | 4,542                   | 2,952                   |
| Trade receivables which have significant increase in credit risk  | -                       | -                       |
| Trade receivables - credit impaired   | -                       | -                       |
| <b>Sub-total</b>  | <b>4,707</b>            | <b>3,036</b>            |
| Less: Loss allowance  | (67)                    | (6)                     |
| <b>Total trade receivables</b>  | <b>4,640</b>            | <b>3,030</b>            |
| <b>Notes:</b>   |                         |                         |
| Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 30.   |                         |                         |
| No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. |                         |                         |
| Trade receivables are pledged against borrowings of the Company (Refer note 13A and 13B).   |                         |                         |
| The above secured trade receivables include receivables considered good in respect of which the Company holds guarantees from banks amounting to ₹ Nil (March 31, 2025: ₹ Nil).   |                         |                         |
| The expected credit loss allowance (ECL) is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:   |                         |                         |

**ANDHRA CEMENTS LIMITED**

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All amounts are in ₹ Lakhs unless otherwise stated

**FY 2025-26:**

| Particulars                                      | Not Due      | Outstanding for following periods from due date of payment |                  |           |           |                   | Total        |
|--|--------------|--|------------------|-----------|-----------|-------------------|--------------|
|  |              | Less than 6 months   | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |              |
| <b>(i) Undisputed Trade receivables</b>          |              |  |                  |           |           |                   |              |
| - considered good                                | 2,216        | 2,345  | 79               | -         | -         | -                 | 4,640        |
| - which have significant increase in credit risk | -            | -  | -                | -         | -         | -                 | -            |
| - credit impaired                                | -            | -  | 2                | 6         | 59        | -                 | 67           |
| <b>(ii) Disputed Trade receivables</b>           |              |  |                  |           |           |                   |              |
| - credit impaired                                | -            | -  | -                | -         | -         | -                 | -            |
| - which have significant increase in credit risk | -            | -  | -                | -         | -         | -                 | -            |
| - credit impaired                                | -            | -  | -                | -         | -         | -                 | -            |
| <b>TOTAL</b>                                     | <b>2,216</b> | <b>2,345</b>   | <b>81</b>        | <b>6</b>  | <b>59</b> | <b>-</b>          | <b>4,707</b> |

**FY 2024-25:**

| Particulars                                      | Not Due      | Outstanding for following periods from due date of payment |                  |           |           |                   | Total        |
|--|--------------|--|------------------|-----------|-----------|-------------------|--------------|
|  |              | Less than 6 months   | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |              |
| <b>(i) Undisputed Trade receivables</b>          |              |  |                  |           |           |                   |              |
| - considered good                                | 1,405        | 1,559  | 17               | 49        | -         | -                 | 3,030        |
| - which have significant increase in credit risk | -            | -  | -                | -         | -         | -                 | -            |
| - credit impaired                                | -            | -  | -                | 6         | -         | -                 | 6            |
| <b>(ii) Disputed Trade receivables</b>           |              |  |                  |           |           |                   |              |
| - considered good                                | -            | -  | -                | -         | -         | -                 | -            |
| - which have significant increase in credit risk | -            | -  | -                | -         | -         | -                 | -            |
| - credit impaired                                | -            | -  | -                | -         | -         | -                 | -            |
| <b>TOTAL</b>                                     | <b>1,405</b> | <b>1,559</b>   | <b>17</b>        | <b>55</b> | <b>-</b>  | <b>-</b>          | <b>3,036</b> |

There were no unbilled trade receivables as at March 31, 2026 and as at March 31, 2025, hence the same is not disclosed in the ageing breakup.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised

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a loss allowance of 100 per cent against all receivables over three years past due because historical experience has indicated that these receivables are generally not recoverable.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

**FY 2025-26:**

| Particulars                                      | Not Due | Trade Receivables – days past due |                  |           |           |                   | Total |
|--|---------|-----------------------------------|------------------|-----------|-----------|-------------------|-------|
|  |         | Less than 6 months                | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |       |
| Expected credit loss rate                        | 0%      | 0%                                | 2%               | 100%      | 100%      | 0%                | 1%    |
| Estimated total gross carrying amount at default | 2,216   | 2,345                             | 81               | 6         | 59        | -                 | 4,707 |
| Lifetime ECL                                     | -       | -                                 | 2                | 6         | 59        | -                 | 67    |

**FY 2024-25:**

| Particulars                                      | Not Due | Trade Receivables – days past due |                  |           |           |                   | Total |
|--|---------|-----------------------------------|------------------|-----------|-----------|-------------------|-------|
|  |         | Less than 6 months                | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |       |
| Expected credit loss rate                        | 0%      | 0%                                | 0%               | 11%       | 0%        | 0%                | 0%    |
| Estimated total gross carrying amount at default | 1,405   | 1,559                             | 17               | 55        | -         | -                 | 3,036 |
| Lifetime ECL                                     | -       | -                                 | -                | 6         | -         | -                 | 6     |

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in Ind AS 109.

**Movement in expected credit loss allowance**

| Particulars                             | Collectively assessed | Individually assessed | Total     |
|---|-----------------------|-----------------------|-----------|
| <b>Balance as at March 31, 2024</b>     | -                     | -                     | -         |
| Loss allowance provided during the year | 6                     | -                     | 6         |
| Reversal of loss allowance              | -                     | -                     | -         |
| <b>Balance as at March 31, 2025</b>     | <b>6</b>              | <b>-</b>              | <b>6</b>  |
| Loss allowance provided during the year | 61                    | -                     | 61        |
| Reversal of loss allowance              | -                     | -                     | -         |
| <b>Balance as at March 31, 2026</b>     | <b>67</b>             | <b>-</b>              | <b>67</b> |

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| Particulars  |  | As at<br>March 31, 2026 |                    | As at<br>March 31, 2025 |        |
|--|--|-------------------------|--------------------|-------------------------|--------|
| 9.   | <b>Cash and cash equivalents</b>   |                         |                    |                         |        |
|  | Cash in hand   | 1                       |                    | 1                       |        |
|  | Balances with banks in current accounts  | 20                      |                    | 18                      |        |
| <b>Total Cash and cash equivalents</b>   |  | <b>21</b>               |                    | <b>19</b>               |        |
| 10.  | <b>Other bank balances</b>   |                         |                    |                         |        |
|  | Deposit with original maturity of more than three months and less than twelve months (Refer note below)        | 711                     |                    | 2,186                   |        |
|  | <b>Total other bank balances</b>   | <b>711</b>              |                    | <b>2,186</b>            |        |
| <b>Note:</b> Margin money deposits with banks are against bank guarantees and borrowings.  |  |                         |                    |                         |        |
| Particulars  |  | As at March 31, 2026    |                    | As at March 31, 2025    |        |
|  |  | No. of shares           | Amount             | No. of shares           | Amount |
| 11.  | <b>Equity share capital</b>  |                         |                    |                         |        |
|  | <b>Authorised:</b>   |                         |                    |                         |        |
|  | Equity shares of ₹10 each (March 31, 2025: Equity Shares of ₹ 10 each)   | 40,00,00,000            | 40,000             | 40,00,00,000            | 40,000 |
|  | <b>Preference share capital</b>  |                         |                    |                         |        |
|  | <b>Authorised:</b>   |                         |                    |                         |        |
|  | Preference shares of ₹100 each (March 31, 2025: Preference Shares of ₹100 each)                                | 1,00,00,000             | 10,000             | 1,00,00,000             | 10,000 |
|  | <b>Issued, subscribed and fully paid:</b>  |                         |                    |                         |        |
|  | Equity shares ₹10 each (March 31, 2025: Equity Shares of ₹ 10 each)  | 9,21,72,140             | 9,217              | 9,21,72,140             | 9,217  |
|  | <b>Notes:</b>  |                         |                    |                         |        |
|  | <b>(a) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:</b> |                         |                    |                         |        |
| Opening Balance  | 9,21,72,140  | 9,217                   | 9,21,72,140        | 9,217                   |        |
| Changes in share capital during the year   | -  | -                       | -                  | -                       |        |
| <b>Closing Balance</b>   | <b>9,21,72,140</b>   | <b>9,217</b>            | <b>9,21,72,140</b> | <b>9,217</b>            |        |
| <b>(b) Rights, preferences and restrictions attached to the equity shares:</b>   |  |                         |                    |                         |        |
| <p>The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend if issued. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to the share of paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.</p> |  |                         |                    |                         |        |

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| Name of the shareholder   | As at March 31, 2026    |                      | As at March 31, 2025    |                   |                          |
|---|-------------------------|----------------------|-------------------------|-------------------|--------------------------|
|   | No. of shares           | % of holding         | No. of shares           | % of holding      |                          |
| <b>(c) Details of shares held by the Holding Company:<br/>Equity shares of ₹ 10 each fully paid</b>   |                         |                      |                         |                   |                          |
| Sagar Cements Limited   | 6,91,29,105             | 75.00%               | 8,29,54,926             | 90.00%            |                          |
| <b>(d) Details of equity shareholders holding more than 5% shares in the Company:<br/>Equity shares of ₹ 10 each fully paid</b>   |                         |                      |                         |                   |                          |
| Sagar Cements Limited   | 6,91,29,105             | 75.00%               | 8,29,54,926             | 90.00%            |                          |
| <b>(e) Details of shares held by the promoters in the Company and change during the year:</b>   |                         |                      |                         |                   |                          |
| <b>As at March 31,2026</b>  |                         |                      |                         |                   |                          |
| Promoter Name   | As at March 31, 2026    |                      | As at March 31, 2025    |                   |                          |
|   | No. of Shares ₹ 10 each | % of total shares    | No. of Shares ₹ 10 each | % of total shares | % Change during the year |
| <b>Equity shares of ₹ 10 each fully paid</b>  |                         |                      |                         |                   |                          |
| Sagar Cements Limited   | 6,91,29,105             | 75.00%               | 8,29,54,926             | 90.00%            | -15.00%                  |
| <b>As at March 31,2025</b>  |                         |                      |                         |                   |                          |
| Promoter Name   | As at March 31, 2025    |                      | As at March 31, 2024    |                   |                          |
|   | No. of Shares ₹ 10 each | % of total shares    | No. of Shares ₹ 10 each | % of total shares | % Change during the year |
| <b>Equity shares of ₹ 10 each fully paid</b>  |                         |                      |                         |                   |                          |
| Sagar Cements Limited   | 8,29,54,926             | 90.00%               | 8,29,54,926             | 90.00%            | -                        |
| (f) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date. |                         |                      |                         |                   |                          |
| (g) There are no employee stock options/ share purchase plan as on March 31, 2026 and March 31, 2025.   |                         |                      |                         |                   |                          |
| Particulars   |                         | As at March 31, 2026 | As at March 31, 2025    |                   |                          |
| <b>12. Other equity</b>   |                         |                      |                         |                   |                          |
| Deemed investment in equity   |                         | 1,046                |                         |                   | 719                      |
| Securities premium  |                         | 23,489               |                         |                   | 23,489                   |
| Capital redemption reserve  |                         | 2                    |                         |                   | 2                        |
| Capital reserve   |                         | 39,014               |                         |                   | 39,014                   |
| Retained earnings   |                         | (64,686)             |                         |                   | (57,970)                 |
| Other items of other comprehensive income   |                         | (8)                  |                         |                   | (16)                     |
| <b>Total other equity</b>   |                         | <b>(1,143)</b>       |                         |                   | <b>5,238</b>             |

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**Notes to Financial Statements****Movement in other equity is as follows:**

All amounts are in ₹ Lakhs unless otherwise stated

| Particulars  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--|-------------------------|-------------------------|
| <b>(a) Deemed investment in equity</b> (Refer Note 36)     |                         |                         |
| (i) Opening balance  | 719                     | 719                     |
| (ii) Additions   | 327                     | -                       |
|  | <b>1,046</b>            | <b>719</b>              |
| <b>(b) Securities premium</b>                              | <b>23,489</b>           | <b>23,489</b>           |
| <b>(c) Capital redemption reserve</b>                      | <b>2</b>                | <b>2</b>                |
| <b>(d) Capital reserve</b>                                 | <b>39,014</b>           | <b>39,014</b>           |
| <b>(e) Retained earnings</b>                               |                         |                         |
| (i) Opening balance  | (57,970)                | (42,759)                |
| (ii) Loss for the year                                     | (6,716)                 | (15,211)                |
|  | <b>(64,686)</b>         | <b>(57,970)</b>         |
| <b>(f) Remeasurements of the net defined benefits plan</b> |                         |                         |
| (i) Opening balance  | (16)                    | (1)                     |
| (ii) Other comprehensive loss for the year                 | 8                       | (15)                    |
|  | <b>(8)</b>              | <b>(16)</b>             |
| <b>Total</b>   | <b>(1,143)</b>          | <b>5,238</b>            |

**Nature of reserves:****(a) Deemed investment in equity**

Deemed investment in equity represents the gain on account of corporate guarantee given by Sagar Cements Limited (Holding Company).

**(b) Securities premium**

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Companies Act, 2013.

**(c) Capital redemption reserve**

The Company had created Capital Redemption Reserve out of the profits for redemption of Preference Shares. This reserve may be utilized for the specified purpose in accordance with the provisions of the Act.

**(d) Capital reserve**

Capital reserve created with respect to cancellation of equity shares and written off of debt as per the resolution plan.

**(e) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings is a free reserve available to the Company.

**(f) Remeasurements of the net defined benefits plan**

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

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|  | Particulars  | As at<br>March 31, 2026 | As at<br>March 31, 2025   |
|--|--|-------------------------|---------------------------|
| <b>13A</b>   | <b>Non current borrowings* (at amortised cost)</b> |                         |                           |
|  | <b>Secured</b>                                     |                         |                           |
|  | Term loans from banks (Refer note (i) below)       | 64,716                  | 55,851                    |
|  | <b>Unsecured</b>                                   |                         |                           |
|  | Loan from related parties (Refer note (ii) below)  | 29,500                  | 12,002                    |
|  | Loan from others (Refer note (iii) below)          | 7,000                   | 2,000                     |
|  | <b>Total non-current borrowings</b>                | <b>1,01,216</b>         | <b>69,853</b>             |
| *Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".   |  |                         |                           |
| <b>Notes (i):</b>  |  |                         |                           |
| <b>As at March 31, 2026:</b>   |  |                         |                           |
|  | <b>Bank</b>  | <b>Loan outstanding</b> | <b>Terms of repayment</b> |
|  |  |                         | <b>Rate of interest</b>   |
|  | State Bank of India (Refer note 1 below)           | 56,109                  | 31 quarterly instalments  |
|  | Union Bank of India (Refer note 1 below)           | 8,414                   | 34 quarterly instalments  |
|  | Yes Bank Ltd (Refer note 1 below)                  | 6,033                   | 34 quarterly instalments  |
|  | Less: Current maturities of non-current borrowings | (5,840)                 |                           |
|  | <b>Total</b>                                       | <b>64,716</b>           |                           |
| <b>As at March 31, 2025:</b>   |  |                         |                           |
|  | <b>Bank</b>  | <b>Loan outstanding</b> | <b>Terms of repayment</b> |
|  |  |                         | <b>Rate of interest</b>   |
|  | State Bank of India (Refer note 1 below)           | 57,651                  | 35 quarterly instalments  |
|  | Less: Current maturities of non-current borrowings | (1,800)                 |                           |
|  | <b>Total</b>                                       | <b>55,851</b>           |                           |
| <b>Notes:</b>  |  |                         |                           |
| 1. This term loan is secured by first pari-passu charge on all the immovable fixed assets (present and future) and all the movable fixed assets (present and future) by way of equitable mortgage, and first charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/ insurance proceeds of fixed assets and pledged 2,18,90,883 equity shares of the Company in favour of Axis Trustee Services Limited by Sagar Cements Limited and corporate guarantee of Sagar Cements Limited. |  |                         |                           |
| 2. The Company has not made defaults in repayment of principal and interest on the above loans. The Company has used the borrowings for the purposes for which it was taken.   |  |                         |                           |
| 3. Information about the Company's exposure to liquidity risk, market risk and fair value measurement is included in Note 30.  |  |                         |                           |

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| <b>Notes (ii):</b>   |                         |   |                         |
|--|-------------------------|---|-------------------------|
| <b>As at March 31, 2026:</b>   |                         |   |                         |
| <b>Particulars</b>   | <b>Loan outstanding</b> | <b>Terms of repayment*</b>  | <b>Rate of interest</b> |
| Sagar Cements Limited<br>(Refer note 1 below)  | 2,000                   | Repayable in 9 Equated Quarterly Instalments commencing from June 30, 2028.           | 10.00%                  |
| Sagar Cements Limited<br>(Refer note 2 below)  | 4,000                   | Repayable at the end of 3 years from April 06, 2024.                                  | 10.00%                  |
| Sagar Cements Limited<br>(Refer note 3 below)  | 18,500                  | 3 years from the date of disbursement of the entire amount of Facility by the Lender. | 10.00%                  |
| R V Consulting Services Private Limited<br>(Refer note 4 below)  | 5,000                   | Repayable within a period of 36 months from March 29, 2025.                           | 14.50%                  |
| <b>Total</b>   | <b>29,500</b>           |   |                         |
| <b>As at March 31, 2025:</b>   |                         |   |                         |
| <b>Particulars</b>   | <b>Loan outstanding</b> | <b>Terms of repayment*</b>  | <b>Rate of interest</b> |
| Sagar Cements Limited<br>(Refer note 1 below)  | 2,000                   | Repayable in 9 Equated Quarterly Instalments commencing from June 30, 2028.           | 10.00%                  |
| Sagar Cements Limited<br>(Refer note 2 below)  | 4,000                   | Repayable at the end of 3 years from April 06, 2024.                                  | 10.00%                  |
| Sagar Cements Limited<br>(Refer note 3 below)  | 3,502                   | 3 years from the date of disbursement of the entire amount of Facility by the Lender. | 10.00%                  |
| R V Consulting Services Private Limited<br>(Refer note 4 below)  | 2,500                   | Repayable within a period of 36 months from March 29, 2025.                           | 14.50%                  |
| <b>Total</b>   | <b>12,002</b>           |   |                         |
| <b>Notes:</b>  |                         |   |                         |
| 1. The Company had availed unsecured loan of ₹ 2,000 from Sagar Cements Limited, Holding Company for maintaining a Debt Service Reserve Account as a precondition in connection with their availing of a term loan of ₹ 66,500 from State Bank of India. |                         |   |                         |
| 2. The Company had availed unsecured loan of ₹ 4,000 from Sagar Cements Limited, Holding Company to meet its capital expenditure and other general corporate purposes.   |                         |   |                         |

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3. The Company had availed unsecured loan of ₹ 6,000 from Sagar Cements Limited, Holding Company towards capital expenditure for part funding of capacity expansion and modernization of existing manufacturing facility at "Sri Durga Cement Works", Dachepalli, Palnadu district, Andhra Pradesh, total project cost of which is estimated at ₹ 47,069.
4. The Company had availed unsecured loan of ₹ 2,500 from R V Consulting Services Private Limited for the purpose of the business of the Company.

\* Interest will be due for the payment at the end of the loan term.

**Notes (iii):****As at March 31, 2026:**

| Particulars   | Loan outstanding | Terms of repayment                                   | Rate of interest |
|---|------------------|--|------------------|
| Savyasachi Constructions Private Limited (Refer note 1 below) | 7,000            | Repayable at the end of 3 years from March 29, 2025. | 14.50%           |
| <b>Total</b>  | <b>7,000</b>     |  |                  |

**As at March 31, 2025:**

| Particulars   | Loan outstanding | Terms of repayment                                   | Rate of interest |
|---|------------------|--|------------------|
| Savyasachi Constructions Private Limited (Refer note 1 below) | 2,000            | Repayable at the end of 3 years from March 29, 2025. | 14.50%           |
| <b>Total</b>  | <b>2,000</b>     |  |                  |

**Notes:**

1. The Company had availed unsecured loan of ₹ 7,000 from Savyasachi Constructions Private Limited to meet its capital expenditure for the modernization/ expansion project and other general corporate purposes.

**Notes (iii):**

For the year ended March 31, 2026, there has been a deviation with respect to certain financial ratios of the Company in comparison with the prescribed limits mentioned in the loan sanctioned letters disclosed under non current borrowings. Prior to the reporting date, the management has however obtained a waiver from the lenders on compliance with such financial ratios and that the existing repayment schedules as per the sanction terms would continue. Accordingly, borrowings continue to be classified in accordance with the terms of the repayment schedule agreed with the lenders.

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| <b>Particulars</b>  |  | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|---|--|---------------------------------|---------------------------------|
| <b>13B</b>  | <b>Current borrowings<br/>(Secured, amortised at cost)</b>                                 |                                 |                                 |
|   | Loans from banks   |                                 |                                 |
|   | Cash credit facilities (Refer note below)  | 4,408                           | 4,058                           |
|   | Current maturities of non-current borrowings<br>(Refer note 13A)                           | 5,840                           | 1,800                           |
|   | <b>Total current borrowings</b>  | <b>10,248</b>                   | <b>5,858</b>                    |
| <b>Notes:</b>   |  |                                 |                                 |
| <p>1. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 10.85% p.a. to 11.25% p.a. (2024-25: 9.35% p.a. to 11.25% p.a.).</p> <p>2. The Company has availed cash credit facilities from Yes Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and first pari passu charge by way of pledge on equity shares of 2,18,90,883 shares held by Sagar Cements Limited in Andhra Cements Limited. The loans are repayable on demand and carries interest @ 9.05% p.a. to 10.80% p.a. (2024-25: 10.55% p.a. to 10.75% p.a.).</p> <p>3. The Company has used the borrowings for the purposes for which it was taken.</p> <p>4. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.</p> |  |                                 |                                 |
| <b>Particulars</b>  |  | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
| <b>14</b>   | <b>Other financial liabilities</b>   |                                 |                                 |
|   | <b><u>Non-current</u></b>  |                                 |                                 |
|   | Trade deposits   | 638                             | 417                             |
|   | Interest accrued but not due on borrowings<br>(Refer note 1 below)                         | 1,965                           | -                               |
|   | <b>Total</b>   | <b>2,603</b>                    | <b>417</b>                      |
|   | <b><u>Current</u></b>  |                                 |                                 |
|   | Trade deposits   | 21                              | -                               |
|   | Interest accrued but not due on borrowings<br>(Refer note 1 below)                         | 824                             | 1,048                           |
|   | Capital creditors  | 40                              | 4,095                           |
|   | Supplier credit (Refer note 2 below)   | 3,884                           | 1,151                           |
|   | Others (Salaries, Wages, Bonus and Other<br>Employee Payables, Derivative liability etc.,) | 37                              | 70                              |
| <b>Total</b>  | <b>4,806</b>   | <b>6,364</b>                    |                                 |
| <b>Total other financial liabilities</b>  | <b>7,409</b>   | <b>6,781</b>                    |                                 |

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**Notes:**

1. Includes ₹ 1,868 (March 31, 2025: ₹ 846) interest accrued but not due on unsecured loan taken from related party (Refer note 33).
2. The Company participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Company and the Company repays the bank at a later date.

These arrangements provide the Company with extended payment terms, or the suppliers with early payment terms, compared to the related invoice payment due date.

From the Company's perspective, the arrangement extends payment terms beyond the normal terms agreed with other suppliers that are not participating and requires the Company to incur additional interest towards the bank on the amounts due to the suppliers. The Company therefore includes the amounts subject to the arrangement within other financial liability.

All payables under the arrangement are classified as current as at March 31, 2026 and March 31, 2025.

| Particulars   | As at<br>March 31, 2026   | As at<br>March 31, 2025 |
|---|---|-------------------------|
| <b>Carrying amount of financial liabilities subject to supplier finance arrangement</b> |   |                         |
| Presented within other financial liability  | 3,884   | 1,151                   |
| - of which suppliers have received the payment from the bank                            | 3,884   | *                       |
| <b>Range of payment due dates</b>   |   |                         |
| Trade payables subject to supplier finance arrangement (days after invoice date)        | Usance of upto 90 days from date of bill of exchange in case of domestic transactions and usance of upto 180 days from date of bill of exchange in case of import transactions. | *                       |
| Comparable trade payables (days after invoice date)                                     | Upto 90 days  | *                       |

\* The Company applied transitional relief available under Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107) and has not provided comparative information in the first year of adoption.

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

4. Information about the Company's exposure to liquidity risk, market risk and fair value measurement is included in Note 30.

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| Particulars                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---|-------------------------|-------------------------|
| <b>Provisions</b>                       |                         |                         |
| <b>Provision for employee benefits:</b> |                         |                         |
| Gratuity (Refer note 31)                | 217                     | 199                     |
| Compensated absences (Refer note 31)    | 112                     | 79                      |
| <b>Others:</b>                          |                         |                         |
| Liability for land restoration costs    | 465                     | 423                     |
| <b>Total provisions</b>                 | <b>794</b>              | <b>701</b>              |
| <b>Non-current</b>                      |                         |                         |
| <b>Provision for employee benefits:</b> |                         |                         |
| Gratuity                                | 184                     | 153                     |
| Compensated absences                    | 64                      | 57                      |
| <b>Others:</b>                          |                         |                         |
| Liability for land restoration costs    | 465                     | 423                     |
| <b>Total</b>                            | <b>713</b>              | <b>633</b>              |
| <b>Current</b>                          |                         |                         |
| <b>Provision for employee benefits:</b> |                         |                         |
| Gratuity                                | 33                      | 46                      |
| Compensated absences                    | 48                      | 22                      |
| <b>Total</b>                            | <b>81</b>               | <b>68</b>               |

**Provision for land restoration costs**

The activities of the Company involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Company has assumed that the mine will be restored using technology and materials that are currently available. The provision has been calculated using a discount rate of 10.00% p.a. (March 31, 2025: 10.00% p.a), which is the risk-free rate. As per the requirement of Ind AS 37, the management has estimated such future expenses on a best judgment basis and provision thereof has been made in the accounts at their present value. The table below gives information about movement in land restoration cost provisions.

| Particulars                      | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------|-------------------------|-------------------------|
| Opening balance                  | 423                     | 385                     |
| Add: Additions during the year   | -                       | -                       |
| Add: Unwinding of discount       | 42                      | 38                      |
| Less: Adjustment during the year | -                       | -                       |
| Less: Utilised during the year   | -                       | -                       |
| <b>Closing balance</b>           | <b>465</b>              | <b>423</b>              |

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| 16  | Particulars   | As at              |  |              |           |                   |               |
|---|---|--------------------|--|--------------|-----------|-------------------|---------------|
|   |   | March 31, 2026     | March 31, 2025   |              |           |                   |               |
|   | <b>Trade payables</b>   |                    |  |              |           |                   |               |
|   | Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 29)                  | 1,195              | 667  |              |           |                   |               |
|   | Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below) | 10,547             | 12,721   |              |           |                   |               |
|   | <b>Total trade payables</b>   | <b>11,742</b>      | <b>13,388</b>  |              |           |                   |               |
|   | <b>Note:</b> Includes ₹ Nil (March 31, 2025: ₹ 127) payable to related party (Refer note 33).             |                    |  |              |           |                   |               |
| <b>(a) Trade payables ageing schedule for the year ended March 31, 2026 and March 31, 2025:</b>                                       |   |                    |  |              |           |                   |               |
| <b>FY 2025-26:</b>  |   |                    |  |              |           |                   |               |
| Particulars   | Unbilled dues   | Billed but not due | Outstanding for following periods from due date of payment |              |           |                   | Total         |
|   |   |                    | Less than 1 year   | 1-2 years    | 2-3 years | More than 3 years |               |
| (i) MSME  | -   | 970                | 224  | 1            | -         | -                 | 1,195         |
| (ii) Others   | 2,118   | 2,935              | 5,484  | 10           | -         | -                 | 10,547        |
| (iii) Disputed dues - MSME  | -   | -                  | -  | -            | -         | -                 | -             |
| (iv) Disputed dues - Others   | -   | -                  | -  | -            | -         | -                 | -             |
| <b>Total</b>  | <b>2,118</b>  | <b>3,905</b>       | <b>5,708</b>   | <b>11</b>    | <b>-</b>  | <b>-</b>          | <b>11,742</b> |
| <b>FY 2024-25:</b>  |   |                    |  |              |           |                   |               |
| Particulars   | Unbilled dues   | Billed but not due | Outstanding for following periods from due date of payment |              |           |                   | Total         |
|   |   |                    | Less than 1 year   | 1-2 years    | 2-3 years | More than 3 years |               |
| (i) MSME  | -   | 569                | 98   | -            | -         | -                 | 667           |
| (ii) Others   | 1,619   | 1,794              | 7,946  | 1,362        | -         | -                 | 12,721        |
| (iii) Disputed dues - MSME  | -   | -                  | -  | -            | -         | -                 | -             |
| (iv) Disputed dues - Others   | -   | -                  | -  | -            | -         | -                 | -             |
| <b>Total</b>  | <b>1,619</b>  | <b>2,363</b>       | <b>8,044</b>   | <b>1,362</b> | <b>-</b>  | <b>-</b>          | <b>13,388</b> |
| <b>(b) Information about the Company's exposure to liquidity risk, market risk and fair value measurement is included in Note 30.</b> |   |                    |  |              |           |                   |               |

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|    | <b>Particulars</b>   | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|----|--|---------------------------------|---------------------------------|
| 17 | <b>Other liabilities</b>   |                                 |                                 |
|    | <b>Current</b>   |                                 |                                 |
|    | Advance from customers (Refer note below)  | 721                             | 2,894                           |
|    | Statutory Liabilities  | 292                             | 262                             |
|    | Liability towards dealer incentive   | 267                             | 243                             |
|    | <b>Total</b>   | <b>1,280</b>                    | <b>3,399</b>                    |
|    | <b>Total other liabilities</b>   | <b>1,280</b>                    | <b>3,399</b>                    |
|    | <b>Note:</b> Includes ₹ Nil (March 31, 2025: ₹ 2,155) received from related party (Refer note 33). |                                 |                                 |

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|   | <b>For the<br/>Year Ended<br/>March 31, 2026</b> | <b>For the<br/>Year Ended<br/>March 31, 2025</b> |
|---|--|--|
| <b>18 Revenue from operations</b>                                       |  |  |
| Revenue recognised from contracts with customers                        |  |  |
| Revenue from sale of cement and clinker<br>(Refer note 37)              | 44,118   | 27,287   |
| Other operating income  |  |  |
| - Sale of scrap   | 119  | 115  |
| - Insurance claims received   | 7  | 3  |
| - Miscellaneous income  | 5  | -  |
| <b>Total revenue from operations</b>                                    | <b>44,249</b>                                    | <b>27,405</b>                                    |
| <b>19 Other income</b>  |  |  |
| Interest Income on financial assets at amortized cost                   | 296  | 218  |
| Unwinding of discount on Security deposit                               | 6  | -  |
| Profit on sale of property, plant and equipment (net)                   | 490  | 519  |
| Liabilities no longer required written back (net)                       | 194  | -  |
| Net gain on foreign currency transactions and translation               | -  | 12   |
| Net gain on fair value change in financial instruments                  | 4  | -  |
| <b>Total other income</b>   | <b>990</b>                                       | <b>749</b>                                       |
| <b>20 Cost of materials consumed</b>                                    |  |  |
| Opening stock   | 237  | 173  |
| Add: Purchases  | 6,345  | 4,811  |
| Less: Closing stock   | 162  | 237  |
| <b>Total cost of materials consumed</b>                                 | <b>6,420</b>                                     | <b>4,747</b>                                     |
| <b>Details of materials consumed:</b>                                   |  |  |
| Limestone   | 2,722  | 2,115  |
| Laterite  | 1,610  | 1,144  |
| Gypsum  | 662  | 611  |
| Fly ash   | 1,316  | 912  |
| Others  | 184  | 135  |
| Less: Captive consumption of cement                                     | (74)   | (170)  |
| <b>Total</b>  | <b>6,420</b>                                     | <b>4,747</b>                                     |
| <b>21 Changes in inventories of finished goods and work-in-progress</b> |  |  |
| <u>Inventories at the beginning of the year:</u>                        |  |  |
| Finished goods  | 363  | 275  |
| Work-in-progress  | 4,321  | 1,920  |
|   | <b>4,684</b>                                     | <b>2,195</b>                                     |
| <u>Inventories at the end of the year:</u>                              |  |  |
| Finished goods  | 239  | 363  |
| Work-in-progress  | 3,405  | 4,321  |
|   | <b>3,644</b>                                     | <b>4,684</b>                                     |

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|   | <b>For the<br/>Year Ended<br/>March 31, 2026</b> | <b>For the<br/>Year Ended<br/>March 31, 2025</b> |
|---|--|--|
| (Increase)/ decrease in inventory:  |  |  |
| Finished goods  | 124  | (88)   |
| Work-in-progress  | 916  | (2,401)  |
| <b>Net increase</b>   | <b>1,040</b>                                     | <b>(2,489)</b>                                   |
| <b>22 Employee benefits expense</b>   |  |  |
| SSalaries and wages*  | 1,340  | 1,298  |
| Contribution to provident and other funds<br>(Refer note 31)*   | 154  | 131  |
| Compensated absences*   | 54   | 33   |
| Staff welfare expenses  | 168  | 178  |
| <b>Total employee benefits expense</b>  | <b>1,716</b>                                     | <b>1,640</b>                                     |
| * Refer Note 33 for Related party transactions  |  |  |
| <b>23 Finance cost</b>  |  |  |
| Interest expense on borrowings (at amortised cost)  |  |  |
| - Banks   | 7,402  | 6,316  |
| - Others  | 2,739  | 749  |
| Interest on deposit from dealers (at amortised cost)  | 20   | 17   |
| Interest on lease liability   | 66   | 1  |
| Unwinding of discount on mine restoration provision   | 42   | 38   |
| Unwinding of financial benefit due to guarantee   | 158  | 123  |
| Other borrowing cost (Refer note 1 below)   | 439  | 242  |
|   | 10,866   | 7,486  |
| Less: Borrowing costs on qualifying assets<br>capitalised<br>(Included in above interest expense on borrowings)           | (1,067)  | -  |
| <b>Total finance cost</b>   | <b>9,799</b>                                     | <b>7,486</b>                                     |
| <b>Note:</b>  |  |  |
| 1. Other borrowing cost includes interest on bills<br>acceptances (supplier credit), bank guarantees<br>and bank charges. |  |  |
| <b>24 Depreciation and amortisation expense</b>   |  |  |
| Depreciation of property, plant and equipment<br>(Refer note 2)   | 8,372  | 7,137  |
| Depreciation on right of use assets<br>(Refer note 3 and 34)  | 68   | 18   |
| Amortisation of intangible assets (Refer note 4)  | 5  | 8  |
| <b>Total depreciation and amortisation</b>  | <b>8,445</b>                                     | <b>7,163</b>                                     |

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|   | <b>For the<br/>Year Ended<br/>March 31, 2026</b>  | <b>For the<br/>Year Ended<br/>March 31, 2025</b> |
|---|---|--|
| <b>25 Other expenses</b>                                  |   |  |
| Consumption of packing materials                          | 1,165   | 913  |
| Consumption of Stores and spares                          | 1,035   | 1,253  |
| Repairs and maintenance                                   |   |  |
| Plant and machinery                                       | 971   | 889  |
| Buildings   | 32  | 6  |
| Others  | 520   | 467  |
| Sales promotion expenses                                  | 433   | 366  |
| Expected credit loss allowance                            | 61  | 6  |
| Rent (Refer note 34)                                      | 43  | 40   |
| Insurance   | 180   | 142  |
| Rates and taxes   | 164   | 96   |
| Payment to auditors (Refer note(i) below)                 | 36  | 35   |
| Travelling and conveyance                                 | 48  | 48   |
| Security services   | 191   | 163  |
| Donations and contributions                               | 12  | 12   |
| Legal and other professional charges                      | 654   | 606  |
| Administrative expenses                                   | 69  | 45   |
| Printing and stationery                                   | 9   | 14   |
| Communication   | 8   | 7  |
| Net Loss on foreign currency transactions and translation | 59  | -  |
| Directors sitting fees                                    | 28  | 30   |
| Net loss on fair value change in financial instruments    | -   | 29   |
| Miscellaneous expenses                                    | 37  | 107  |
| <b>Total other expenses</b>                               | <b>5,755</b>  | <b>5,274</b>                                     |
| <b>Note(i):</b>   |   |  |
| <b>Payment to Auditors (net of taxes) comprises:</b>      |   |  |
| For audit   | 25  | 25   |
| For limited reviews                                       | 9   | 9  |
| For other services (Refer note below)                     | -   | 1  |
| Reimbursement of expenses                                 | 2   | -  |
| <b>Total</b>  | <b>36</b>   | <b>35</b>  |
| <b>26 Exceptional items</b>                               |   |  |
| FPPCA charges (Refer note below)                          | -   | 626  |
| <b>Total exceptional items</b>                            | <b>-</b>  | <b>626</b>                                       |
| <b>Notes:</b>   | <p>During the FY 2024-25, the Andhra Pradesh Electricity Regulatory Commission issued orders dated October 25, 2024 and November 29, 2024 to recover the True up of the Fuel and Power Purchase Cost Adjustment (FPPCA) from the years 2022-23 onwards. The amounts for FY 2022-23 and FY 2023-24 have been recorded.</p> |  |

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|            | <b>Particulars</b>  | <b>For the<br/>Year Ended<br/>March 31, 2026</b> | <b>For the<br/>Year Ended<br/>March 31, 2025</b> |
|------------|---|--|--|
| 27         | <b>Income tax expense</b>   |  |  |
|            | <b>(a) Amounts recognized in the statement of profit &amp; loss</b>                                 |  |  |
|            | <b>Current tax:</b>   |  |  |
|            | In respect of the current year  | -  | -  |
|            | <b>Total current tax</b>  | -  | -  |
|            | <b>Deferred tax</b>   |  |  |
|            | In respect of current year origination and reversal of temporary differences (Refer note (i) below) | (8,932)  | (2,240)  |
|            | <b>Total deferred tax</b>   | <b>(8,932)</b>                                   | <b>(2,240)</b>                                   |
|            | <b>Total tax expense</b>  | <b>(8,932)</b>                                   | <b>(2,240)</b>                                   |
|            | <b>(b) Amounts recognised in other comprehensive income</b>   |  |  |
|            | Deferred tax income on remeasurements of defined benefit plans                                      | (3)  | -  |
|            | <b>Total</b>  | <b>(3)</b>                                       | <b>-</b>   |
| <b>(b)</b> | <b>Reconciliation of effective tax rate:</b>  |  |  |
|            | Loss before tax (A)   | (15,648)   | (17,451)   |
|            | Enacted tax rates in India (B)  | 25.17%   | 34.94%   |
|            | Expected tax expense (C = A*B)  | (3,938)  | (6,097)  |
|            | Effect of non-deductible (income)/ expenses not taxable (net)                                       | 67   | (114)  |
|            | Effect of temporary differences for which no deferred tax is recognised previously                  | (91)   | -  |
|            | Recognition of previously unrecognised tax losses (net) (Refer note (i) below)                      | (8,608)  | 3,474  |
|            | Effect on change in tax rate (Refer note (ii) below)  | 3,625  | -  |
|            | Others  | 13   | 497  |
|            | <b>Total</b>  | <b>(4,994)</b>                                   | <b>3,857</b>                                     |
|            | <b>Total tax expense</b>  | <b>(8,932)</b>                                   | <b>(2,240)</b>                                   |

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| Particulars  | Opening balance | (Recognized) / reversed through the statement of profit and loss | (Recognized) / Reversed through other comprehensive income | Closing balance |
|--|-----------------|--|--|-----------------|
| <b>(c) Movement in deferred tax assets and liabilities for the year 2025-26:</b> |                 |  |  |                 |
| Property, plant and equipment and intangible assets                              | (15,329)        | 4,820  | -  | (10,509)        |
| Provision for employee benefits  | 99              | (13)   | (3)  | 83              |
| Expected credit loss allowance   | 2               | 15   | -  | 17              |
| Right-of-use assets  | -               | (435)  | -  | (435)           |
| Lease Liabilities  | -               | 313  | -  | 313             |
| Carry forward of unabsorbed depreciation and business losses                     | 28,324          | 4,033  | -  | 32,357          |
| Provision for impairment on other assets   | -               | 70   | -  | 70              |
| Loans and borrowings   | (135)           | 129  | -  | (6)             |
| <b>Total Deferred tax liability (Net)</b>  | <b>12,961</b>   | <b>8,932</b>   | <b>(3)</b>   | <b>21,890</b>   |
| <b>Movement in deferred tax assets and liabilities for the year 2024-25:</b>     |                 |  |  |                 |
| Property, plant and equipment and intangible assets                              | (15,858)        | 529  | -  | (15,329)        |
| Provision for employee benefits  | 80              | 19   | -  | 99              |
| Expected credit loss allowance   | -               | 2  | -  | 2               |
| Carry forward of unabsorbed depreciation and business losses                     | 26,662          | 1,662  | -  | 28,324          |
| Loans and borrowings   | (163)           | 28   | -  | (135)           |
| <b>Total Deferred tax liability (Net)</b>  | <b>10,721</b>   | <b>2,240</b>   | <b>-</b>   | <b>12,961</b>   |

**Notes:**

- (i) The Company is carrying an amount of ₹ 32,357 (March 31, 2025: ₹ 28,324) as deferred tax assets on carry forward of business losses, unused tax credits and unabsorbed depreciation.

The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Based on the projections for future taxable income over the periods, the Company has recognised deferred tax assets as there is convincing evidence that sufficient taxable profit will be available against which the business loss, unused tax credits and unabsorbed depreciation can be utilised by the entity. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

- (ii) During the year, the Company has exercised the option to be taxed under Section 115BAA of the Income-tax Act, 1961. Accordingly, deferred tax assets and liabilities have been remeasured using the tax rates expected to apply in the periods in which the temporary differences are anticipated to reverse. The consequential impact arising from such remeasurement has been recognised in the Statement of Profit and Loss.

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| Particulars   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---|-------------------------|-------------------------|
| <b>(d) Income tax assets and liabilities</b>                                    |                         |                         |
| Income tax assets (Net of provision of ₹ Nil<br>(March 31, 2025: ₹ Nil))        | 66                      | 44                      |
| Income tax liabilities (Net of advance tax of ₹ Nil<br>(March 31, 2025: ₹ Nil)) | -                       | -                       |
| <b>Net Income tax assets</b>  | <b>66</b>               | <b>44</b>               |

**28. Contingent liabilities and capital commitments****a) Contingent Liabilities:**

Claims / debts against the Company upto the closing date which are addressed under the NCLT approved resolution plan are not included in contingent liabilities though many of such claims / debts may be pending for disposal at various judicial forums. As per clause 3.3.13 of the aforesaid resolution plan, these liabilities stands extinguished. Accordingly, the management has assessed that the possibility of outflow of resources embodying economic benefits with respect to such claims / debts is remote.

All direct and indirect tax liabilities relating to assessments of earlier year upto the closing date stand extinguished as per the NCLT approved resolution plan. Further, the implementation of the resolution plan does not have any effect over claims or receivables owed to the Company. Accordingly, the Company has assessed that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies continues to subsist.

The Company has no contingent liabilities as at March 31, 2026 and as at March 31, 2025.

**b) Commitments:**

| Particulars  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 11,231                  | 33,261                  |

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**29. Disclosures required under Section 22 (dues to micro and small) of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:**

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of dues payable to micro, small and medium enterprises is as follows:

| <b>Particulars</b>  | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|---|---------------------------------|---------------------------------|
| The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year  | 1,195                           | 667                             |
| The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each Financial year   | -                               | -                               |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act  | -                               | -                               |
| The amount of interest accrued and remaining unpaid at the end of the accounting year   | -                               | -                               |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act. | -                               | -                               |

**30. Financial Instruments:**

The material accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xiv) to the financial statements.

**(i) Capital Management**

For the purpose of the Company's capital management, capital (total equity) includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt-equity ratio, which is total debt less cash and cash equivalents and other bank balances divided by total equity

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The Company's debt to equity ratio i.e. capital gearing ratio as at March 31, 2026 and March 31, 2025 is as follows:

| Description  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--|-------------------------|-------------------------|
| Debt (Refer Note below)                              | 1,11,464                | 75,711                  |
| Cash and cash equivalents and<br>Other bank balances | 732                     | 2,205                   |
| Net debt   | 1,10,732                | 73,506                  |
| Total equity   | 8,074                   | 14,455                  |
| Net debt to equity ratio                             | 13.71                   | 5.09                    |

**Note:** Debt comprises of current and non-current borrowings as disclosed in Note 13A and Note 13B.

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders to manage interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

- (ii) No interim or final dividends have been declared by the Company during the financial year ended March 31, 2026 and March 31, 2025.

**Financial instruments:**

**a) Classification of financial assets and liabilities**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| As at March 31, 2026               | Carrying amount                    |   |                 |                 | Fair value |          |          |          |
|------------------------------------|------------------------------------|---|-----------------|-----------------|------------|----------|----------|----------|
|                                    | Fair value through profit and loss | Fair value through other comprehensive income | Amortised cost  | Total           | Level 1    | Level 2  | Level 3  | Total    |
| <b>Financial assets</b>            |                                    |   |                 |                 |            |          |          |          |
| (i) Derivative asset               | 4                                  | -   | -               | 4               | -          | 4        | -        | 4        |
| (ii) Trade receivables             | -                                  | -   | 4,640           | 4,640           | -          | -        | -        | -        |
| (iii) Cash and cash equivalents    | -                                  | -   | 21              | 21              | -          | -        | -        | -        |
| (iv) Other bank balances           | -                                  | -   | 711             | 711             | -          | -        | -        | -        |
| (v) Other financial assets         | -                                  | -   | 6,313           | 6,313           | -          | -        | -        | -        |
| <b>Total Financial assets</b>      | <b>4</b>                           | <b>-</b>                                      | <b>11,685</b>   | <b>11,689</b>   | <b>-</b>   | <b>4</b> | <b>-</b> | <b>4</b> |
| <b>Financial liabilities</b>       |                                    |   |                 |                 |            |          |          |          |
| (i) Derivative liability           | -                                  | -   | -               | -               | -          | -        | -        | -        |
| (ii) Borrowings*                   | -                                  | -   | 1,11,464        | 1,11,464        | -          | -        | -        | -        |
| (iii) Trade payables               | -                                  | -   | 11,742          | 11,742          | -          | -        | -        | -        |
| (iv) Lease liabilities             | -                                  | -   | 1,243           | 1,243           | -          | -        | -        | -        |
| (v) Other financial liabilities    | -                                  | -   | 7,409           | 7,409           | -          | -        | -        | -        |
| <b>Total Financial liabilities</b> | <b>-</b>                           | <b>-</b>                                      | <b>1,31,858</b> | <b>1,31,858</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> |

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| As at March 31, 2025               | Carrying amount                    |   |                |               | Fair value |           |         |           |
|------------------------------------|------------------------------------|---|----------------|---------------|------------|-----------|---------|-----------|
|                                    | Fair value through profit and loss | Fair value through other comprehensive income | Amortised cost | Total         | Level 1    | Level 2   | Level 3 | Total     |
| <b>Financial assets</b>            |                                    |   |                |               |            |           |         |           |
| (i) Trade receivables              | -                                  | -   | 3,030          | 3,030         | -          | -         | -       | -         |
| (ii) Cash and cash equivalents     | -                                  | -   | 19             | 19            | -          | -         | -       | -         |
| (iii) Other bank balances          | -                                  | -   | 2,186          | 2,186         | -          | -         | -       | -         |
| (iv) Other financial assets        | -                                  | -   | 1,572          | 1,572         | -          | -         | -       | -         |
| <b>Total Financial assets</b>      | -                                  | -   | <b>6,807</b>   | <b>6,807</b>  | -          | -         | -       | -         |
| <b>Financial liabilities</b>       |                                    |   |                |               |            |           |         |           |
| (i) Derivative liability           | 29                                 | -   | -              | 29            | -          | 29        | -       | 29        |
| (ii) Borrowings*                   | -                                  | -   | 75,711         | 75,711        | -          | -         | -       | -         |
| (iii) Trade payables               | -                                  | -   | 13,388         | 13,388        | -          | -         | -       | -         |
| (iv) Lease liabilities             | -                                  | -   | 6              | 6             | -          | -         | -       | -         |
| (v) Other financial liabilities    | -                                  | -   | 6,752          | 6,752         | -          | -         | -       | -         |
| <b>Total Financial liabilities</b> | <b>29</b>                          | -   | <b>95,857</b>  | <b>95,886</b> | -          | <b>29</b> | -       | <b>29</b> |

The Company has not disclosed the fair values of financial instruments such as trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, incentives receivable bank cash credits, payable for capital expenditure and trade payables, because their carrying amounts are a reasonable approximation of fair value.

\* The amortised cost of long term borrowings with banks accounted using effective interest rate method are considered to be at their fair values.

**b) Fair value measurements**

Set out above, is the comparison of the fair values of the financial assets and liabilities included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques. The Company has established the following fair value hierarchy that categorises the values into 3 levels.

The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all securities which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date. There are no investments as on March 31, 2026 and March 31, 2025.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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**c) Fair value hierarchy**

Quantitative disclosures of fair value measurement hierarchy-Level 2 for financial instruments.

| Particulars   | Notes | As at March 31, 2026 | As at March 31, 2025 | Level | Valuation techniques and key inputs   |
|---|-------|----------------------|----------------------|-------|---|
| <b>Financial Assets Measured at fair value through profit and loss (FVTPL)</b><br>Derivative asset          | 5     | 4                    | -                    | 2     | The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date. |
| <b>Financial Liabilities Measured at fair value through profit and loss (FVTPL)</b><br>Derivative liability | 14    | -                    | 29                   | 2     | The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date. |

**Valuation inputs and relationships to fair value:**

The Company enters into derivative financial instruments with various counterparties principally, banks with investment grade credit ratings. The following table summarises the valuation technique used in measuring the fair value of the financial instruments, as well as the significant unobservable inputs used.

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| <b>Particulars</b>         | <b>Valuation technique</b>  | <b>Significant unobservable inputs</b> | <b>Inter relationship between significant unobservable inputs and fair value measurement</b> |
|----------------------------|---|--|--|
| Forward exchange contracts | The fair value is determined contracts using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in respective currencies. | Not applicable                         | Not applicable   |

There was no transfer between level 1 and level 2 fair value measurement for the years ended March 31, 2026 and March 31, 2025.

**Financial risk management objectives:**

The Company's financial liabilities primarily comprise borrowings, lease liabilities, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets primarily include trade and other receivables and cash and cash equivalents.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company has a Risk management policy, and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk** is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

**(i) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Company's exposure to the risk of changes in market rates relates primarily to the Company's non-current debt obligations with floating interest rates.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

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As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company has not used any interest rate derivatives.

**Exposure of Interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2026 | March 31, 2025 |
| <b>Fixed-rate instruments</b>   |                |                |
| <b>Assets</b>   |                |                |
| Fixed deposits  | 5,140          | 2,187          |
| <b>Liabilities</b>  |                |                |
| Non-current borrowings  | 36,500         | 14,002         |
| <b>Variable-rate instruments</b>  |                |                |
| Non-current borrowings (including current maturities of long term debt) | 70,556         | 57,651         |
| Current borrowings  | 4,408          | 4,058          |

**Cash flow sensitivity analysis for variable-rate instruments:**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (increased)/ decreased loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars                         | For the year ended<br>March 31, 2026 |          | For the year ended<br>March 31, 2025 |          |
|-------------------------------------|--------------------------------------|----------|--------------------------------------|----------|
|                                     | Increase                             | Decrease | Increase                             | Decrease |
| Impact on profit or loss before tax | (750)                                | 750      | (617)                                | 617      |
| Impact on equity, net of tax        | (561)                                | 561      | (462)                                | 462      |

**(ii) Foreign Currency risk:**

The functional currency of Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels (i.e. Coal) & spare parts and capital expenditure if any, when a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

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The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments to hedge exposure to foreign currency risk.

| <b>Outstanding foreign<br/>currency exposure</b>          | <b>As at<br/>March 31, 2026</b> | <b>As at<br/>March 31, 2025</b> |
|---|---------------------------------|---------------------------------|
| <b>Trade Payables</b>                                     |                                 |                                 |
| USD   | 568                             | 1,408                           |
| <b>Capital Payables</b>                                   |                                 |                                 |
| USD   | -                               | 17                              |
| Less: Derivatives – Foreign currency<br>forward contracts | 568                             | 1,408                           |
| Net exposure in financial liabilities                     | -                               | 17                              |

**Foreign currency sensitivity on unhedged exposure:**

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. For 5% increase or decrease in foreign exchange rates will have the following impact on profit before tax and equity, net of tax.

| <b>Particulars</b>                     | <b>For the year ended<br/>March 31, 2026</b> |                  | <b>For the year ended<br/>March 31, 2025</b> |                  |
|--|--|------------------|--|------------------|
|  | <b>Strengthening</b>                         | <b>Weakening</b> | <b>Strengthening</b>                         | <b>Weakening</b> |
| Impact on profit or loss<br>before tax | -  | -                | 1  | (1)              |
| Impact on equity,<br>net of tax        | -  | -                | 1  | (1)              |

**Note:** If the rate is decreased by 100 bps profit will decrease by an equal amount.

**Credit risk:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks and investments in equity securities. The Company has no significant concentration of credit risk with any counterparty. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables: Customer credit risk is managed by the respective department subject to Company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

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One customer of the Company are contributing to 23% (March 31, 2025: 9%) revenue of the Company.

Cash and cash equivalents and deposits with banks: Credit Risk on cash and cash equivalent and term deposits is generally low as these are kept with banks who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with Financial Institutions approved by Reserve Bank India. Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Security deposits: It consists of rent, electricity and other deposits. The Company does not expect any financial loss as the said deposits are given only to credible vendors/ service providers.

Credit Risk on Derivative Instruments is generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

There are no investments as on March 31, 2026 and March 31, 2025.

#### Liquidity risk:

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company manages liquidity risk by maintaining adequate cash and cash equivalents, monitoring forecast and actual cash flows, and aligning the maturity profiles of financial assets and liabilities.

During the year ended March 31, 2026, there were deviations in compliance with certain financial ratios, under the Company's borrowing arrangements. These deviations did not result in any payment defaults. Prior to the reporting date, the Company has obtained appropriate waivers from its lenders for such non-compliances. Accordingly, the borrowings continue to be classified in accordance with their contractual terms of repayment.

The Management monitors the Company's liquidity position on an ongoing basis and believes that the Company has adequate resources, including expected cash flows from operations and available credit facilities, to meet its financial obligations as they fall due.

Maturity profile of financial liabilities:

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2026 are as follows:

| Particulars   | < 1 Year | 1 – 2 years | > 2 years |
|---|----------|-------------|-----------|
| Trade Payables  | 11,742   | -           | -         |
| Other financial liabilities   | 4,806    | -           | 2,603     |
| Lease liabilities   | 367      | 348         | 695       |
| Borrowings (including current maturities of non-current borrowings) | 17,067   | 22,684      | 1,04,816  |

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The details regarding the contractual maturities of significant financial liabilities as at March 31, 2025 are as follows:

| Particulars   | < 1 Year | 1 – 2 years | > 2 years |
|---|----------|-------------|-----------|
| Trade Payables  | 13,388   | -           | -         |
| Other financial liabilities   | 6,364    | -           | 417       |
| Lease liabilities   | 5        | 2           | -         |
| Borrowings (including current maturities of non-current borrowings) | 5,858    | 5,400       | 64,453    |

**31. Gratuity and other post-employment benefit plans:**

The employee benefit schemes are as under:

**(ii) Defined contribution plan:****Provident Fund**

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 89 (2024–25: ₹ 85).

**Employee State Insurance**

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated ₹ 1 (2024-25: ₹ 2).

**(iii) Defined benefit plan:****Gratuity:**

The Company has a defined retirement benefit gratuity plan. The gratuity plan is governed by the Code of Social Security, 2020. Under the Code of Social Security, 2020, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with insurance companies in the form of qualifying insurance policy for employees. The Gruity plan is administered by the Life Insurance Corporation of India (LIC) through trust.

The defined benefit plan exposes the Company to actuarial risk such as longevity risk, currency risk, interest rate risk and market risk.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as per actuarial valuation as at March 31, 2026 and March 31, 2025:

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- a) **The principal assumptions used for the purposes of actuarial valuations were as follows:**

| Particulars                  | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|------------------------------|---|---|
| Mortality table (LIC)        | IALM 2012-14<br>(ultimate)              | IALM 2012-14<br>(ultimate)              |
| Discount rate                | 7.58%                                   | 6.87%                                   |
| Rate of escalation in salary | 8.56%                                   | 8.74%                                   |
| Attrition rate               | 11.93%                                  | 14.12%                                  |

- b) **Components of defined benefit costs recognized in profit and loss and other comprehensive income:**

| Particulars   | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|---|---|---|
| <b><u>Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:</u></b> |   |   |
| Current service cost  | 30                                      | 28                                      |
| Interest expense  | 14                                      | 13                                      |
| Interest income on plan assets  | (1)                                     | (2)                                     |
| Other adjustments   | 2                                       | 1                                       |
| <b>Defined benefit cost included in profit and loss</b>   | <b>45</b>                               | <b>40</b>                               |
| <b><u>Amounts recognized in Other Comprehensive Income (OCI) are as follows:</u></b>                              |   |   |
| Remeasurements – Due to financial adjustments   | (11)                                    | 11                                      |
| Remeasurements – Due to demographic adjustments   | 3                                       | (16)                                    |
| Remeasurements – Due to experience adjustments  | (3)                                     | 21                                      |
| Return on plan assets (excluding in interest income)  | -                                       | (1)                                     |
| <b>Components of defined benefit costs recognized in OCI</b>  | <b>(11)</b>                             | <b>15</b>                               |

- c) **Key Results - Reconciliation of fair value of assets and obligations**

| Particulars   | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|---|---|---|
| Present value of funded defined benefit obligations   | 225                                     | 224                                     |
| Fair value of plan assets                             | (8)                                     | (25)                                    |
| Net liability arising from defined benefit obligation | 217                                     | 199                                     |

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**d) Movement in present value of defined benefits obligation are as follows:**

| Particulars   | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---|--------------------------------------|--------------------------------------|
| Defined benefit obligation at the beginning of the year | 224                                  | 185                                  |
| Current service cost                                    | 30                                   | 28                                   |
| Interest cost   | 14                                   | 13                                   |
| Remeasurements – Due to financial adjustments           | (11)                                 | 11                                   |
| Remeasurements – Due to demographic adjustments         | 3                                    | (16)                                 |
| Remeasurements – Due to experience adjustments          | (3)                                  | 21                                   |
| Benefits paid out of plan assets and by employer        | (32)                                 | (18)                                 |
| <b>Defined benefit obligation at the year end</b>       | <b>225</b>                           | <b>224</b>                           |

**e) Maturity profile of defined benefit obligation:**

| Particulars   | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---------------|--------------------------------------|--------------------------------------|
| Within 1 year | 34                                   | 48                                   |
| 1 – 2 years   | 29                                   | 31                                   |
| 2 – 3 years   | 41                                   | 34                                   |
| 3 – 4 years   | 24                                   | 28                                   |
| 4 – 5 years   | 33                                   | 25                                   |
| 5 – 10 years  | 85                                   | 78                                   |

**f) Movement in fair value of plan assets are as follows:**

| Particulars                                     | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---|--------------------------------------|--------------------------------------|
| Opening fair value of the plan assets           | 25                                   | 21                                   |
| Expected return on plan assets                  | 1                                    | 2                                    |
| Contributions from the employer                 | 15                                   | 19                                   |
| Benefits paid out of plan assets                | (32)                                 | (18)                                 |
| Re-measurement – Actuarial loss/ (gain)         | (1)                                  | 1                                    |
| <b>Fair value of plan asset at the year end</b> | <b>8</b>                             | <b>25</b>                            |

**g) Sensitivity Analysis:**

For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation presented under net defined liability. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

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There was no change in the methods and assumptions used in the preparation of the sensitivity analysis from previous year.

| Particulars                                   | Defined Benefit Obligation           |          |                                      |          |
|---|--------------------------------------|----------|--------------------------------------|----------|
|   | For the year ended<br>March 31, 2026 |          | For the year ended<br>March 31, 2025 |          |
|   | Increase                             | Decrease | Increase                             | Decrease |
| Effect of 1% change in assumed discount rate  | 215                                  | 238      | 215                                  | 235      |
| Effect of 1% change in assumed salary rate    | 239                                  | 213      | 236                                  | 214      |
| Effect of 1% change in assumed attrition rate | 224                                  | 227      | 224                                  | 226      |
| Effect of 1% change in assumed mortality rate | 226                                  | 226      | 225                                  | 225      |

The average duration of the benefit obligation at the end of the reporting period is 6 years (March 31, 2025: 5 years).

**h) The major categories of plan assets are as under:**

| Particulars                                 | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|---|---|---|
| Insurer managed funds<br>(Funded with LIC)* | 8                                       | 25                                      |

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

- i) **Asset Liability matching strategy:** The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully refund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

32. Operating segments are components of the Company that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete information is available. The management has considered that the Company has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further, the Company is engaged in single product line of manufacturing and selling cement and its customers and non-current assets are located in India only.

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**33. Related Party Disclosures:**

The list of related parties of the Company is given below:

| <b>Name</b>  | <b>Relationship</b>  |
|--|--|
| Sagar Cements Limited  | Holding Company  |
| <b>Key managerial personnel (KMP):</b>                         |  |
| K. V. Vishnu Raju  | Chairman   |
| Dr. S. Anand Reddy   | Managing Director (MD)   |
| S. Sreekanth Reddy   | Director   |
| V. H. Ramakrishnan   | Independent Director   |
| Ravichandran Rajagopal   | Independent Director   |
| O Rekha  | Independent Director   |
| Rachana Sammidi  | Director   |
| K Prasad   | Chief Financial Officer (CFO)                                  |
| G Tirupati Rao   | Company Secretary (CS)   |
| <b>Relatives of KMP:</b>                                       |  |
| S. Vanajatha   | Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy            |
| Sagar Cements (M) Private Limited                              | Fellow Subsidiary  |
| RV Consulting Services Private Limited                         | Enterprise in which KMP of the Company exercise control        |
| <b>Additional related parties – As per Companies Act, 2013</b> |  |
| Panchavati Polyfibres Limited                                  | Enterprise in which KMP of the Company is a director or member |

**Summary of the transactions with the above parties are as follows:**

| <b>Nature of transaction</b>              | <b>Party Name</b>                      | <b>For the year ended March 31, 2026</b> | <b>For the year ended March 31, 2025</b> |
|---|--|--|--|
| Purchase of property, plant and equipment | RV Consulting Services Private Limited | 14,556                                   | 8,861                                    |
| Purchase of packing material              | Panchavati Polyfibres Limited          | 962                                      | 883                                      |
| Purchase of Spares                        | Sagar Cements Limited                  | 28                                       | 7  |
| Interest expense on unsecured loan        | Sagar Cements Limited                  | 1,093                                    | 683                                      |
|   | RV Consulting Services Private Limited | 677                                      | 19                                       |
|   | <b>Total</b>                           | <b>1,770</b>                             | <b>702</b>                               |
| Loans taken                               | Sagar Cements Limited                  | 14,998                                   | 3,702                                    |
|   | RV Consulting Services Private Limited | 2,500                                    | 2,500                                    |
|   | <b>Total</b>                           | <b>17,498</b>                            | <b>6,202</b>                             |
| Repayment of loan taken                   | Sagar Cements Limited                  | -  | 200                                      |
| Sale of clinker                           | Sagar Cements Limited                  | 10,108                                   | 2,525                                    |

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|                                       |  |           |           |
|---------------------------------------|--|-----------|-----------|
| Services received                     | Sagar Cements Limited                  | 557       | 505       |
| Reimbursement of expenses paid        | Sagar Cements Limited                  | 2         | 2         |
| Reimbursement of expenses received    | RV Consulting Services Private Limited | 5         | 8         |
| Purchase of coal                      | Sagar Cements Limited                  | 574       | 417       |
| Sale of property, plant and equipment | Sagar Cements Limited                  | -         | 10        |
| Sale of spares                        | Sagar Cements Limited                  | 8         | -         |
|                                       | Sagar Cements (M) Private Limited      | -         | 2         |
|                                       | RV Consulting Services Private Limited | -         | 76        |
|                                       | <b>Total</b>                           | <b>8</b>  | <b>78</b> |
| Rent expenses paid                    | Dr. S. Anand Reddy                     | 5         | 5         |
|                                       | S. Sreekanth Reddy                     | 5         | 5         |
|                                       | S. Vanajatha                           | 5         | 5         |
|                                       | <b>Total</b>                           | <b>15</b> | <b>15</b> |
| Corporate guarantee taken             | Sagar Cements Limited                  | 27,000    | 4,000     |

**Compensation to key managerial personnel is as follows:**

| <b>Nature of transaction</b>        | <b>Party Name</b>                                | <b>For the year ended March 31, 2026</b> | <b>For the year ended March 31, 2025</b> |
|-------------------------------------|--|--|--|
| Short-term benefits                 | CS   | 28                                       | 26                                       |
| Other long term employment benefits | CS   | 1  | -  |
| Sitting fee                         | Chairman, Independent Director, MD and Directors | 28                                       | 30                                       |

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**Outstanding balances:**

| <b>Nature of balance</b>                                | <b>Party Name</b>                         | <b>As at<br/>March 31,<br/>2026</b> | <b>As at<br/>March 31,<br/>2025</b> |
|---|---|-------------------------------------|-------------------------------------|
| Borrowings  | Sagar Cements Limited                     | 24,500                              | 9,502                               |
|   | RV Consulting Services<br>Private Limited | 5,000                               | 2,500                               |
|   | <b>Total</b>                              | <b>29,500</b>                       | <b>12,002</b>                       |
| Trade payables  | Panchavati Polyfibres Limited             | 253                                 | 127                                 |
| Interest accrued but not due<br>on loan taken           | Sagar Cements Limited                     | 1,812                               | 829                                 |
|   | RV Consulting Services<br>Private Limited | 55                                  | 17                                  |
|   | <b>Total</b>                              | <b>1,867</b>                        | <b>846</b>                          |
| Payable on purchase of<br>property, plant and equipment | RV Consulting Services<br>Private Limited | -                                   | 3,478                               |
| Capital advances  | RV Consulting Services<br>Private Limited | 204                                 | 427                                 |
| Corporate guarantee taken                               | Sagar Cements Limited                     | 97,500                              | 70,500                              |
| Trade receivables<br>Private Limited                    | Sagar Cements (M)                         | -                                   | 2                                   |
|   | Sagar Cements Limited                     | 159                                 | -                                   |
|   | <b>Total</b>                              | <b>159</b>                          | <b>2</b>                            |
| Advance received<br>from customers                      | Sagar Cements Limited                     | -                                   | 2,155                               |

During the year, the Company has received an unconditional support letter from the Holding Company.

**34. Lease**

The Company has lease contracts for various items of plant and machinery and buildings used in its operations with lease terms between 2 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of buildings with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases. There are no low-value or variable lease expenses for the Company.

For building leases, the Company has used an incremental borrowing rate determined based on its average borrowing cost adjusted for lease specific factors.

For certain plant and machinery leases, where the fair value or cost of the underlying asset and lease payment structure are available in the lease arrangement, the interest rate implicit in the lease has been determined and used for measurement of the lease liability.

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**Following are the movement in the carrying value of right of use assets during the year:**

| Particulars            | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|------------------------|---|---|
| Opening Balance        | 6                                       | 17                                      |
| Additions              | 1,818                                   | 7                                       |
| Depreciation           | (68)                                    | (18)                                    |
| <b>Closing Balance</b> | <b>1,756</b>                            | <b>6</b>                                |

The aggregate depreciation expense on right-of-use assets is included under depreciation expense in the statement of profit and loss.

**The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025:**

| Particulars                         | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|-------------------------------------|---|---|
| Opening balance                     | 6                                       | 17                                      |
| Additions                           | 1,770                                   | 7                                       |
| Interest expense                    | 66                                      | 1                                       |
| Payments including Interest expense | (599)                                   | (19)                                    |
| <b>Closing balance</b>              | <b>1,243</b>                            | <b>6</b>                                |

**The following is the break-up of current and non-current lease liabilities as at March 31, 2026 and March 31, 2025:**

| Particulars  | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|--------------|---|---|
| Non-current  | 946                                     | 2                                       |
| Current      | 297                                     | 4                                       |
| <b>Total</b> | <b>1,243</b>                            | <b>6</b>                                |

**The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on undiscounted basis**

| Particulars                                 | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|---|---|---|
| Within one year                             | 367                                     | 5                                       |
| After one year but not more than five years | 1,043                                   | 2                                       |
| More than 5 years                           | -                                       | -                                       |

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**Amount recognised in statement of profit and loss account:**

| Particulars  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|--------------------------------------|
| Amortization of right of use assets                                  | 68                                   | 18                                   |
| Interest on lease liability  | 66                                   | 1                                    |
| Expense relating to short term lease<br>(included in other expenses) | 43                                   | 40                                   |

**Impact on statement of cash flows:**

| Particulars                                       | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---|--------------------------------------|--------------------------------------|
| Payment of principal portion of lease liabilities | 533                                  | 19                                   |
| Payment of interest portion of lease liabilities  | 66                                   | -                                    |
| Payment of short term lease                       | 43                                   | 40                                   |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**35. Earnings per share**

| Particulars  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|--------------------------------------|
| Loss after tax (₹ in lakhs)                          | (6,716)                              | (15,211)                             |
| Weighted average number of equity shares outstanding | 9,21,72,140                          | 9,21,72,140                          |
| Earnings per share:                                  |                                      |                                      |
| Basic (in ₹)   | (7.29)                               | (16.50)                              |
| Diluted (in ₹)                                       | (7.29)                               | (16.50)                              |

36. The Holding Company extended the corporate guarantee for the further loans availed by the Company and on account of the same, the loans were given at concessional rate to the Company. The fair value of the corporate guarantee aggregating to ₹ 1,046 (March 31, 2025: ₹ 719) has been accounted as deemed investment in equity.

**37. (a) Reconciliation of revenue from sale of goods with the contracted price:**

| Particulars  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|--------------------------------------|
| Revenue as per contracted price                    | 51,585                               | 31,448                               |
| Less: Discounts and incentives                     | (7,067)                              | (4,161)                              |
| <b>Total revenue from contracts with customers</b> | <b>44,118</b>                        | <b>27,287</b>                        |

- The Company is primarily in the business of manufacture and sale of cement and cement related products. The product shelf life being short, all sales are made at a

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point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery.

- Contract price is determined as per terms agreed with the customer adjusted for discounts and rebates as applicable.
- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- Company's contracts for the sale of goods are typically short term in nature, with a duration of less than one year. Accordingly, the Company has applied the practical expedient provided under Ind AS 115 and has not disclosed the transaction price allocated to remaining performance obligations.

**(b) Disaggregation of Revenue:**

The Company derives its revenue from contracts with customers for the transfer of goods at a point in time.

Revenue by timing of recognition:

| Particulars                          | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|--------------------------------------|---|---|
| Goods transferred at a point in time | 44,118                                  | 27,287                                  |

**(c) Movement in contract liabilities:**

| Particulars                   | For the<br>year ended<br>March 31, 2026 | For the<br>year ended<br>March 31, 2025 |
|-------------------------------|---|---|
| Opening balance               | 2,894                                   | 367                                     |
| Movement during the year, net | (2,173)                                 | 2,527                                   |
| Closing balance               | 721                                     | 2,894                                   |

The amount of revenue recognised during the year against the advance from customers outstanding at the beginning of the year is ₹ 2,855 (March 31, 2025: ₹ 358). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

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**38. Capital Work-in-Progress:**

(a) Movement of Capital Work-in-Progress (CWIP):

| Particulars                          | Amount (₹)    |
|--------------------------------------|---------------|
| <b>Balance as on April 01, 2024</b>  | <b>13</b>     |
| Add: Additions during the year (net) | 12,270        |
| Less: Capitalised                    | 1,677         |
| <b>Balance as on March 31, 2025</b>  | <b>10,606</b> |
| Add: Additions during the year (net) | 18,488        |
| Less: Capitalised                    | 28,457        |
| <b>Balance as on March 31, 2026</b>  | <b>637</b>    |

(b) Capital Work-in-Progress ageing schedule:

Ageing for capital work-in-progress as at March 31, 2026 is as follows:

| Particulars          | Amount of Capital work-in-progress for the period of |             |             |                   | Total |
|----------------------|--|-------------|-------------|-------------------|-------|
|                      | Less than 1 year                                     | 1 - 2 years | 2 - 3 years | More than 3 years |       |
| Projects in progress | 324  | 313         | -           | -                 | 637   |

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

| Particulars          | Amount of Capital work-in-progress for the period of |             |             |                   | Total  |
|----------------------|--|-------------|-------------|-------------------|--------|
|                      | Less than 1 year                                     | 1 - 2 years | 2 - 3 years | More than 3 years |        |
| Projects in progress | 10,606   | -           | -           | -                 | 10,606 |

There are no projects where activity has been suspended during the year.

**Notes:**

- The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.
- There are no suspended projects as at March 31, 2026 and March 31, 2025.

**39. Relationship with struck off companies:**

| Name of Struck off Company                 | Nature of transactions                 | Balance outstanding as at March 31, 2026 | Balance outstanding as at March 31, 2025 |
|--|--|--|--|
| Ninad Holding Private Limited              | Shareholders of Andhra Cements Limited | 46 No's                                  | 46 No's                                  |
| Ninad Holding Pvt Ltd                      |  | 125 No's                                 | 125 No's                                 |
| Fairgrowth Investments Limited             |  | 34 No's                                  | 34 No's                                  |
| Cosmat Investments Private Limited         |  | 20 No's                                  | 20 No's                                  |
| Skyline Promoters Private Limited          |  | 15 No's                                  | 15 No's                                  |
| LYNX Mutual Funds Limited                  |  | 13 No's                                  | 13 No's                                  |
| Rockland Leasing Limited                   |  | 11 No's                                  | 11 No's                                  |
| Baps (India) Trading Private Limited       |  | 11 No's                                  | 11 No's                                  |
| Micronet Software Services Private Limited |  | 10 No's                                  | 10 No's                                  |

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|  |   |        |        |
|--|---|--------|--------|
| Silver Arrow Investments Private Limited           | Shareholders<br>of Andhra<br>Cements<br>Limited | 9 No's | 9 No's |
| Devika Constructions Private Limited               |   | 5 No's | 5 No's |
| Paul Dey & Company Private Limited                 |   | 4 No's | 4 No's |
| Suphala Plantations India Limited                  |   | 4 No's | 4 No's |
| Sukam Financial Services Private Limited           |   | 3 No's | 3 No's |
| GPS Commercial Private Limited                     |   | 3 No's | 3 No's |
| Sindhudurg Investments Private Limited             |   | 3 No's | 3 No's |
| HI-LEA Finance Limited                             |   | 3 No's | 3 No's |
| Victor Properties Private Limited                  |   | 1 No   | 1 No   |
| Aravali Commercial Private Limited                 |   | 1 No   | 1 No   |
| Mifco Credits & Securities Limited                 |   | 1 No   | 1 No   |
| Prananjali Investment & Trading Co Private Limited |   | 1 No   | 1 No   |
| Baps (India) Trading Private Limited               |   | 1 No   | 1 No   |
| Rajendra Mercantile Private Limited                |   | 1 No   | 1 No   |
| Rohifin Investment Private Limited                 |   | 1 No   | 1 No   |
| Small Lots Services Limited                        |   | 1 No   | 1 No   |
| HPM Investments Limited                            |   | 1 No   | 1 No   |
| Balbir Leasing Private Limited                     |   | 1 No   | 1 No   |
| Kay Bee Finvest Private Limited                    |   | 1 No   | 1 No   |

**40. Key financial ratios:**

| Ratio                                    | Numerator                                      | Denominator   | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 | % of Variance | Refer Note |
|--|--|---|--------------------------------------|--------------------------------------|---------------|------------|
| Current Ratio (Times)                    | Current Assets                                 | Current Liabilities excl. Current Borrowings          | 1.04                                 | 0.55                                 | 91%           | 1          |
| Debt-Equity Ratio (times)                | Debt <sup>(1)</sup>                            | Net Worth <sup>(2)</sup>                              | 13.81                                | 5.24                                 | 164%          | 1          |
| Debt Service Coverage Ratio (times)      | Earnings before depreciation, interest and tax | Interest expense + Principal repayment <sup>(3)</sup> | 0.22                                 | (0.23)                               | 194%          | 1          |
| Return on Equity Ratio (ROE) (times)     | Net Profits after taxes – Preference Dividend  | Average Shareholder's Equity                          | (0.60)                               | (0.69)                               | 14%           | -          |
| Inventory turnover ratio (times)         | Sales of Products and Services                 | Average Inventory <sup>(4)</sup>                      | 6.11                                 | 4.47                                 | 37%           | 1          |
| Trade Receivables turnover ratio (times) | Sales of Products and Services                 | Average Trade Receivable <sup>(5)</sup>               | 11.40                                | 7.92                                 | 44%           | 1          |
| Trade payables turnover ratio (times)    | Purchase                                       | Average Trade Payables <sup>(6)</sup>                 | 3.31                                 | 2.51                                 | 32%           | 1          |
| Net capital turnover ratio (times)       | Sales of Products and Services                 | current assets - current liabilities                  | (4.63)                               | (1.66)                               | 179%          | 1          |
| Net profit ratio (%)                     | Profit after tax                               | Sales of Products and Services                        | (15.22%)                             | (55.74%)                             | 73%           | 1          |
| Return on Capital employed (times)       | Earnings before interest and taxes             | Capital Employed <sup>(7)</sup>                       | (0.05)                               | (0.10)                               | 53%           | 1          |
| Return on Investments (%)                | Income generated from investments              | Total investments                                     | NA                                   | NA                                   | -             | -          |

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- <sup>(1)</sup> Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities  
<sup>(2)</sup> Net Worth = Equity share capital + Other equity  
<sup>(3)</sup> Excluding refinanced debt for all the loan funds during the period  
<sup>(4)</sup> Average inventory = (Opening + Closing balance) / 2  
<sup>(5)</sup> Average trade receivables = (Opening + Closing balance) / 2  
<sup>(6)</sup> Average trade payables = (Opening + Closing balance) / 2  
<sup>(7)</sup> Capital Employed = Tangible net worth + Total debt + Deferred tax liability

#### Notes:

- The movement is on account of increase in operations during the financial year, which is coupled with increase in borrowings raised during the year.
- On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), subsuming the existing labour laws. Further, the Ministry of Labour and Employment has notified the Rules under the said Codes on May 8, 2026.

The Company has assessed the potential impact of the aforesaid Labour Codes based on the provisions notified, the Rules framed thereunder, related clarifications and legal opinion obtained, in accordance with the guidance issued by the Institute of Chartered Accountants of India.

Based on such assessment, there is no incremental impact identified on the Company's obligations towards gratuity and compensated absences as at the reporting date.

- The Board of Directors of the Company in their meeting on March 30, 2026 has accorded in-principle approval for the proposed merger of the Company with the Holding Company, Sagar Cements Limited, subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013.

#### 43. Other statutory information

- The Company does not have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not revalued its Property, plant and equipment (including right-of-use assets) and Intangible assets during the period.
- The Company does not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has not surrendered or disclosed any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (ix) The requirements as stipulated by the provisions of Section 135 of the Companies Act, 2012 is not applicable to the Company.
44. Previous period figures have been regrouped/reclassified to conform to current year's classification as under:

| Note No | Note Description                     | Previously Reported Amount | Revised Amount | Change | Particular   |
|---------|--------------------------------------|----------------------------|----------------|--------|--|
| 5       | Other financial assets - Non-current | 1,306                      | 1,307          | 1      | Reclassification of Interest accrued but not due on non-current margin money deposits of ₹ 1 from Other financial assets - Current and included in Deposit with banks with original maturity for more than 12 months at amortised cost.  |
| 5       | Other financial assets - Current     | 280                        | 265            | (15)   | (i) Reclassification of Advance to employees of ₹ 1 to Other assets - Current.<br>(ii) Reclassification of Interest accrued but not due of ₹ 75 from Other financial assets - Current to below:<br>a) Interest accrued but not due on power deposits of ₹ 61 included in the Security deposits reported in Other financial assets - Current.<br>b) Interest accrued but not due on other bank balance deposits of ₹ 13 to Other bank balances and included in the Margin Money deposits.<br>c) Interest accrued but not due on non-current margin money deposits of ₹ 1 to Other financial assets - Non-current and included in Deposit with banks with original maturity for more than 12 months at amortised cost. |
| 6       | Other assets -Current                | 810                        | 811            | 1      | Reclassification of Advance to employees of ₹ 1 from Other financial assets - Current.   |
| 10      | Other bank balances                  | 2,173                      | 2,186          | 13     | Reclassification of Interest accrued but not due on other bank balance deposits of ₹ 13 from Other financial assets - Current and included in Margin money deposits.   |

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All amounts are in ₹ Lakhs unless otherwise stated

|    |                                       |        |        |         |  |
|----|---------------------------------------|--------|--------|---------|--|
| 14 | Other financial liabilities - Current | 5,213  | 6,364  | 1,151   | Reclassification of Supplier finance credit of ₹ 1,151 from Trade Payables - Current.  |
| 15 | Provisions - Non-current              | 210    | 633    | 423     | Reclassification of Liability for mining restoration costs of ₹ 423 from Other liabilities - Non-current.  |
| 16 | Trade Payables - Current              | 14,782 | 13,388 | (1,394) | (i) Reclassification of Supplier finance credit of ₹ 1,151 to Other financial liabilities - Current.(ii) Reclassification of liability towards dealer incentive of ₹ 243 to Other liabilities - Current. |
| 17 | Other liabilities – Non-current       | 423    | -      | (423)   | Reclassification of Liability for mining restoration costs of ₹ 423 to Provisions - Non-current.   |
| 17 | Other liabilities – Current           | 3,156  | 3,399  | 243     | Reclassification of Liability towards dealer incentive of ₹ 243 from Trade Payables - Current.   |

45. As at March 31, 2026, the Company incurred a net loss of ₹ 6,716 for the year (March 31, 2025: ₹ 15,211) and had accumulated losses of ₹ 64,686. The Company also reported negative operating cash flows of 2,515 during the year. As at March 31, 2026, the Company had a net current liability position of ₹ 9,521, with current liabilities of ₹ 28,454 exceeding current assets of ₹ 18,933. These events or conditions cast significant doubts on the Company's ability to continue as a going concern.

Management has assessed the appropriateness of the going concern assumption after considering these indicators, future business plans, projected future operating cash flows, availability of undrawn bank credit facilities, existing cash and bank balances, continued financial support from the Holding Company in the form of corporate guarantees for bank borrowings, and the Holding Company's unconditional support letter confirming its intention and ability to provide operational and financial support to the Company, as necessary, to enable it to continue its operations and meet its liabilities as and when they fall due in the normal course of its business for the foreseeable future.

Based on this assessment, the financial statements have been prepared on a going concern basis, with assets and liabilities recorded on the assumption that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

46. These financial statements were approved by the Company's Board of Directors on May 13, 2026.

As per our report of even dated attached.

For **B S R and Co**

Chartered Accountants

Firm Registration No: 128510W

**Balkishan Kabra**

Partner

Membership No: 221202

Place: Hyderabad

Date: May 13, 2026

For and on behalf of the Board of Directors of

**Andhra Cements Limited****Dr. S. Anand Reddy**

Managing Director

DIN: 00123870

Place: New Delhi

Date: May 13, 2026

**G. Tirupati Rao**

Company Secretary

M.No.F2818

Place: Hyderabad

Date: May 13, 2026

**S. Sreekanth Reddy**

Director

DIN: 00123889

Place: Chicago, USA

Date: May 13, 2026

**K. Prasad**

Chief Financial Officer

Place: Hyderabad

Date: May 13, 2026

If undelivered, please return to:

**ANDHRA CEMENTS LIMITED**

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Jubilee Hills, Hyderabad - 500 033  
Ph: +91-40-23351571