Draft Letter of Offer
Dated: June 17, 2022
For Eligible Shareholders only

ANJANI PORTLAND CEMENT LIMITED

Anjani Portland Cement Limited was originally incorporated as "Shez Chemicals Limited" on December 17, 1983 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh. Subsequently a fresh certificate of incorporation consequent upon change of name of our Company to "Shez Cements Limited" was issued on October 17, 1985 by the Registrar of Companies, Andhra Pradesh, pursuant to a special resolution passed in the shareholders' meeting held on February 25, 1985. Thereafter, pursuant to a special resolution passed at the Shareholders meeting held on September 30, 1999, the name of our Company was changed to "Anjani Portland Cement Limited", its current name, and a fresh certificate of incorporation consequent upon change of name of our Company was issued on October 7, 1999 by Registrar of Companies, Andhra Pradesh at Hyderabad. For details, including reasons for changes in the name and registered office of our Company, see General Information on Page 38 of this Draft Letter of Offer.

Registered & Corporate Office: 6-3-553, Unit No. E3 & E4, 4th Floor, Quena Square Off. Taj Deccan Road, Erramanzil, Hyderabad – 500 082, Telangana, India.
Tel: + 91 40 2335 3096/ 3106; **Contact Person:** Subhanarayan Muduli, Company Secretary and Compliance Officer**;**
E-mail: secretarial@anjanicement.com; **Website:** www.anjanicement.com;
Corporate Identification Number: L26942TG1983PLC157712

OUR PROMOTER: CHETTINAD CEMENT CORPORATION PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ANJANI PORTLAND CEMENT LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] EACH, INCLUDING A SHARE PREMIUM OF ₹ [●] /- PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 25,000 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] ([●]) RIGHTS EQUITY SHARE(S) FOR EVERY [●]([●]) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON, [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] ([●]) TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 123 OF THIS DRAFT LETTER OF OFFER.

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company, our Promoter nor our Directors are categorised as wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 17 of this Draft Letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (together the "**Stock Exchanges**"). Our Company has received 'in-principle' approval from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* their letters dated [●] and [●] respectively. Our Company will also make application to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SAFFRON ●●●●● energising ideas	KFINTECH
SAFFRON CAPITAL ADVISORS PRIVATE LIMITED	**KFIN TECHNOLOGIES LIMITED**
605, Center Point, 6th floor, J. B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai - 400 059, Maharashtra, India.	Selenium Tower – B, Plot 31 & 32,Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India.
Telephone: +91 22 4973 0394	**Telephone:** +91 40 6716 2222 / +91 40 7961 1000
Facsimile: NA	**Facsimile:** NA
E-mail: rights.issue@saffronadvisor.com	**Email**: murali.m@kfintech.com
Website: www.saffronadvisor.com	**Investor Grievance Email**: einward.ris@kfintech.com
Investor grievance: investorgrievance@saffronadvisor.com	**Website:** www.kfintech.com
Contact Person: Gaurav Khandelwal / Elton D'souza	**Contact Person:** M. Murali Krishna
SEBI Registration Number: INM 000011211	**SEBI Registration Number:** INR000000221
Validity of Registration: Permanent	**Validity of Registration:** Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/ prospective investors only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled "Industry Overview", "Summary of this Draft Letter of Offer", "Financial Information", "Statement of Tax Benefits, "Outstanding Litigation and Material Developments" and "Issue Related Information" on pages 54, 14, 78, 46, 105, and 123 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Company" or "our Company" or "the Company" or "the Issuer" or "Anjani Portland Cement Limited"	Anjani Portland Cement Limited, a public limited company incorporated under Companies Act, 1956 having its registered office at, 6-3-553, Unit No. E3 & E4, 4th Floor, Quena Square Off: Taj Deccan Road, Erramanzil, Hyderabad – 500 082, Telangana, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.

Company related Terms

Term	Description
Articles / Articles of Association / AoA	Articles / Articles of Association of our Company, as amended from time to time.
Audited Consolidated Financial Statements	The audited financial statements of our Company and its Subsidiary for the year ended March 31, 2022 prepared in accordance with IND AS which comprises the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended March 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon.
Audit Committee	The Board of Directors of our Company constituted audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Section 177 of the Companies Act, 2013.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, Ramanatham & Rao, Chartered Accountants.
Board/ Board of Directors	Board of directors of our Company including any committee thereof.
Chairperson and Non-Executive Independent Director	Valliammai Valliappan
Company Secretary and Compliance Officer	Subhanarayan Muduli, the Company Secretary and the Compliance Officer of our Company.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified as described in the subsection titled "*Our Management*" on page 74 of this Draft Letter of Offer.
ERP	Enterprise resource planning
Equity Shares	Equity shares of our Company having face value of ₹ 10 each, unless otherwise specified in context thereof.
Executive Directors	Executive directors of our Company as described in the subsection titled "*Our Management*" on page 74 of this Draft Letter of Offer.
Financial Information	Collectively the Audited Consolidated Financial Statements, unless otherwise specified in context thereof.

Term	Description
Independent Director(s)	Independent directors of our Company as defined in the Companies Act and the SEBI Listing Regulations as described in the subsection titled "*Our Management*" on page 74 of this Draft Letter of Offer.
Key Management Personnel / KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled "*Our Management – Key Managerial Personnel*" on page 74 of this Draft Letter of Offer.
Materiality Policy	For the purpose of this Issue, Materiality Policy means the threshold adopted by our Rights Issue Committee in its meeting held on May 12, 2022 in relation to any outstanding material litigation involving our Company and it's Subsidiary other than proceedings involving issues of moral turpitude, criminal liability, material violation of statutory regulations or proceedings related to economic offences. For further details, refer to section titled "*Outstanding Litigation and Material Developments*" on page 105.
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Non-executive Directors	Non-executive Directors of our Company as described in the subsection title *Management*" on page 74 of this Draft Letter of Offer.
Promoter	The Promoter of our Company namely Chettinad Cement Corporation Private Limited.
Promoter Group	Individuals and entities forming part of the promoter group of the Company in accordance with Regulation 2(1)(pp) SEBI ICDR Regulations and which are disclosed by the Company to Stock Exchanges from time to time.
Registered Office	The registered office of our Company located at 6-3-553, Unit No. E3 & E4, 4th Floor, Quena Square Off. Taj Deccan Road, Erramanzil, Hyderabad – 500 082, Telangana, India.
Registrar of Companies/ RoC	Registrar of Companies, Hyderabad at Telangana located at 2nd Floor, Corporate Bhavan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad – 500 068, Telangana, India.
Rights Issue Committee/ Duly Authorized Committee	The Committee of our Board reconstituted through the board resolution dated May 12, 2022.
Shareholders/ Equity Shareholders	The Equity Shareholders of our Company, from time to time.
Subsidiary	Companies or body corporates constituting the subsidiary of our Company as determined in terms of Section 2(87) of the Companies Act, in our case the subsidiary of our Company namely "*Bhavya Cements Private Limited*".

Issue related Terms

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the Escrow account(s) and the Application amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer.
Application	Application made through (i) submission of the Common Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Common Application Form	Unless the context otherwise requires, an Common Application Form (though the website of the SCSBs (if made available by such SCSBs) under the ASBA process

Term	Description
	used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB and as specified in the Common Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Common Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being [●].
Bankers to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLOF	This Draft Letter of Offer dated June 17, 2022 filed with the Stock Exchanges, for its observations and in-principle listing approval.
Equity Shareholder(s)/ Shareholder(s)	The holders of the Equity Shares of our Company.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 8 of this Draft Letter of Offer.
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors – eligible equity shareholders as on record date making an Application through the ASBA facility.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10/- each ("Rights Equity Shares") of our Company for cash at a price of ₹ [●]/- per Rights Equity Share (including a share premium of ₹[●] per Rights Equity Share) aggregating up to ₹ 25,000 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]. **Assuming full subscription*
Issue Agreement	Agreement dated May 12, 2022 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the issue.
Issue Closing Date	**[●]**

Term	Description
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter.
Issue Opening Date	**[●]**
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●]/- per Rights Equity Share including a share premium of ₹ [●] per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	Amount aggregating up to ₹ 25,000 Lakhs* **Assuming full subscription*
Lead Manager	Saffron Capital Advisors Private Limited
Letter of Offer/LOF	The final Letter of Offer to be issued by our Company in connection with the Issue.
Monitoring Agency	Monitoring Agency appointed for the purpose of the Issue namely CARE Ratings Limited.
Monitoring Agency Agreement	Agreement dated May 26, 2022 entered into between our Company and the Monitoring Agency in relation to monitoring of Issue Proceeds.
Net Proceeds	Proceeds of the Issue less our Company's Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 46 of this Draft Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before the Issue Closing Date, i.e. [●].
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar to the Issue / Registrar	KFin Technologies Limited.
Registrar Agreement	Agreement dated May 30, 2022 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/ have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., **[●]**. Such period shall close on **[●]**, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., **[●]**.
Retail Individual Bidders(s)/ Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹ 200,000 in the Issue as defined under Regulation 2(1) (vv) of the SEBI ICDR Regulations.
Rights Entitlement/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held on [●].
RE ISIN	ISIN for Rights Entitlement i,e, [●]
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares/ Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid up basis on Allotment.

Term	Description
SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Self-Certified Syndicate Banks" or "SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or a Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (lll) of SEBI ICDR Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
CAGR	Compounded Annual Growth Rate
CC	Composite Cement
CE	Conformite Europeenne
Covid-19	Coronavirus Disease 2019
FDI	Foreign Direct Investment
FRP	Financial, Real Estate and Professional Services
GDP	Gross Domestic Product
GNI	Gross National Income
GVA	Gross Value Added
ICRA	Investment Information and Credit Rating Agency of India
ICT	Information and communications technology
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee (₹)
Iot	Internet of things
IIot	Industrial internet of things
IT	Information Technology
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act, 2005
MT	Metric tonnes
OPC	Ordinary Portland Cement
PDM	Product Data Management
PLM	Product lifecycle management
PMI	Purchasing Managers' Index
PPC	Portland Pozzolana Cement
R&D	Research & Development
RCC	Reinforced Cement Concrete
ROHS	Restriction on certain hazardous substances
RoW	Rest of World
UL	Underwriters' Laboratories
USA/US	United States of America
USD/ US$	US Dollar
WEO	World Economic Outlook
YoY	Year over Year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt instruments) Rules, 2019
Financial Year/ Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax Act, 2017
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICD/ ICDS	Inter-Corporate Deposit
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
IND AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended

Term	Description
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
Mn /mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
R&D	Research and Development
ROI	Return on Investment
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
WOS	Wholly owned Subsidiary
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of the Letter of Offer, the Abridged Letter of Offer, Common Application Form and Rights Entitlement Letter (collectively "**Issue Material**") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and registered post/ speed post the Issue Material only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and registered post/ speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, and the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

In case the Eligible Equity Shareholders have provided their valid e-mail address registered with the depositories/ Company, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Material or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Common Application Form as invalid where they believe that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Common Application Form.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT

MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF ("**UNITED STATES**"), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIAL SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Common Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Common Application Form as invalid which: (i) does not include the certification set out in the Common Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Common Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON TO WHOM IT IS ADDRESSED FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Consolidated Financial Statements for the year ended March 31, 2022. For details, please see "*Financial Information*" on page 78 of this Draft Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**IND AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**IND AS Rules**"). The Audited Consolidated Financial Statements of our Company for the Financial Year ended March 31, 2022 have been prepared in accordance with IND AS prescribed under Section 133 of Companies Act read with the IND AS Rules and other the relevant provisions of the Companies Act and audited in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees (i.e. INR in lakhs).

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "million" units or in whole numbers where the numbers have been too small to represent in million. One lakh represents 1,00,000 and one million represents 10,00,000.

There are significant differences between IND AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, IND AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page 78 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" units or in whole numbers. One lakh represents 1,00,000 and one crore represents 1,00,00,000. All the numbers in the document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs. Any percentage amounts, as set forth in "*Risk Factors", "Our Business*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Consolidated Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on		
	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	75.81	73.51	75.38

(Source: www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The third-party data in relation to the industry and market data, has not been independently verified by our Directors, our Promoter or the Lead Manager or any of their respective affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 17, of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Industry Overview*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations; business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- trends in the Indian cement industry;
- performance of the industries in which our clients operate;
- performance of our key clients and our relationship with our intermediaries;
- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
  - manage our growth effectively;
  - manage our credit risk;
  - manage the quality of our products;
  - hire and retain senior management personnel and other skilled manpower;
  - manage cost of compliance with labor laws or other regulatory developments;
  - manage our operating costs;
  - manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
  - successfully implement our business strategies and expansion plans;
  - maintain effective internal controls;
- adequate and timely supply of assets necessary for our operations such as vehicles and equipment;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and*

Results of Operations" beginning on pages 17, 65 and 81, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", "*Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages 17, 37, 44, 46, 65, 54, 105 and 123 respectively.

Summary of Primary Business

Our Company is one of the prominent small-sized cement manufacturing companies in South India. Our Company commenced its cement manufacturing operations in 1999 with an installed production capacity of 1,98,000 MT per annum with one production plant. As on March 31, 2022, we operated two production lines in our Cement Plant with an installed production capacity of 11,60,000 MT per annum. Our Company manufactures the following products: Ordinary Portland Cement ("**OPC**"), Portland Pozzolana Cement ("**PPC**") and Composite Cement ("**CC**").

For more details, please refer to the chapter titled "*Our Business*" on page 65 of this Draft Letter of Offer.

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in lakhs)

Particulars	Amount
Part repayment and/ or prepayment of Inter- Corporate Deposits availed by our Company from Chettinad Cement Corporation Private Limited, Promoter of our Company	24,900
Total Net proceeds*	**24,900**

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 46 of this Draft Letter of Offer.

Our Promoter

The Promoter of our Company is Chettinad Cement Corporation Private Limited.

Intention and extent of participation by our Promoter and Promoter Group*

Our Promoter has, vide letter dated June 15, 2022 (the "**Subscription Letter**") informed us that it may renounce a part of its Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with SEBI and Stock Exchanges.

In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

** Our Promoter Group do not hold any equity share in our Company.*

Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company and our Subsidiary is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	-
Tax Proceedings	06	605
Proceedings involving material violations of statutory regulations by our Company	Nil	-
Economic offences	Nil	-
Material civil litigations above the materiality threshold	Nil	-

**To the extent quantifiable*

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	41	220.99
Other civil litigation considered to be material by our Company's Board of Directors	Nil	-

**To the extent quantifiable*

b) Litigations involving our Subsidiary

i) Cases filed against our Subsidiary:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Subsidiary	01	70.00*
Tax Proceedings	04	65*
Proceedings involving material violations of statutory regulations by our Subsidiary	Nil	-
Economic offences	Nil	-
Material civil litigations above the materiality threshold	08	18.27#

**To the extent quantifiable*
 # Amount involved in certain cases are not quantifiable

ii) Cases filed by our Subsidiary:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	18	65.17*
Other civil litigation considered to be material by our Company's Board of Directors	04	118.85#

**To the extent quantifiable*
 # Amount involved in certain cases are not quantifiable

For further details, please see the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 105 of this Draft Letter of Offer.

Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 17 of this Draft Letter of Offer.

Summary of Contingent Liabilities

For details regarding contingent liabilities, please see Note 39- "*Contingent Liabilities*" of the chapter titled "*Audited Consolidated Financial Statements*" beginning on page 78 of this Draft Letter of Offer.

Summary of Related Party Transactions

For details of our related party transactions please refer "*Note 38- Related Party Transactions"* of the "*Audited Consolidated Financial Statements*" beginning on page 78 of this Draft Letter of Offer.

Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

Split or consolidation of Equity Shares in the last one year

Our Company has not carried out any corporate action to split or consolidate its equity shares in the last one year.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. Further, the COVID-19 pandemic has significantly affected the economic activity in general and it is yet to be fully abated and it may have the effect of heightening many of the other risks described in this section. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 54, 65 and 79 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available information as well as industry publications and sources. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 12 of this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information, prepared in accordance with IND AS and the Companies Act, 2013 and audited in accordance with the SEBI ICDR Regulations. Further, it is to be noted that since Bhavya Cements Private Limited became our Subsidiary w.e.f. closing of business hours on June 07, 2021, financial information relating to Fiscal 2022 is prepared on a consolidated basis whereas financials for Fiscal 2021 and 2020 are prepared on a standalone basis.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Anjani Portland Cement Limited and its Subsidiary.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. The Novel Coronavirus (COVID-19) pandemic and resulting deterioration of general economic condition is uncertain and still evolving and could affect our business and operations.

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. On March 14, 2020, India declared COVID-19 as a 'notified disaster' and imposed a nationwide lockdown. The Government had ordered temporarily closure of all non-essential businesses, imposed restrictions on movement of goods/ material, travel etc. Further, in Telangana, Companies had to temporarily suspend and close its operations in its Cement manufacturing units from March 23, 2020 to April 29, 2020 in order to control the community transmission/spread of COVID-19 pandemic. These restrictions had reduced our manufacturing operations, we also experienced disruptions in the supply of raw materials from our suppliers and delays in payments and collections, during that months of March and April 2020. By the month of May, 2020, our manufacturing facility, limestone mimes and packing unit were operational, subject to certain adjustments in working patterns, social distancing measures and additional safety measures such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization.

We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. Our revenue and profitability could be impacted to the extent that COVID-19 harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty.

The extent to which the COVID-19 pandemic, and the related global economic impact, may affect our business, financial condition and results of operations will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic and its effects.

2. Our Company has reported negative cash flow from Investing activities in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

Our Company has experienced negative net cash flow from investing activities in the recent past, the details of which are provided below:

(₹ in lakhs)

Particulars	March 31, 2022
Net cash generated from/(used in) Investing activities	(51,239)

3. Our Subsidiary has reported negative cash flow from investing and financing activities in the past. Any negative cash flows in the future would affect Subsidiary's cash flow requirements, which may adversely affect its ability to operate its business and implement its growth plans, thereby affecting our financial condition as well.

Our Subsidiary has experienced negative cash flow from its investing and financing activities in the recent past, the details of which are provided below:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Net cash generated from/(used in) Investing activities	10.499.11	(10,604.20)
Net Cash Flow from/(used in) Financing Activities	(13,626.62)	2,724.86

4. There are outstanding litigations involving our Company & Subsidiary which, if determined against us or the Subsidiary may adversely affect the business and financial condition.

As on the date of this Draft Letter of Offer, our Company & Subsidiary are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse outcome of the litigations may adversely affect our business, results of operations and financial condition and that of our Subsidiary.

A summary of the pending tax proceedings and other material litigations involving our Company & Subsidiary is provided below:

c) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	-
Tax Proceedings	06	605
Proceedings involving material violations of statutory regulations by our Company	Nil	-
Economic offences	Nil	-
Material civil litigations above the materiality threshold	Nil	-

To the extent quantifiable

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	41	220.99
Other civil litigation considered to be material by our Company's Board of Directors	Nil	-

To the extent quantifiable

d) Litigations involving our Subsidiary

iii) Cases filed against our Subsidiary:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Subsidiary	01	70.00*
Tax Proceedings	04	65*
Proceedings involving material violations of statutory regulations by our Subsidiary	Nil	-
Economic offences	Nil	-
Material civil litigations above the materiality threshold	08	18.27#

To the extent quantifiable
 # Amount involved in certain cases are not quantifiable

iv) Cases filed by our Subsidiary:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	18	65.17*
Other civil litigation considered to be material by our Company's Board of Directors	04	118.85#

To the extent quantifiable
 # Amount involved in certain cases are not quantifiable

For further details, please see the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 105 of this Draft Letter of Offer.

Any adverse order in these proceedings could materially impact our business, results of operations and financial condition. For further details, please see the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 105 of this Draft Letter of Offer.

5. We are dependent upon the pricing and continued supply of raw materials. Any shortage in supply, or increase in the price of the raw materials could have adverse impact on our Company's business, financial condition and profitability.

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials (such as limestone, gypsum, fly ash, granulated slang, iron ore and laterite) at acceptable prices. During Fiscals 2020, 2021 and 2022, the cost of raw materials consumed accounted for 9.06%, 9.11% and 9.07% respectively, of our revenue from operations on a standalone basis and during Fiscal 2022, cost of raw material consumed accounted for 10.83 % of our revenue from operations, on a consolidated basis. The price of raw materials can be uncertain due to various factors beyond our control, such as climatic and environmental conditions, commodity price fluctuations, market demand, spread of infectious diseases, such as the COVID-19 pandemic, production and transportation cost, which may significantly affect transportation costs, fire, natural catastrophes, and changes in government policies including duties and taxes and trade restrictions. In addition, competition in the industry may result in increase in prices of raw materials, which we may not be able to match, thereby affecting our procurement.

We cannot assure you that disruptions in supply of our raw materials, will not take place or that we will be able to anticipate shortfalls in time to compensate with other sources in every instance.

Further, we currently rely on limited suppliers to provide certain raw materials, including gypsum, fly ash, laterite and slag. The loss of one or more of our significant suppliers or a reduction in the amount of raw materials we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability meet our requirements and accordingly result in a significant decrease in our revenues. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we will be unable to meet our production schedules and to supply such products to our customers on time, which will adversely affect our sales and customer relations.

6. We require certain licenses and approvals in the ordinary course of the business and the failure to renew, obtain or retain them in a timely manner, or at all, may adversely affect our operations.

We are governed by various applicable laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits for carrying out our manufacturing and sales activities. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations.

Further, the approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

7. ***We have certain contingent liabilities and our financial conditions and profitability may be adversely affected if any of these contingent liabilities materialize.***

Our contingent liabilities as of March 31, 2022 on a consolidated basis were as follows:

(Amount in lakhs)

Sr. No.	Particulars	Amount
Claims against the Company not acknowledged as debts		
i.	Income tax related	328
ii.	Excise related*	180
iii.	Customs related**	130
iv.	Entry tax	32
v.	Others	138

** Does not include penalty amount of ₹ 180.32 lakhs*

*** Does not include penalty amount of ₹ 103.70 lakhs*

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

8. ***Our lenders have charge over our Company's and Subsidiary's assets in respect of finance availed by our Company and our Subsidiary.***

Our Company has provided security in respect of loans / facilities availed by us from HDFC Bank by creating a charge over our stock and book debts. As on March 31, 2022, there was no outstanding and payable by Company against such loans/facilities availed. Our Subsidiary has availed loan facilities from HDFC Bank Limited by creating a charge on immovable fixed assets of the Subsidiary and amount outstanding is ₹ 4,500 lakhs as on March 31, 2022. Our Subsidiary has also availed working capital facilities from HDFC Bank Limited by creating a charge over its stock and book debts. The total outstanding and payable by our Subsidiary towards such facility were ₹1,680 lakhs as on March 31, 2022. In the event we default in repayment of the loans / facilities availed by our Subsidiary and any interest thereof, our Subsidiary assets may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

For further details of secured loans of our Company, please refer the chapter titled Financial Statements on page 78 of this Draft Letter of Offer.

9. ***An inability to manage our growth effectively could adversely affect our business and future financial performance.***

Our revenue from operations (basis standalone financials) increased from ₹ 40,720 lakhs in Fiscal 2021 to ₹ 47,021 lakhs in Fiscal 2022 representing an increase of (15.47%). Our ability to grow our business will depend on various factors, many of which are beyond our control. These factors include, but are not limited to: customer loyalty to our existing and future products, offerings and services; evolving consumer preferences and our ability to adapt our business and operations; recruiting and training qualified personnel; further strengthening our products/offerings in new markets; competition in our markets; availability of financing at suitable terms and conditions; and sourcing and managing the cost of our expansion and identifying suitable supply and delivery resources.

In order to effectively manage our growth, we will need to further strengthen our operating systems, procedures and internal controls systems, and a failure to do so on a timely basis, or any weakness in our internal controls, may result in inconsistent or flawed operating procedures. The development of future business may also be affected by external factors, including general political and economic conditions in India and our international markets, government policies or strategies, particularly with respect to GST applicable to our products and operations, as well as prevailing interest rates and currency exchange rates. Moreover, our ability to sustain our growth depends on our ability to attract and retain key management personnel, maintain effective risk management policies and address adverse market or business developments.

If we are unable to achieve our business strategy of organic and inorganic growth and if our existing and future management resources, operational and financial systems, and operating procedures and control measures are not adequate to support the growth in our future operations, it may adversely affect our business prospects and future financial performance.

10. If we are unable to raise additional capital for our business, it may delay our Company's growth plan and have a material adverse effect on our business and financial condition.

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure and production capacity. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

11. An inability to maintain our competitive position in India and in our other markets may adversely affect our business, prospects and future financial performance.

The Indian cement industry is highly competitive and is dominated by a few large pan-India cement manufactures. In southern region of India, our major competitors include well-known locally established cement manufacturers. Competition occurs principally on the basis of price, quality and brand name. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies.

Our competitors include giant cement companies that have over a period of time acquired substantial presence in the Indian cement industry. These competitors may limit our opportunity to increase our market share and may compete with us on pricing of products. If the number of competitors or level of marketing or investments undertaken by such competitors were to increase, it may result in a reduction in the consumption of our products and demand for our services, which may in turn reduce our market share and we may be required to incur increased marketing and distribution related expenses in order to remain competitive. Our business could be adversely affected if we are unable to compete with our competitors. Our competitors may also introduce new and more competitive products and strong supply chain management, make strategic acquisitions or establish relationships among themselves or with third parties, including dealers/ distributors of our products, thereby increasing their ability to address the needs of our target customers. If we cannot effectively compete in pricing, provide competitive products or services or expand into new markets, this could have a material negative effect on our business, financial condition and prospects of the Company.

12. Our business is dependent upon our ability to mine/ procure significant limestone for our operations. If we are unable to mine/ procure sufficient limestone or our rights are revoked, or significant restrictions on the usage of the rights are imposed or we are required to pay substantially higher royalties, it could have an adverse impact on our business, financial condition and results of operations.

Limestone is the principle raw material for cement manufacturing process which we directly source from our captive mines situated at Suryapet District in Telangana. We are required to obtain a lease from the relevant state government in order to mine the limestone deposits and have, accordingly, obtained long-term leases to mine limestone from these mines. The lease period for our mines are typically 50 years in accordance with the current provisions of the Mines and Minerals (Regulation and Development) Act, 1957 ("**MMDR**"), as amended, and the Mineral (Other than Atomic and Hydro Carbon Energy Minerals) Concession Rules, 1960, as amended. The lease granted after 2015 shall be of 50 years and leases granted before 2015 shall be deemed to be granted for 50 years and shall be put on auction after expiry of lease period with right of first refusal granted to the holder of the mining lease granted for captive purposes. In addition, in terms of the recent amendments to the MMDR Act, all mining leases shall undertake mining operations such as production and dispatch within a period of two years and by a further period not exceeding one year, with effect from March 28, 2021.

Mining rights are subject to compliance with certain terms and conditions and are also governed by the relevant state authorities and accordingly, any change in state policy would impact the operations of the relevant mine. Further, the Government of India has the power to take action with respect to mining rights, including imposing fines or restrictions, revoking the mining rights or changing the amount of royalties payable for mining the mines.

Such royalties have been reviewed by the Government of India periodically and increased from time to time. In case of increase of rate of royalty for mining of lime stone, our cost of production will also increase to that extent. There can be no assurance that we will be able to retain such leasehold rights on acceptable terms, or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict our ability to conduct our operations or to do so profitably. Moreover, entering into new license or mining lease contracts or extending existing license or mining lease contracts is time -consuming and requires the review and approval of several government authorities.

State governments also have the right of pre-emption with respect to the minerals lying in or upon the lands in relation to which the mining leases have been granted to us. Under the MMDR Act, we have the right of first refusal in relation to renewal of the mining leases used for captive purposes, however there can also be no assurance that we will be able to retain such mining leasehold rights on acceptable terms, or meet the price discovered through auction bidding or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict our ability to conduct our operations or to do so profitably or otherwise due to change in law we may no longer have right of first refusal at all. Although we have ensured that our mining rights are sufficient to meet our current and anticipated levels of production, in case such rights are revoked or our mining leases have expired and have been not renewed upon expiration or renewed via auction at a higher price, or significant restrictions on the usage of the rights are imposed or applicable environmental standards are substantially increased or royalties are increased to significant levels, our ability to operate our plants situated in close proximity to the limestone mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our business, financial condition and results of operations.

Further, our licenses or mining lease contracts contain various obligations and restrictions, including the requirement for commencing operations within a specified period from the date of execution of the lease. If we breach these obligations, we may suffer adverse consequences, such as penalties and/ or termination of our license or mining lease contracts. In addition, changing circumstances may require us to amend these licenses or mining lease contracts. There can be no assurance that the relevant Indian regulatory authorities will agree to future amendments of our obligations. The loss of our license or mining lease contracts would have a material adverse effect on our business, financial condition, results of operations and profits.

13. ***We do not own some of the crucial properties which are currently used by us. There can be no assurances that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

Our warehouses, branch offices and registered office are located on leased premises. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. In addition, these leases generally have annual escalation clauses for rent payments. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

14. ***Our Promoter is engaged in the same line of business activities as those undertaken by our Company, which may result in conflict of interests.***

Chettinad Cement Corporation Private Limited, our Promoter, is in the same line of business as our Company and is one of the larger cement manufacturers in the southern region of India. Further, their area of operation and sales may overlap with ours and they also cater to the same customer profile as our Company. While there are no common directors between our Company and our Promoter, given that they are in the same line of business as us there can be no assurance that no conflict of interest will arise. Such a conflict could have an adverse impact on our business and operations as there is no non-compete agreement executed between our Company and the Promoter.

15. ***One of our KMP is engaged in the same line of business activities as those undertaken by our Company which may result in conflict of interests.***

Our Managing Director, Nadimpalli Venkat Raju is also the managing director in our Subsidiary, Bhavya Cements Private Limited who is engaged in the same line of business. We have not entered into any non-compete agreement with the managing director. There can be no assurance that there will not be any conflict between our Company and the Subsidiary and we cannot undertake that we will be able to suitably resolve such a conflict without an adverse effect on our business.

16. ***We typically do not have long term agreements with our customers which would have a material adverse effect on our business, results of operations and financial conditions.***

We distribute and sell our products to wholesalers (which includes dealers and distributors) and retail customers (which include end user customers) with whom we transact majorly by way of purchase orders. We do not typically enter into long term contracts with our customers. Our dealers are made to fill up their details on an Common Application Form which lists out the basic terms and conditions to be followed and our end user customers raise purchase orders. Though we have repeat orders from certain customers with whom we have developed long term relationships over the years, the absence of long-term contracts cannot assure you that our existing customers will continue to purchase our products and that we will be able to continue to enter into contracts with customers which would have a material adverse effect on our business, results of operations and financial condition. We are also exposed to risks of lower volume or lower price realization on such volumes depending on prevailing market conditions. The orders placed by our customers are dependent on factors such as customer satisfaction in terms of consistency of supply, quality and our standing in price comparisons, timely delivery of product, the demand for quality of product and price comparisons with other brands, amongst others. Although, we have a strong emphasis on quality, timely delivery of our products and personal interaction with the customers, any change in the buying pattern of customers can adversely affect our business and financial condition.

17. ***Our Company's business is concentrated in and around Telangana and Andhra Pradesh. Any decline in our revenues from this region could adversely impact our business and financial conditions.***

Our Company has a manufacturing unit in Suryapet District, Telangana. Our Company's engages a large number of distributors and also engages in the direct sale across the country with particular focus on certain parts of Southern India viz., Telangana and Andhra Pradesh. Notwithstanding sales across various parts of India, majority of our total income is derived from Telangana and Andhra Pradesh. In Fiscals 2020, 2021 and 2022, our income from sales within Telangana constituted ₹ 15,351 lakhs, ₹19,938 lakhs and ₹ 24,644 lakhs which constitutes 28%, 36% and 38% of our total revenue. In Fiscals 2020, 2021 and 2022, our income from sales within Andhra Pradesh constituted ₹ 21,504 lakhs, ₹ 24,045 lakhs and ₹ 27,110 lakhs which constitutes 40%, 43% and 42% of our total revenue.

There are a number of cement manufacturers based in Telangana and Andhra Pradesh who also focus on selling their products in the same geographic zone as our Company. There can be no assurance that our Company will continue to be able to generate similar revenues from Telangana and Andhra Pradesh. Failure to generate similar revenues from our focus areas may impact our business and the results from our operations.

Further, transportation costs are one of the more significant expense items in our Company's business. Therefore, if we are unable to maintain or increase our revenues from Telangana and Andhra Pradesh and if we are required to sell our products in other geographic regions our margins and, consequently, our profits may be adversely affected.

Lastly, since we have only one manufacturing facility which is located in Suryapet, Telangana, any disruptions that may be caused in Telangana could lead to stoppage or slowdown of our activities which would adversely affect our growth, business, results of operations and financial conditions.

18. ***Activities in our business, including mining operations, are subject to risks, mishaps, operational hazards and can cause injury to people property in certain circumstances. Any such adverse effect may hamper our reputation, business, financial condition and results of operation.***

Our manufacturing facilities utilise various hazardous industrial chemicals including organic solids, spent carbon and organic liquids in the production of cement, which may be harmful to humans and the environment. While our Company has necessary controls and processes in place to protect humans and the environment any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals may cause industrial accidents, loss of human life and/or environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would adversely affect our business, results of operations and reputation.

19. We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business and financial results.

Our manufacturing facility is heavily dependent on plant and machinery including crushers, preheater, raw mill, kiln, coolers and grinding mills. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, while we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition.

20. We are dependent on a number of our key managerial personnel, other senior management and professionals, and the loss of or our inability to retain such persons could adversely affect our cash flows, business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our key managerial personnel other senior management, including our present directors and officers and our team of professionals who look into quality control and other operations. Their input and experience are invaluable for the development of our business and the operations and the strategic directions taken by us. We cannot assure you that we will be able to retain these key managerial personnel, other senior management and professionals or find adequate replacements in timely manner, if at all, should they choose to discontinue their association with us. The competition for qualified managerial personnel with relevant expertise in India is intense due to scarcity of qualified and experienced individuals in the industry in which we operate. The retirement or resignation of any of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

Further, we currently do not have any non-compete agreements with our directors, senior management or other key personnel. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. In the event of the loss of services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

In addition, we cannot assure you that our relations with our employees shall remain cordial at all times and that employee will not undertake or participate in strikes, work stoppages or industrial actions which won't be particularly in the best interest of our Company. Any disruptions may affect our operations, thereby adversely affecting our business, financial condition and results of operations.

21. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.

As at March 31, 2022, we have registered 30 trademarks. We are exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, our efforts to protect our intellectual property may not be adequate and any third party claim on our brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property.

22. Our Promoter and one of our directors' hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses. Further, our Promoter will continue to be our largest Shareholder and have the right to approve certain corporate actions, which may potentially involve conflicts of interest with the other Equity Shareholders.

Our Promoter holds 75% of the Equity Share Capital and, therefore, will have the ability to significantly influence our corporate decision making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at Board and at Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to the Memorandum and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoter interests in any such scenario will not conflict with the interest of other Shareholders or with the interests of our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of our other Shareholders.

Further, one of our Director, Velappan Palaniappan holds Equity Shares in the Company and is interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of his shareholding in our Company.

For further details, see *"Financial Information"* on page 78 of this Draft Letter of Offer

23. Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. Our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations.

Our inability to maintain our growth or failure to successfully implement our growth strategies could have an adverse impact on the results of our operations, our financial condition and our business prospects.

24. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. We determine the number of contract labourers required depending on the requirement of our business from time to time. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payments that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, we need to update the licenses obtained by us regularly and failure to do so can attract penalties under the said Act.

25. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.

The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in cement manufacturing operations. As of March 31, 2022, we employed 64 full-time employees across our various facilities.

Our employees are unionized into a trade union under the name 'Anjani Gold Cement Staff & Workers Union'. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour. Any labour unrest experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected

26. ***Changes in technology may affect our business by making our facilities or equipment less competitive.***

Our day to day operations depend on our information technology systems. All our operations function under an ERP system and we rely heavily on our information technology systems including for our manufacturing process which is significantly automated. We also use information technology systems for routine corporate activities such as processing of financial information, managing information pertaining to creditors/ debtors and engaging in normal business activities. Although we have effective backup systems in place, any partial or complete disruption of our information technology systems could adversely impact our business and the result of our operations.

Further, our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. Changes in technology and high fuel costs may make newer facilities or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facility. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

27. ***Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We have ensured that we are adequately insured against all losses and risks involving property and third-party liability. We have obtained insurance cover such as standard fire and special perils, fire industrial all risk, burglary, public liability, marine cargo, fidelity guarantee for our various properties, manufacturing facilities and stock.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an event that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could adversely affect our business, results of operations and financial condition. If we are subject to litigation or claims or our operations are interrupted for a sustained period, the insurance policies may not be found to be adequate to cover the losses that may be incurred as a result of such interruption. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium.

28. ***Our Company may not be able to identify or correct defects or irregularities in title to the land which it owns.***

We cannot assure you that there will be no legal defects and irregularities in title to any land which our Company has acquired or may acquire in the future in connection with the operations of our Company or that our Company will be able to identify or correct any such defects. Moreover, we cannot assure you that all the legal defects, irregularities and disputes related to title would be identified by our Company prior to the acquisition of land. Any defects or irregularities of title may result in loss of development or operating rights over land, which may prejudice the success of our business and may require us to write off substantial expenditures in respect of a project. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title may have an adverse effect on our business, financial condition and results of operations. Further, when the current Promoter acquired our Company in the year 2014, it did not undertake a separate and independent land related diligence. Therefore, while the government mutation records reflect our Company to be the legal owner of the lands on which our manufacturing operations are located there has been no independent assessment to trace the antecedents of such lands.

29. Certain parcels of lands owned by our Subsidiary are disputed as on date of this Draft Letter of Offer.

There are ongoing disputes in respect of certain land parcels owned by our Subsidiary in rural areas. There are also certain ongoing deals for purchase of lands where similar disputes are foreseen. The sellers of the land are part of HUFs where they have family disputes as to ownership. As a result of which our Subsidiary is also involved in such disputes. If these matters are not resolved in a timely manner, such prolonged litigations not only affects the business and reputation but also results in financial burden for the Company.

For further details, kindly refer to the chapter titled "*Outstanding Litigations and Material Developments*" on page 105 of this Draft Letter of Offer.

30. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act, SEBI Listing Regulations and other applicable laws in previous years.

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations as well as requirements under the Companies Act for a listed Company.

Although, our Company endeavours to comply with all such obligations/ reporting requirements, there may be non-disclosures/ delayed/ erroneous disclosures and/or any other violations that might be committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Further there may have been instances in the past wherein our Company has failed to comply with the requirements of RoC, for which we have paid additional fees. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares. We have however, been in compliance with the SEBI Listing Regulations for the past 12 months and therefore, this Draft Letter of Offer is prepared and submitted in terms of Part B of Schedule VI to the SEBI ICDR Regulations.

31. Some of the forms filed by us with the Registrar of Companies and our records in that respect are not traceable.

Our current Promoter acquired our Company from our erstwhile promoters in 2014. Consequently, we have been unable to locate certain corporate records of our Company, in respect of various corporate actions undertaken by our Company, prior to the acquisition by our Promoter, including allotment of shares and alteration of authorised share capital and regulatory and other filings made by our Company. Further, on May 5, 2010, a fire broke out in our then newly constructed corporate office at 3rd Floor, Nagarjuna Circle, Punjagutta, Khairatabad, Hyderabad, pursuant to which a number of official documents including various statutory documents were lost. Our Company filed a first information report (Ref: 414 / 2010) under sections 154 and 157 of the CrPC. We cannot assure you that these records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

32. Some of our agreements in relation to our property are under stamped or inadequately stamped and if any financial or judicial implication arises out of the same it may have an effect on the Company's financial position and reputation.

Some of agreements in relation to our property are under stamped or unregistered. An inadequately stamped or unregistered document is inadmissible as evidence before any judicial forum. It may be further noted that such inadequately stamped document is capable of being impounded upon presentation before a governmental or judicial authority and an applicable penalty may be imposed up to 10 times the value of the stamp duty payable. If any financial or judicial implication arises out of the same it may have an effect on our Company's financial position and reputation.

33. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the past entered into transactions with our Promoter and Subsidiary Company. While we have ensured that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future.

For further details, kindly refer section titled "*Financial Information*" on page 78 of this Draft letter of Offer.

34. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements.

In the past 5 years, we have made dividend payouts to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

35. Our Company is heavily reliant on the demand for cement from various industries infrastructure, housing and commercial real estate. Any downturn in the cement consuming industries could have an adverse impact on our Company's business and results of operations.

The cement manufacturing companies are heavily reliant on demand from the cement -consuming industries such as infrastructure, housing and commercial real estate. These industries are, in turn, affected by macro -economic factors and the general Indian economy.

While cement consuming industries such as infrastructure are expected to witness higher investments and, consequently, drive in demand for cement, there can be no assurance that these expectations will be met or that our Company will benefit from such expansion. However, a slowdown in the cement consuming industries including infrastructure, housing and commercial real estate could have adverse impact on cement demand and, consequently, on our Company's business, results from operations and profits. Any sustained downturn slump in these industries could have a material adverse impact on our Company's business and financial condition, and, an impact on the price of the Equity Shares.

36. We depend on trade dealers and non-trade dealers for the sale and distribution of our products.

The cement industry relies on an extensive network of trade dealers and non-trade dealers for the sale of cement. Our Company has over 439 trade dealers and 2,229 non trade dealers spread across 89 districts of southern region of India. Our Company relies heavily on its network of dealers for sale of our products. Over the years, we have built a strong relationship with our trade and non trade dealers who distribute our products on margin basis and other discounts. But since we do not have any long term contracts with such dealers, if our competitors provide better margins or discounts (or if we reduce our margins or discounts) to our dealers, it could result in them favoring the products of other cement manufacturers including our direct competitors instead of our products. Any significant disruption in the dealership network could have a significant impact on our business, financial condition and profits.

37. Our operations are power and fuel intensive which constitute a significant component of our operating costs. If we are unable to pass on the costs to our customers, our profit margins may be adversely affected. Further, we are also dependent upon the pricing and continued supply of coal. Any shortage in supply, or increase in the price of coal could have adverse impact on our Company's financial condition and profitability.

Our manufacturing facilities require continuous supply of power and our operations are highly power intensive making profitability sensitive to power costs. Our manufacturing facilities consume significant amounts of power and fuel which constituted 50%, 48% and 56% of our operating costs for Fiscal 2020, Fiscal 2021 and Fiscal 2022, respectively. Our main source of power comes from our Captive Power Plant located at our Cement Plant which significantly reduces cost of power and fuel as we directly consume the power from our Captive Power Plant. Therefore, risk of increase in the prices of power and fuel is mitigated.

However, we currently rely on limited suppliers to provide coal. The loss of one or more of our significant suppliers or a reduction in the amount of coal we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance.

Our Company generally procures coal from indigenous sources and also uses coal purchased from Chettinad Logistics Private Limited who imports it from Australia, Indonesia and South Africa. The pricing of our coal under supply agreements is directly linked to the market prices and accordingly we bear the risk of price fluctuations. We are subject to fluctuations in the quantity and quality of the coal supplied by third parties. We cannot assure you that disruptions in supply of coal, will not take place or that we will be able to anticipate shortfalls in time to compensate with other sources in every instance.

Further, we have entered into an agreement for a period of five years from April 1, 2022 to March 31, 2027 with Singareni Collieries Company Limited for the annual supply of 92,000 tonnes of coal of varying calorific value, which is to be procured through the issue of purchase orders. However, our total annual coal requirement is 1,81,249 tonnes for the financial year 2022-23 as per the budget (Coal consumed for the financial year 2021-22 was 1,67,304 tonnes). There can be no assurance that any future increases in our cost of power and fuel will be able to be passed on to our customers.

Further we have not entered into long term or medium-term contracts with any of our coal suppliers except with Singareni Collieries Company Limited (as stated above), since we typically place orders with the suppliers on the basis of our anticipated requirements. The absence of long-term contracts at fixed prices exposes us to volatility in price of coal that we require and we may be unable to pass these costs onto our customers which could negatively affect our overall profitability and financial performance. Our Company since Fiscal 2010, has started to use alternate fuels such as pharmaceutical waste like spent carbon, spent organic liquid and spent organic solid to substitute coal to an extent of 11.44 % of the total fuel requirements in Fiscal 2022. But nonetheless coal still remains our primary source of fuel.

38. ***Any downgrading of our credit rating by a domestic or international credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.***

Our credit rating could be downgraded due to various factors, including factors which may be outside our control. Any future downgrade of our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, results of operations and financial condition.

39. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.***

Our Company proposes to utilize the Net Proceeds for repayment and/ or prepayment of inter corporate deposits availed from our Promoter. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates.

40. ***The procurement of raw material is subject to seasonal factors. Consequently, our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations, cash flows and financial condition.***

In India, the demand for cement, generally, declines during monsoons due to slowdown in construction activity, consequently making demand for cement seasonal. Monsoons typically extend from June to September across India (except in parts of Tamil Nadu and Kerala, where they last from November to January). Consequently, demand is the lowest during the July-September quarter and highest during the January-March quarter. Our Company’s manufacturing output and our revenues may be adversely affected during such period.

Further, while we forecast the demand for our products and accordingly plan our procurement volumes for our operations, any error in our forecast could result in surplus stock, which may not be sold in a timely manner which in turn may adversely affect our business, results of operations, future cash flows and financial condition.

41. ***We have a large work force and our employee benefit expense is a significant component of our operating costs. An increase in employee benefit expense could reduce our profitability.***

Our operations are highly dependent on our skilled and semi-skilled labour. Due to economic growth in the past and the increase in competition for skilled and semiskilled employees in India, wages in India have, in recent years, been increasing. In addition, we may also need to increase our compensation levels to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Finally, many of our employees receive salaries that are linked to minimum wage laws in India and any increase in the minimum wage in any state in which we operate could increase our operating costs. A significant long-term increase in our employee benefit expense could reduce our profitability, which could, amongst others, impact our growth prospects.

42. ***We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such third party data has not been independently verified by us.***

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled "*Industry Overview*" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. We have not independently verified such third party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

43. ***Our marketing and advertising campaigns may not be successful in increasing the popularity of our products. If our marketing initiatives are not effective, this may affect the popularity of our products which could have collateral negative effect on sales.***

We undertake marketing and promotional activities for our brand and product. We rely to a large extent on our senior management's experience in defining our marketing and advertising programmes. If our senior management or service provider leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers and retain existing customers. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected. The failure of our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects. In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of print or electronic advertising, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business.

ISSUE SPECIFIC RISKS

44. ***Net Proceeds is proposed to be utilized for repaying inter corporate deposits availed from our Promoter, Chettinad Cement Corporation Private Limited.***

The Net Proceeds of the Issue are proposed to be utilised for repayment and/ or prepayment of all or a portion of the inter corporate deposits availed from our Promoter which are outstanding to the extent of ₹ 24,900 lakhs as on March 31, 2022. In case we are unable to repay the loan availed by us, it will affect our financial position and reputation. For further details see "*Objects of the Issue*" on page 46 of this Draft Letter of Offer.

45. ***We will not distribute the Letter of Offer, the Abridged Letter of Offer, Common Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars our Company will send, only through email, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

46. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

47. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.

48. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of Promoter, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

49. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

EXTERNAL RISK FACTORS

50. Political, economic or other factors that are beyond our control may adversely affect our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging markets may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, cash flows, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

51. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our business and financial performance and the price of our Equity Shares.

52. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS had altered the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. The GAAR provisions may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

53. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

54. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

55. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

56. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on May 12, 2022 pursuant to Section 62(1) (a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement	Upto [●] ([●]) Rights Equity Share(s) for every [●] ([●]) fully paid-up Equity Share(s) held on the Record Date i.e. [●].
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ [●]/- per fully paid-up Equity Share (including a premium of ₹ [●]/- per Equity Share)
Issue Size	Upto [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Rights Equity Share up to an amount of ₹ 25,000 lakhs* *Assuming full subscription*
Record Date	[●]
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue upon being fully paid up shall rank *pari pasu* in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	2,52,85,696 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Upto [●] Equity Shares
Scrip Details	**ISIN for Equity Shares:** INE071F01012 **Rights Entitlement ISIN:** [●] **BSE:** 518091 **NSE**: APCL
Use of Issue Proceeds	For details, please refer to the chapter titled "*Objects of the Issue*" on page 46 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.

Please refer to the chapter titled "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

*** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

GENERAL INFORMATION

Anjani Portland Cement Limited was originally incorporated as "Shez Chemicals Limited" on December 17, 1983 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh. Subsequently a fresh certificate of incorporation consequent upon change of name of our Company to Shez Cements Limited was issued on October 17, 1985 by the Registrar of Companies, Andhra Pradesh, pursuant to a special resolution passed in the shareholders' meeting held on February 25, 1985. Thereafter, pursuant to a special resolution passed at the Shareholders meeting held on September 30, 1999, the name of our Company was changed to Anjani Portland Cement Limited, its current name, and a fresh certificate of incorporation consequent upon change of name of our Company was issued on October 7, 1999 by Registrar of Companies, Andhra Pradesh at Hyderabad.

Registered and Corporate Office of our Company
6-3-553, Unit No. E3 & E4,
4th Floor, Quena Square Off: Taj Deccan Road,
Erramanzil, Hyderabad – 500 082,
Telangana, India.
Telephone: +91 40 2335 3096/3106
E-mail: secretarial@anjanicement.com
Website: www.anjanicement.com
Registration Number: 157712
CIN: L26942TG1983PLC157712

Changes in Registered Office

Date	Details of Change in the address of the Registered Office	Details of Change
December 27, 1999	From 3rd Floor, Snehalatha Complex, Greenlands Road, Begumpet, Hyderabad 500 016, Andhra Pradesh, India to Sithanilayam, 153 Dwarkapuri Colony, Punjagutta, Hyderabad 500 082, Andhra Pradesh, India.	Administrative convenience
February 26, 2015	From Sithanilayam, 153 Dwarkapuri Colony, Punjagutta, Hyderabad 500 082, Andhra Pradesh, India to 306A, The Capital, 3rd Floor, Plot No.C -70, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400 051, India.	Better client visibility and administrative convenience
February 04, 2019	From 306A, The Capital, 3rd Floor, Plot No.C -70, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400 051 to A-610, Kanakia Wall Street, 6th Floor, Andheri Kurla Road, Chakala Junction, Andheri (E), Mumbai -400 093, Maharashtra, India.	Administrative convenience
September 21, 2021	From A-610, Kanakia Wall Street, 6th Floor, Andheri Kurla Road, Chakala Junction, Andheri (E), Mumbai -400 093, Maharashtra, India to #6-3-553, Unit No.E3 & E4, 4th Floor, Quena Square Off: Taj Deccan Road, Erramanzil, Hyderabad- 500 082, Telangana, India.	Better administrative and economic control

Registrar of Companies

Our Company is registered with the Registrar of Companies, Hyderabad at Telangana situated at the following address:

Registrar of Companies, Hyderabad
2^{nd} Floor, Corporate Bhavan,
GSI Post, Tattiannaram Nagole, Bandlaguda,
Hyderabad – 500 068, Telangana, India.
Telephone: +91 40-29805427/29803827/29801927
Facsimile: +91 40-29803727
E-mail: roc.hyderabad@mca.gov.in

BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Valliammai Valliappan	47	Chairperson & Non Executive Independent Director	A3/23, 6th Main Road, Tristar Residency, West Mugappair, Mogappair, Tiruvallur – 600 037, Tamil Nadu, India.	01197421
Nadimpalli Venkat Raju	61	Managing Director	B-401, Anjanipuram, Gudimalkapuram, Nalgonda, Andhra Pradesh – 508 246, India.	08672963
Annamalai Chettiar Subramanian	74	Non-Independent & Non-Executive Director	1E, 11th Block, Asvini Amarisa Apartments, 77, Kalasathamman Koil Street, Ramapuram, Ambattur, Tiruvallur, Chennai – 600 089, Tamil Nadu, India.	06693209
R.M. Palaniappan	52	Non-Executive Independent Director	W-322, Lovedale Apts, T-2, C Sector, 2nd, Avenue, Anna Nagar Western Extn, Tiruvallur, Chennai – 600 101, Tamil Nadu, India.	00143198
Velappan Palaniappan	49	Non-Independent & Non-Executive Director	Flat-B 1St Floor, Prem's Classic Apartment, No.95, Yamuna Street, Chinmaya Nagar Stage I, Virugambakkam, Chennai – 600 092, Tamil Nadu, India.	00645994
Nirmalatha Sunanda Bakthavatchalam	48	Non-Independent & Non-Executive Director	No. 35, 1st Main Road, Lake Area, Nungambakkam, Chennai, Tamil Nadu – 600 034, India.	03092392

CHIEF FINANCIAL OFFICER

Our erstwhile Chief Financial Officer, M.L. Kumavat resigned from his post due to personal reasons, with effect from May 13, 2022. Our Company will fill his vacancy within a period of six months from the date of his vacancy in accordance with Section 203 (4) of the Companies Act, 2013.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Subhanarayan Muduli, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Address: 6-3-553, Unit No.E3 & E4,
4th Floor, Quena Square,
Off Taj Deccan Road, Erramanzil,
Hyderabad 500 082, Telangana, India.
Telephone: +91 40 2335 3096/ 3106
E-mail: subhanarayan@anjanicement.com

Details of Key Intermediaries pertaining to this Issue of our Company:

LEAD MANAGER TO THE ISSUE

Saffron Capital Advisors Private Limited
605, Sixth Floor, Centre Point, J.B. Nagar,
Andheri (East), Mumbai - 400 059, India,
Telephone: +91 22 4973 0394;
Fax No.: NA;
Email id: rights.issue@saffronadvisor.com;
Website: www.saffronadvisor.com;
Investor grievance: investorgrievance@saffronadvisor.com;
SEBI Registration Number: INM 000011211;
Validity: Permanent
Contact Person: Gaurav Khandelwal / Elton D’souza

LEGAL ADVISOR TO THE ISSUE

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings,
N.G.N. Vaidya Marg, Fort,
Mumbai - 400 023,

Maharashtra, India
Telephone: +91 22 2266 3353
Facsimile: +91 22 2266 3978
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

REGISTRAR TO THE ISSUE

Kfin Technologies Limited
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032,
Telangana, India.
Telephone: +91 40 6716 2222/ / +91 40 7961 1000
Email: murali.m@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishnan
SEBI Registration Number: INR000000221
Validity: Permanent

Investors may contact Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), Email address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Common Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgment slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

Ramanatham & Rao
Chartered Accountants
P.B.No.2102, Flat # 302, Kala Mansion,
Sarojini Devi Road, Secunderabad – 500 003,
Telangana, India.
Telephone: +91 40 27814147
Fax: +91 40 27840307
Email: krchalla.ca@gmail.com
Contact Person: C. Kameshwar Rao
Membership No.: 024363
Firm Registration No.: S-2934
Peer Review Certificate No.: 012205

BANKERS TO THE ISSUE/ REFUND BANK

[●] – shall be appointed prior to filing the Letter of Offer

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Common Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Saffron Capital Advisors Private Limited, being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment, share certificates, demat credit, Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Common Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Common Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Common Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Expert

Our Company has received written consent dated June 16, 2022 from our Statutory Auditor, namely, Ramanatham & Rao, Chartered Accountants for inclusion of their (i) report dated May 12, 2022 on the Audited Consolidated Financial Information in this Draft Letter of Offer, and (ii) to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated June 16, 2022 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Our Company has appointed CARE Ratings Limited as a Monitoring Agency to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are set out below:

Name: CARE Rating Limited
Address: 4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express Highway,
Sion (E), Mumbai- 400 022, Maharashtra, India.
Telephone: +91 22 6754 3456
Email: care@careedge.in
Website: www.careedge.in
Contact Person: Pradeep Kumar

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

Filing

A copy of the DLOF has been filed with the Securities Exchange Board of India, Southern Regional Office situated at Overseas Towers, 7th Floor, 756 – L, Anna Salai, Chennai – 600 002, Tamil Nadu, India and simultaneously through the SEBI Intermediary Portal at https://siportal.sebi.gov.in , in accordance with the SEBI circular dated January 19, 2018 bearing reference number EBI/HO/CFD/DIL1/CIR/P/2018/011. The DLOF has also been filed with BSE and NSE, where the Rights Equity Shares are proposed to be listed. We shall file and submit a copy of this Letter of Offer with SEBI and the Stock Exchanges.

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Changes in Auditors during the last three years

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	**Indicative Date**
Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements[#]	[●]
Issue Closing Date[*]	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

[#]*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s)on or prior to the Issue Closing Date.*
[*]*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Common Application Forms, see *"Terms of the Issue"* beginning on page 123 of this Draft letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application

to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at https://rights.kfintech.com after keying in their respective details along with either security control measures implemented there at. For further details, see *"Terms of the Issue"* on page 123 of this Draft Letter of Offer.

Minimum Subscription

Our Promoter has, vide letter dated June 15, 2022 (the "**Subscription Letter**") informed us that it may renounce a part of its Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with SEBI and Stock Exchanges. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws. The above is subject to the terms mentioned under "*Terms of Issue*" on page 123 of this Draft Letter of Offer.

Note: Our Promoter Group do not hold any equity share in our Company.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A.	**Authorised Share Capital**		
	3,00,00,000 Equity Shares of face value of ₹ 10 each	3000	-
	10,00,000 14% cumulative redeemable preference shares of ₹ 10 each	100	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	2,52,85,696 Equity Shares of face value of ₹ 10 each	2528.57	-
C.	**Present Issue in terms of this Draft Letter of Offer** [1]		
	Up to [●] Equity Shares of ₹ 10 each	[●]	[●]
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue** [2]		
	[●] Equity Shares of face value of ₹10 each		
E.	**Securities Premium Account**		
	Before the Issue		6,810
	After the Issue		[●]

[1]The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on May 12, 2022 pursuant to Section 62(1) (a) and other applicable provisions of the Companies Act, 2013.
[2]Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.

NOTES TO CAPITAL STRUCTURE

1. **Details of outstanding instruments as on the date of this Draft Letter of Offer:**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

   Members of our Promoter and Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

2. **Intention and extent of participation by our Promoter and Promoter Group* in the Issue:**

   Our Promoter has, vide letter dated June 15, 2022 (the "**Subscription Letter**") informed us that it may renounce a part of its Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with SEBI and Stock Exchanges.

   In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1)of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws

** Our Promoter Group do not hold any equity share in the Company.*

3. The ex-rights price of the Rights Equity Shares as per Regulation 10(4) (b) of the Takeover Regulations is [●] per equity share.

4. At any given time, there shall be only one denomination of the Equity Shares of our Company.

5. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. The Rights Equity Shares, pursuant to this Issue shall fully paid up.

6. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations:

(i) The shareholding pattern of our Company as on March 31, 2022, can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/anjani-portland-cement-ltd/apcl/518091/shareholding-pattern/ and on NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=APCL&tabIndex=equity

(ii) Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on March 31, 2022 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=518091&qtrid=113.00&QtrName=March%202022 and on NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=APCL&tabIndex=equity

(iii) Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2022 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=518091&qtrid=113.00&QtrName=March%202022 and on NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=APCL&tabIndex=equity

7. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on March 31, 2022 can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/anjani-portland-cement-ltd/apcl/518091/shareholding-pattern/ & https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=518091&qtrid=113.00&QtrName=March%202022 and on the website of NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=APCL&tabIndex=equity

8. Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:

As on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoter or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.

OBJECTS OF THE ISSUE

The objects of the Issue are:

Part repayment and/ or prepayment of Inter-Corporate Deposits availed by our Company from the Promoter of our Company (referred to hereinafter as the "**Objects**")

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue*	25,000.00
Less: Issue related expenses**	[●]
Net Proceeds from the Issue	[●]

** Assuming full subscription*
*** See "Estimated Issue Related Expenses" on page 48 of this Draft Letter of Offer.*

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Part repayment and/or prepayment of Inter-Corporate Deposits availed by our Company from the Promoter of our Company	24,900
Issue related expenses	[●]
Gross proceeds from the Issue	**25,000.00**

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objects:

(₹ in lakhs)

Particulars	Estimated Amount to be Utilised
Part repayment and/ or prepayment of Inter-Corporate Deposits availed by our Company from the Promoter of our Company	24,900
TOTAL	**24,900**

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2022-23.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.

Details of the Objects of the Issue

Part repayment or prepayment of Inter-Corporate Deposits ("ICDs") availed by our Company from its Promoter, Chettinad Cement Corporation Private Limited.

Our Company has availed ICDs from its Promoter, Chettinad Cement Corporation Private Limited. Our Company intends to utilize ₹ 24,900 lakhs of the Net Proceeds towards part repayment and/ or prepayment of these ICDs. The following table provides details along with the terms on which the ICDs have been availed by our Company, as on March 31, 2022, which are proposed to be repaid from the Net Proceeds:-

No.	Name of the Entity	Outstanding ICDs as on March 31, 2022 (in ₹ lakhs)	* Purpose of availing ICDs	Interest rate (%) p.a.	Proposed repayment and/ or prepayment from Net Proceeds (₹ in lakhs)
1.	Chettinad Cement Corporation Private Limited	43,500	Financing Acquisition	7% p.a.	24,900.00
	Total	43,500			**24,900.00**

** Our Statutory auditors have provided a report of factual findings dated* in *connection with agreed-upon procedures related to the statement of loan availed.*

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding ICDs amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs. In such cases or in case any of the above ICDs are paid or further ICDs have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment and/ or prepayment of such additional ICDs.

Our Promoter has, vide letter dated June 15, 2022 (the "**Subscription Letter**") informed us that it may renounce a part of its Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with SEBI and Stock Exchanges.

In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1)of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

Note: Our Promoter Group do not hold any equity shares in our Company.

Interest of Promoters and Directors in the objects of the Issue

As on March 31, 2022, the outstanding amount of inter-corporate deposit availed by our Company from our Promoter, Chettinad Cement Corporation Private Limited is ₹ 43,500 lakhs, out of which 24,900 lakhs is proposed to be repaid and/or prepaid from the Issue Proceeds. Our Promoter has vide its letter dated June 15, 2022 confirmed that out of the amount of ₹ 24,900 lakhs which is proposed to be repaid and/or prepaid, the application money to be received by the Company for the subscription of its Rights Equity shares by the Promoter, to the extent of its rights entitlement or renunciation of the entitlement in favour of the members of Promoter Group (if any) in the Issue, will be adjusted towards this amount.

Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount* (₹ In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*
Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses.	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

In terms of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency to monitor the utilization of the Net Proceeds, Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

As per the requirements of Regulations 18(3) and 32(3) of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by the Statutory Auditor of our Company.

Further, in terms of Regulation 32(1) of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations. Additionally, our Company shall furnish to the Stock Exchanges any comments or report received from the Monitoring Agency, in accordance with Regulation 32(6) of the SEBI Listing Regulations, and such report of the Monitoring Agency shall be placed before the Audit Committee promptly upon its receipt, in accordance with Regulation 32(7) of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised by any bank or financial institution.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment and/ or prepayment of certain ICDs availed by our Company from Chettinad Cement Corporation Private Limited, the Promoter of our Company and payments made in the ordinary course of business, there are no material existing or anticipated transactions.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
Anjani Portland Cement Limited
6-3-553, Unit Nos. E3 & E4, 4th Floor,
Quena Square, Off Taj Deccan Road,
Erramanzil, Hyderabad – 500 082,
Telangana, India.

Dear Sirs,

Re: Proposed rights issue of equity shares of face value of Rs. 10 each ("Equity Shares") of Anjani Portland Cement Limited ("Company" and such offering, the "Issue").

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2021(hereinafter referred to as "**Income Tax Laws**"), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders as per the Finance Act 2022 and other amendments. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer and Letter of Offer "(**Offer Documents**") of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer

Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

Yours faithfully,

For and on behalf of
Ramanatham & Rao
Chartered Accountants
Firm Registration Number: 02934S

Name: C. Kameshwar Rao
Partner
ICAI Membership Number: 024363
Date: June 16, 2022
Place: Secunderabad
UDIN: 22024363ALAIDX1905

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ANJANI PORTLAND CEMENT LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

1. **Special tax benefits available to the Company under the Act**

   There are no special tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Act**

   There are no special tax benefits available to the shareholders of the Company.

Notes:

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the financial year 2022-23.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO ANJANI PORTLAND CEMENT LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") *(collectively referred to as "indirect tax")*

1. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled "Risk Factors" and "Our Business" beginning on pages 17 and 65, respectively of this Draft Letter of Offer.

Global Industry Outlook

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries— most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty. In addition, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths remain high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026. Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies—reflecting more limited policy support and generally slower vaccination—with output expected to remain below the pre-pandemic trend throughout the forecast horizon. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate—including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook.

Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January. Although a gradual resolution of supply-demand imbalances and a modest pickup in labor supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances— including those stemming from the war—and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated—raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.
The war in Ukraine has exacerbated two difficult policy trade-offs: between tackling inflation and safeguarding the recovery; and between supporting the vulnerable and rebuilding fiscal buffer.

1. **Tackling inflation**: Although the drivers of inflation are in many cases beyond the control of central banks (the war, sanctions, the pandemic, supply chain disruptions), price pressures are increasingly broad-based. The

transmission of the war shock will vary across countries, depending on trade and financial linkages, exposure to commodity price increases, and the strength of the preexisting inflation surge. The appropriate monetary policy response will therefore differ across economies. In some places, including the United States, inflationary pressure had strengthened considerably and become more broad-based even before the Russian invasion of Ukraine—buoyed by strong policy support. In other countries, the prominence of fuel- and war-affected commodities in local consumption baskets could lead to broader and more persistent price pressures. In both cases, tighter monetary policy will be appropriate to check the cycle of higher prices driving up wages and inflation expectations, and wages and inflation expectations driving up prices. In countries where the harmful effects from the war are larger, the trade-off between safeguarding growth and containing inflation will be more challenging. Central banks should remain vigilant to the impact of price pressures on inflation expectations and continue to communicate clearly on the outlook for inflation and monetary policy. A well-telegraphed, data dependent approach to adjusting forward guidance on the monetary stance—including the unwinding of record-high central bank balance sheets and the path for policy rates—is the key to maintaining the credibility of policy frameworks.

2. **Fiscal policy amid rising interest rates and a cost-of living squeeze**: Fiscal policies should depend on exposure to the war, the state of the pandemic, and the strength of the recovery. Following a huge and necessary fiscal expansion in many countries during the pandemic, debt levels are at all-time highs and governments are more exposed than ever to higher interest rates. The need for consolidation should not prevent governments from prioritizing spending with well-targeted support for the vulnerable—including refugees, those struggling because of commodity price spikes, and those affected by the pandemic. Where fiscal space permits and when monetary policy is constrained at the national level—for instance by the Effective Lower Bound or in a monetary union—broader fiscal support may be warranted, depending on the severity of the decline in aggregate demand. But this support should be deployed in ways that avoid exacerbating ongoing supply-demand imbalances and price pressures. Where fiscal space is more limited, governments will need to tread a difficult path between fiscal consolidation and prioritizing essential expenditures. Moreover, authorities should be vigilant regarding private sector vulnerabilities to rising interest rates.

3. **Preparing for tomorrow's economy**: Beyond the immediate challenges of the war and the pandemic, policymakers should not lose sight of longer-term goals. Pandemic disruptions have highlighted the productivity of novel ways of working. Governments should look to harness positive structural change wherever possible, embracing the digital transformation and retooling and reskilling workers to meet its challenges. Carbon pricing and fossil fuel subsidy reform can also help with the transition to a cleaner mode of production, less exposed to fossil fuel prices—more important than ever in light of the fallout of the war on the global energy market. The green energy transition will also entail labor market reallocation across occupations and sectors.

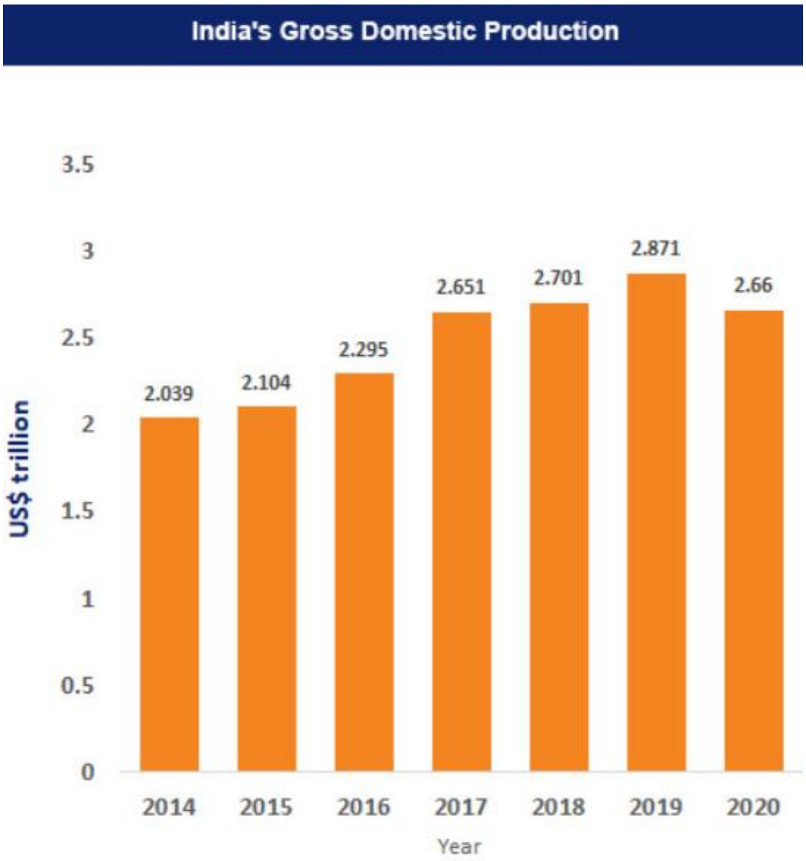
[Source: The International Monetary Fund, World Economic Outlook April, 2022]

Indian Economy Overview

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market Size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.



Recent Developments

Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022. Some of the important recent developments in the Indian economy are as follows:

- India's merchandise exports were at an all-time high of US$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.

- The gross Goods and Services Tax (GST) revenue collection hit an all-time high of ₹ 1.68 trillion (US$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 572.80 billion between April 2000 to December 2021.

- India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.

- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.

- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21

- Foreign portfolio investors (FPIs) invested ₹50,009 crore (US$ 6.68 billion) in the Calendar year 2021.

- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of ₹ 2.37 lakh crore (US$ 31.74 billion) to their accounts.

Government Initiatives

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).

- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth ₹ 20,000 crore (US$ 2.67 billion). In 2022-23, increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Atma Nirbhar Bharat and create 60 lakh jobs with an additional production capacity of ₹ 30 lakh crore (US$ 401.49 billion) in the next five year.

- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of ₹ 24,000 crore (US$ 3.21 billion).

- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of ₹ 2500 crore (US$ 334.60 million).

- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.

- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.

- In the Union Budget of 2022-23, the government has allocated ₹ 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.

- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated ₹ 650 crore (US$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got ₹ 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).

- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of ₹ 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth ₹ 45,000 crore (US$ 6.07 billion).

- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using block chain and other technologies.

- In the Union Budget of 2022-23, Railway got an investment of ₹ 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.

- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.

- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.

- To boost the overall audit quality and transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives, and large non-banks and housing finance firms.

- In May 2021, the Government of India allocated ₹ 2,250 crore (US$ 306.80 million) for the development of the horticulture sector in 2021-22.

- In November 2020, the Government of India announced ₹ 2.65 lakh crore (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ₹ 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.

- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investor. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to ₹ 50,000 crore (US$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.

- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise ₹ 4 lakh crore (US$ 53.58 billion) in the next three year.

- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.

- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.

- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US$ 400 billion merchandise export target by FY22.

- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.

- In June 2021, RBI Governor Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures, including ₹ 15,000 crores (US$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.

- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India by increasing foreign direct investments in the country.

- In June 2021, the Indian government signed a US$ 32 million loan with World Bank for improving healthcare services in Mizoram.

- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for the second tranche of EUR 150 million (US$ 182.30 million) for the Pune Metro Rail project.

- According to an official source, as of September 15, 2021, 52 companies have filed applications under the ₹ 5,866 crore (US$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.

- In May 2021, Union Cabinet approved the signing of a memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.

- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched the 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.

- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US$ 110 billion by 2030.
- India is expected to attract investment of around US$ 100 billion in developing the oil and gas infrastructure during 2019-23.

- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year.

Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal said that India will achieve exports worth US$ 1 trillion by 2030.

India's electronic exports are expected to reach US$ 300 billion by 2025-26. This will be nearly 40 times the FY2021-22 exports (till December 2021) of US$ 67 billion.

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus of 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates for July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with the government's budget support to states, strengthened the overall growth of the Indian economy.

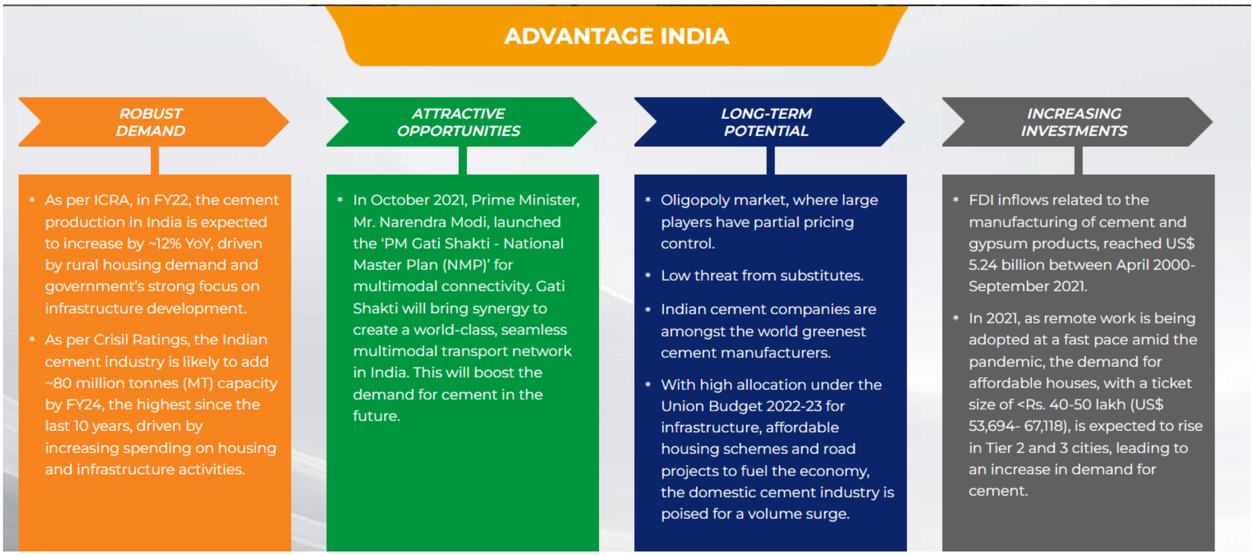
India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third-largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to a shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass the USA to become the second-largest economy in terms of purchasing power parity (PPP) by 2040, as per a report by PricewaterhouseCoopers.

(Source: https://www.ibef.org/economy/indian-economy-overview)

Indian Outlook of Cement Industry

India is the second largest producer of cement in the world. It accounts for more than 7% of the global installed capacity. India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Some of the recent initiatives, such as development of 98 smart cities, is expected to provide a major boost to the sector.
Aided by suitable Government foreign policies, several foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in the country in the recent past. A significant factor which aids the growth of this sector is the ready availability of raw materials for making cement, such as limestone and coal.
India's overall cement production accounted for 294.4 million tonnes (MT) in FY21 and 329 million tonnes (MT) in FY20.

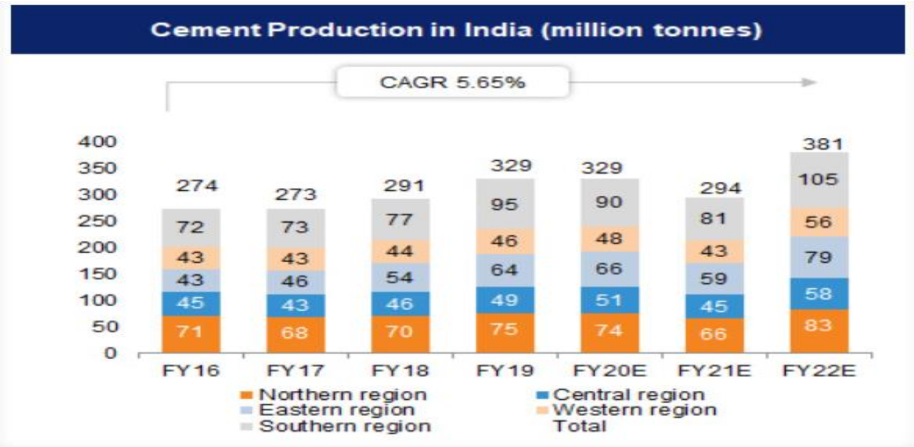


Market Size

Cement production reached 329 million tonnes (MT) in FY20 and is projected to reach 381 MT by FY22. However, the consumption stood at 327 MT in FY20 and will reach 379 MT by FY22. The cement demand is estimated to touch 419.92 MT by FY 2027. As India has a high quantity and quality of limestone deposits throughout the country, the cement industry promises huge potential for growth.

As per ICRA, in FY22, the cement production in India is expected to increase by ~12% YoY, driven by rural housing demand and government's strong focus on infrastructure development.
As per Crisil Ratings, the Indian cement industry is likely to add ~80 million tonnes (MT) capacity by FY24, the highest since the last 10 years, driven by increasing spending on housing and infrastructure activities.
Higher allocation for infrastructure – US$ 26.74 billion in roads and US$ 18.84 billion in railways in union budget of FY23, is likely to boost demand for cement.

According to CLSA (institutional brokerage and investment group), the Indian cement sector is witnessing improved demand. Key players reported by the company are ACC, Dalmia and Ultratech Cement. In the second quarter of FY21, Indian cement companies reported a sharp rebound in earnings and demand for the industry increased, driven by rural recovery. With the rural markets normalising, the demand outlook remained strong. For FY21, CLSA expects a 14% YoY increase in EBITDA in the cement market for its coverage stocks.



Investments

As per DGCIS, India's export of portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements stood at US$ 118.15 million in FY21. FDI inflows in the industry, related to the manufacturing of cement and gypsum products, reached US$ 5.24 billion between April 2000 to September 2021. In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below Rs. 40-50 lakh (US$ 53,694-67,118) is expected to rise in Tier 2 and 3 cities, leading to an increase in demand of cement.

Private equity investments in real estate surged 24% YoY to US$ 477 million between July 2021 to September 2021.

Some of the major investments and development in Indian cement industry are as follows:

- In February 2022, ACC Limited, announced the successful commissioning of a 1.6 MTPA Grinding Unit (GU) at Tikaria in Uttar Pradesh.
- In November 2021, UltraTech Cement announced its commitment to the Global Cement and Concrete Association (GCCA) 2050 Cement and Concrete Industry Roadmap to produce carbon-neutral concrete by 2050.
- In November 2021, Dalmia Cement announced plans to produce 100% low carbon cement by 2031. The company has a US$ 405-million carbon capture and utilisation (CCU) investment plan to help it realise its goal.
- Dalmia Cement plans to spend US$ 1.35 billion to increase its installed cement capacity by 52% to 50MT/yr from 33MT/yr before the FY2024.
- In November 2021, Dalmia Cement announced plans to invest US$ 70.1 million for setting up its upcoming 2MT/yr cement plant in Bokaro, Jharkhand.
- In October 2021, JK Cement Ltd. signed a long-term strategic Memorandum of Understanding (MoU) with Punjab Renewable Energy Systems Private Limited (PRESPL). The MoU is part of JK Cement's attempts to decarbonize its operations and significantly scale-up the use of biomass-based and alternate fuels as replacements to fossil fuels, like coal, in its manufacturing operations.
- In October 2021, JSW Group collaborated with Salesforce to support an ambitious digital strategy. Using Salesforce's Sales Cloud and Service Cloud, JSW Group will offer a single group interface, enhancing distribution, customer experience and supply chain for the large project division across its steel and cement businesses.
- In October 2021, Hyderabad-based Penna Cement Industries, received approval from the capital markets regulator Securities and Exchange Board of India (SEBI), to go ahead with its Rs. 1,550 crore (US$ 206.75 million) initial public offering (IPO).

- In September 2021, Ambuja Cement launched ‘Concrete Futures Laboratory’, a one-stop solution that will enable budding professionals to test, learn and experience various aspects of cement and concrete.

- In September 2021, the Odisha government approved Ramco Cements expansion plan with an additional grinding capacity of 0.9 MTPA capacity at Haridaspur in Jajpur with an investment value of Rs.190 crore (US$ 25.5).

- In August 2021, Ramco Cement plans to invest additional Rs. 601.2 crore (US$ 80.8) to upgrade cement plants that will be completed by March 2022. In April 2021, the company had invested Rs. 401 crore (US$ 53.9) for upgrades.

- In August 2021, Dalmia Cement will invest Rs. 773.8 Crore (US$ 104 million) to expand its cement operations in Jharkhand.

- In August 2021, UltraTech Cement announced plans to increase cement capacity by 19.8 MTPA between 2022 and 2023. Upon completion of the project, which is valued at Rs. 6,510 crore (US$ 875 million), the capacity would rise to 136.3 MTPA.

- In September 2021, Shree Cement launched three projects that were valued at Rs. 4,806 crore (US$ 646 million). Of this, Rs. 3,541 crore (US$ 476 million) will be used to establish 3.8 MTPA cement plant in Rajasthan, while the remaining amount will be spent on establishing a grinding plant in West Bengal and installing solar power plants at various cement plants across the country that are valued at Rs. 759 crore (US$ 102 million) and Rs. 506 crore (US$ 68 million), respectively.

- In September 2021, Ambuja Cement introduced Concrete Futures Laboratories to test various aspects of cement and concrete.

- In August 2021, Ambuja Cement announced to invest Rs. 310 crore (US$ 41.82 million) to expand its manufacturing capacity in Ropar Unit, Punjab and cater to the rising demand from manufacturing sector for housing construction and public infrastructure development. The expansion activities are expected to be completed by June 2023.

- In July 2021, Ramco Cements launched Ramco Super Plaster, a plastering solution for brick work and plastering applications.

- In July 2021, Vedanta announced that its aluminum unit invited bids for alliances from cement manufacturing companies such as JK Cement, ACC and UltraTech Cement to utilise fly ash, a by-product, to produce low-carbon cement.

- In July 2021, Ramco Cements announced its plan to invest US$ 64 million in capacity expansion and modernization activities of its plant unit in Tamil Nadu.

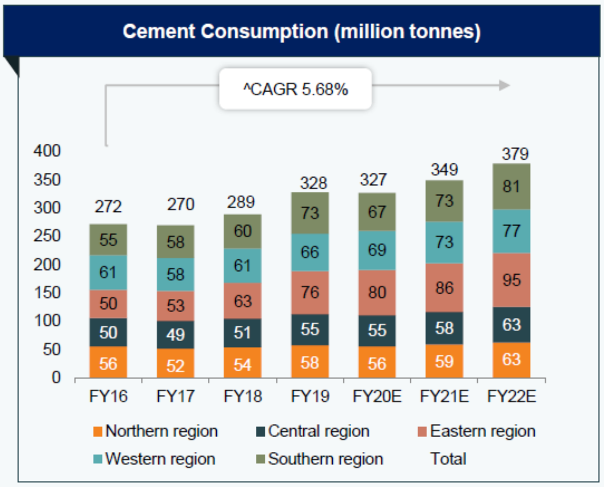
- In July 2021, Dalmia Bharat Ltd. announced its plan to raise the company’s production capacity to 110-130 million tonnes per annum by 2031.

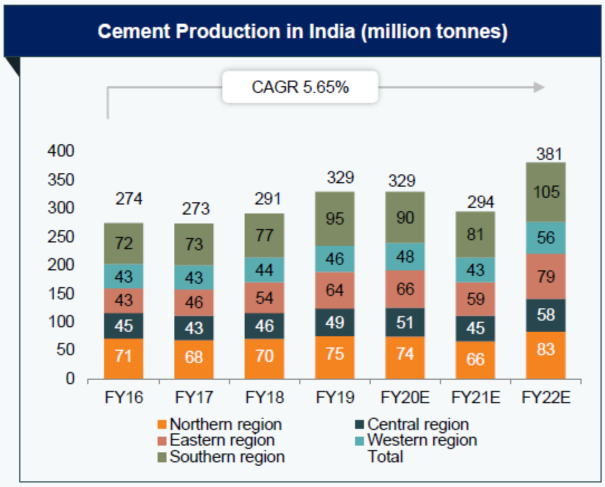
- In July 2021, JSW Cement signed an agreement with Synergy Metals Investments Holding Ltd. and Apollo Global Management Inc. to raise investment funds worth Rs. 1,500 crore (US$ 202.35 million) and expand its production capacity to 25 million tonnes from 14 million tonnes.

- In June 2021, Ambuja Cements and ACC announced to invest in Industry 4.0 under its ‘Plants of Tomorrow’ programme, which aims to boost cement manufacturing through enhanced plant optimisation, improved plant availability and a safer operational environment.

- In June 2021, Ramco Cements Limited commissioned the Line III of its Jayanthipuram Plant, with a clinker manufacturing capacity of 1.50 million tonnes per annum.

- In June 2021, JSW Cement entered construction chemical business with the introduction of an exclusive green product range.





Government Initiatives

In order to help private sector companies, thrive in the industry, the Government has been approving their investment schemes. Some of the initiatives taken by the Government off late are as below:

- In October 2021, Prime Minister, Mr. Narendra Modi, launched the 'PM Gati Shakti - National Master Plan (NMP)' for multimodal connectivity. Gati Shakti will bring synergy to create a world-class, seamless multimodal transport network in India. This will boost the demand for cement in the future.

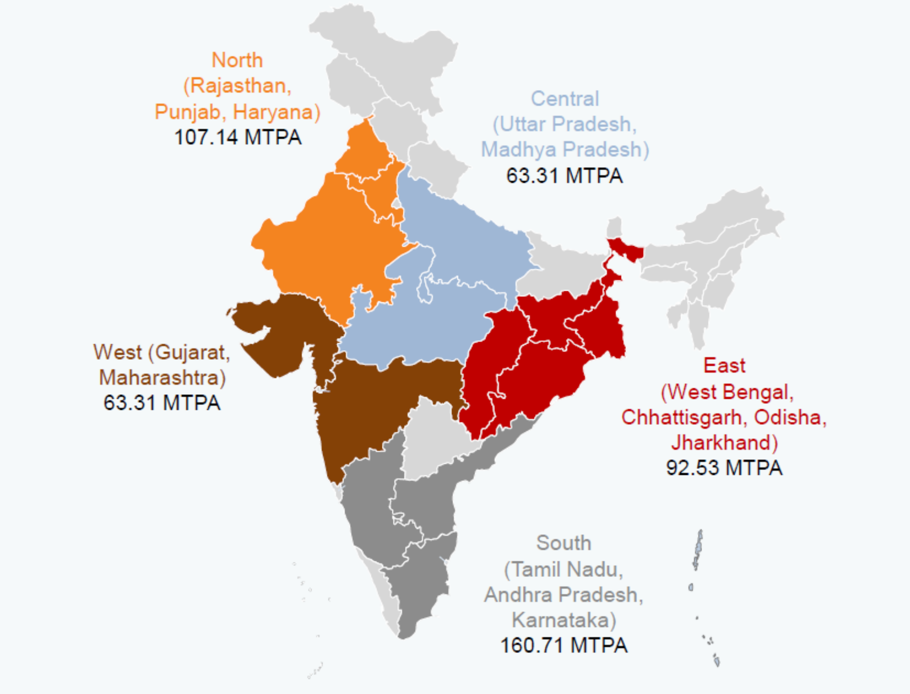
- In July 2021, the government established a council of 25 members (comprising UltraTech Cement MD Mr. K C Jhanwar, Dalmia Bharat Group CMD Mr. Puneet Dalmia) for the cement industry to reduce waste, achieve maximum production, enhance quality, reduce costs and encourage standardisation of products.

- Under the housing for all segment, 8 million households will be identified according to the Budget 2022-23 with Rs. 48,000 crore (US$ 6.44 billion) set aside for PM Awas Yojana.

- As per the Union Budget 2022-23, the government approved an outlay of Rs. 1,99,107 crore (US$ 26.74 billion) for the Ministry of Road Transport and Highways, and this step is likely to boost the demand for cement.

- As per Invest India, National Infrastructure Pipeline (NIP) expanded to 9,305 projects from 7,400 projects.

- The Union Budget allocated Rs. 13,750 crore (US$ 1.88 billion) and Rs. 12,294 crore (US$ 1.68 billion) for Urban Rejuvenation Mission: AMRUT and Smart Cities Mission and Swachh Bharat Mission.



Road Ahead

The eastern states of India are likely to be the newer and untapped markets for cement companies and could contribute to their bottom line in future. In the next 10 years, India could become the main exporter of clinker and gray cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for export and will logistically be well armed to face stiff competition from cement plants in the interior of the country. India's cement production capacity is expected to reach 550 MT by 2025.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 419.92 million tonnes per annum (MTPA) by the FY 2027.

A number of foreign players are also expected to enter the cement sector owing to the profit margins and steady demand.

(Source: https://www.ibef.org/industry/cement-india)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 17, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 78 and 81, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Overview

Our Company is part of the Chettinad group which is one of the prominent business houses in South India with diverse businesses including cement manufacturing, transportation, logistics and supply chain management, construction, healthcare and education.

Our Company is one of the prominent small-sized cement manufacturing companies in South India. Our Company commenced its cement manufacturing operations in 1999 with an installed production capacity of 1,98,000 MT per annum with one production plant. As on March 31, 2022, we operated two production lines in our Cement Plant with an installed production capacity of 11,60,000 MT per annum. Our Company manufactures Ordinary Portland Cement ("**OPC**"), Portland Pozzolana Cement ("**PPC**") and Composite Cement ("**CC**"). This classification of cement is based on its composition which ultimately determines the usage. Within OPC there are different grades of cement based on the minimum compressive strength gained by the cement-sand mortar mix in 28 days' time. We manufacture 53 grade and 43 grade in OPC.

The principal raw materials used by our Company for cement manufacturing process are limestone, gypsum, iron ore, laterite and fly ash.

Our installed cement manufacturing capacity and production details for Fiscals 2020, 2021 and 2022 have been set out below:

(Figures in MT per annum)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Installed capacity	1160000	1160000	1160000
	Actual Production		
OPC 53	550555	541780	462785
OPC 43	109414	115220	183111
PPC	148326	90616	117857
Composite Cement	120265	84285	65903
Total Production	**928560**	**831901**	**829656**

Our Company operates an integrated cement manufacturing facility in Suryapet District, Telangana, which is located approximately 220 kilometers from Hyderabad. Telangana, and in particular, the Suryapet District is a repository of high-quality limestone which is an essential raw material for the manufacturing of cement. As of date, we operate two limestone mines situated in Chintalapalem Village, in Suryapet District, with reserves (including probable reserves) of approximately 34 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 44 million tonnes. The mines are situated near our Cement Plant.

Our manufacturing facility uses a significantly automated production process installed using SIEMENS PCS7-CEMAT distribution control system with round-the-clock monitoring, sampling and analysis of cement production through its stages from mining to packing.

Our manufacturing facility comprises of two (2) lines:

Line 1

Line 1 was set up in 1999 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 4,00,000 MT per annum.

Line 2

Line 2 was set up in 2010 and comprises of a five stage pre-heater and pre-calciner and has an installed production capacity of 7,60,000 MT per annum.

Both lines are equipped with Reverse Air Bag House (**RABH**) technology to minimize pollution and to ensure a dust free environment at our manufacturing facility. RABH is a state-of-the-art technology with high dust collection efficiency for respirable dust. It is a preferred system for high temperature operations.

Our manufacturing facility has been granted various accreditations including ISO 9001:2015, ISO 14001:2015 and BS OHSAS 45001:2018.

Our Company's total revenue in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was ₹ 47,021akhs, ₹ 40,720 lakhs and ₹ 40,893 lakhs, respectively. Our Company's profit after tax in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was ₹ 3,497 lakhs, ₹ 8,498 lakhs and ₹ 4,035 lakhs, respectively. *(As per standalone financials)*

Business Strategies

The key elements of our business strategy are set out below:

Leveraging our existing capacity through improvements in production efficiency

At present, our installed annual cement manufacturing capacity is 11,60,000MT. However, in Fiscal 2020, Fiscal 2021 and Fiscal 2022 our annual production was 8,29,656 MT, 8,31,901 MT and 9,28,560 MT of cement, constituting an annual capacity utilisation of 71.52%, 71.71% and 80.04%, respectively. This is above the industry average capacity utilisation of 65% for Fiscal 2022. Further, the cement industry average capacity utilisation is projected to increase to 75% over the next five years with the activities on development of infrastructure resuming after the COVID pandemic.

The Company is taking various measures to ensure seamless production and dispatch to meet the anticipated increase in demand. We intend to implement various measures including providing new Bucket Elevator for Cement Silo-2, Line-2 Packing plant with 2 Truck Loaders, Bulk Loading System, Shed for Additives (ETP Sludge, Iron sludge & Casting sludge), Kiln feed Bucket Elevator with SFF for Line 1, Bucket Elevators for Raw Mill, Cement Mills for Line 1. The total approximate budget cost is ₹12.92 Crores to optimize production.

Further the Company is also constantly looking for improving its utilization of alternative fuel resources (AFR). This will not only improve the cost efficiency of our production but also contribute to the green environment by reducing the utilization of coal.

Expanding our market reach

After introduction of GST in India, Our Company prefers the IGST sale from Telangana State, instead of maintaining of Godowns etc.

As of now we have a total of 16 Godowns in Telangana, Andhra Pradesh, Tamil Nādu and Kerala. We are looking to increase the Dealer network.

Our Products

The existing business of our Company is manufacturing of cement. Cement is the key ingredient in concrete, primary building material in the industrial and residential construction sectors. Cement acts as the binding agent, which when mixed with sand, stone or other aggregates and water, produces either ready mixed concrete or mortar. Mortar is the mixture of cement with sand and water, and ready-mixed concrete is the mixture of cement with sand, gravel or other aggregates and water.

We produce and sell cement manufactured using clinker produced in our Cement Plant as well as other ingredients procured from various local suppliers. Our primary products of cement are:

1. Ordinary Portland Cement (**OPC**);

2. Portland Pozzolana Cement (**PPC**) and

3. Composite Cement (**CC**)

The cement products manufactured by our Company comply with the standards prescribed by BIS. The cement products are marketed under the brand name of 'Anjani Super Gold'. 'Anjani Super Gold' enjoys recognition in the markets where we operate.

Ordinary Portland Cement

Set out below are the two grades of Ordinary Portland Cement sold by our Company:

OPC 53 Grade

This grade of cement is widely used in plain and reinforced cement concrete, masonry and plastering, for bridge piers, pre- stressed girders and electric poles, concrete pipes, pre- cast concrete, pre- stressed concrete, slip formed concrete, tall building and structures, R.C.C bridges, for cement concrete roads, for structural repairs andgrouting, pre- stressed works, precast element, bridges, atomic power stations, railway sleepers, silos RCC pipe, etc.

OPC 43 Grade

This grade of cement is widely used for all general and semi-specialized constructions like columns, beams, slabs and all structural works, manufacture of concrete blocks and tiles, brick and stone masonry, plastering and flooring, plain and RCC, precast, pre stressed slip formed concrete jobs, and commercial buildings, industrial constructions, multi- storied complexes, cement concrete roads, heavy duty floors, etc.

Portland Pozzolana Cement

PPC cement is widely used in mass concrete works like dams, spillways, retaining walls where OPC is not suitable, all types of RCC work, underground structures, bridges, general building works, hydro- power stations etc.

Fly ash, the pozzolanic material is typically used in the production of PPC, reduces the amount of clinker required and allows us to produce PPC at a lower cost. Fly ash is a waste generated from the operation of coal- fired power and is readily available and cheaper than clinker. Due to the use of fly ash, which gives PPC and CC a lower hydration heat and more sulphate resistance, our PPC and CC is particularly suitable for use in coastal areas and in the construction of bridges, highways, housings, ports, mass concrete dams, irrigation systems and fully plated foundations.

Our margins vary for the different types of cement we manufacture. The sale of PPC has historically achieved higher margins compared to our other cement products. Our production of various cements is driven by market demand for different types of cement. This diverse cement product offering enables us to satisfy various performance specifications from customers, allowing us to serve a broad spectrum of the end market.

Composite Cement ("CC").

Composite cement is widely used in all types of residential , commercial & industrial projects like dams and other mass concrete works and water retaining structures and aggressive climates, concrete roads and flyovers, oost suitable for marine constructions, pre-cast cement products, foundations and piles constructions, better choice than OPC for construction of structures in costal and marine areas.

Fly ash & slag material is typically used in the production of CC, reduces the amount of clinker required and allows us to produce CC at a lower cost. Fly ash & slag is a waste generated from the operation of coal-fired power stations and steel plants respectively and is readily available. Due to the use of fly ash & Slag, which gives CC a lower hydration heat and more sulphate resistance, our CC is particularly suitable for use in marine & coastal area sand.

The following table sets forth our production of OPC PPC and CC for the periods indicated:

(Figures in MT per annum)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
OPC 43 Grade	550555	541780	462785
OPC 53 Grade	109414	115220	183111
PPC	148326	90616	117857
Composite Cement	120265	84285	65903
Total	**928560**	**831901**	**829656**

Production Facilities

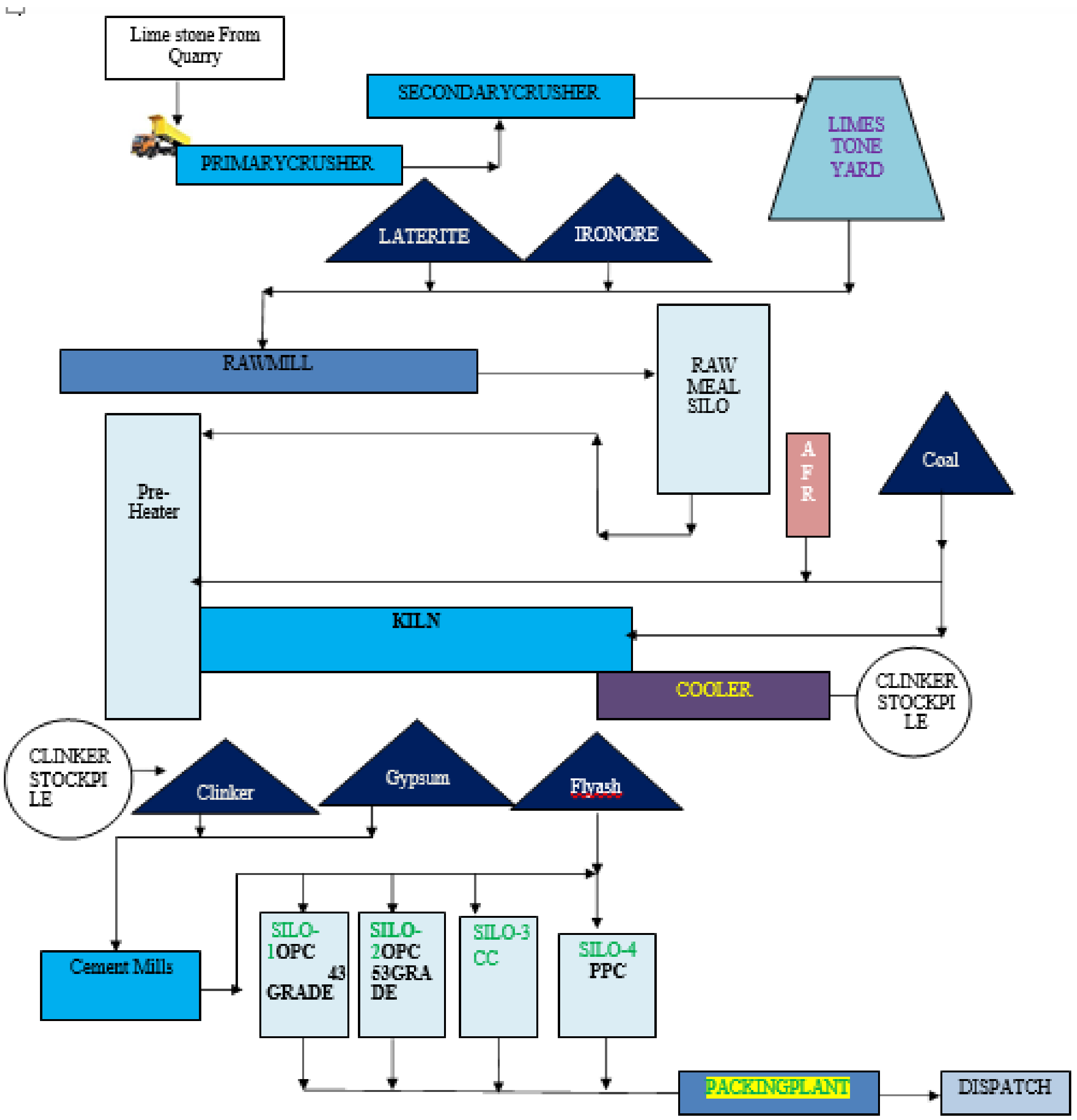
We own and operate a Cement Plant situated in Suryapet District, Telangana. The Cement Plant is strategically located to allow us to easy access to limestone deposits. The following table sets forth the current installed cement capacity, grinding capacity and utilization level of our Cement Plant's production unit for the periods indicated.

(Figures in MT per annum except figures in %)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Installed Cement Capacity (annualized)	1160000	1160000	1160000
Cement Production	928560	831901	829565
Utilization Level	80%	72%	72%

Cement Manufacturing Process

Set out below is the brief chart on the cement production process:



Set out below is the brief write up on the manufacturing process beginning with the manufacturing of clinker and ending with cement production. Cement is primarily a processed mixture of limestone, sand, shale, clay and iron ore, with limestone being the major rawmaterial.

<u>Manufacturing Clinker</u>

Stage 1

***Limestone* mining**

Limestone mining involves benching, drilling and blasting. In limestone benching, the quality of the input is assessed and compared with benchmarks before the additives are mixed. The benched limestone is then drilled and blasted into small pieces. After blasting, the limestone is extracted and transported for crushing.

Crushing

Here the limestone is crushed to make particles suitable for blending and storage. At the crushing plant, a series of crushers and screens reduce the limestone rocks to a size less than 10 millimeter. The crushed material is stored in linear stockpiles for further processing. Other additive materials like sand, shale, clay, and iron ore are crushed and stored in separate linear stockpiles for later use.

Stage 2

Raw mill grinding

Raw material grinding is carried out through a dry process, wherein, each of the raw materials is fed in the right proportion to attain the desired chemical composition before being fed to a rotating ball mill**.** The raw materials are then dried with waste process gases and ground to less than 90 microns in size. The resultant mixture of material is known as 'raw meal'.

Blending and storage

The raw meal is stored in a vertical continuous blending cum storage silo where it is pneumatically blended to ensure a uniform chemical composition. The thoroughly homogenized mixture is then fed to the pre heater.

Coal Crushing and Grinding

Our Company procures coal from indigenous sources. In addition, we also use coal purchased from Chettinad Logistics Private Limited, that is imported from Australia, Indonesia, and South Africa. They are then blended together to achieve a uniform heat value. The coal mixture is then crushed and ground in a ball mill up to 75 microns in size and stored in fine coal hoppers.

Stage 3

Pre-heating stage and kiln

Pyroprocessing is carried out in a 5 stage preheater, calciner and rotary kiln with cooler. It takes place inside the pre-heater tower which is about 90 meters in height.

Raw meal from the storage silo is extracted at a defined rate and fed at the top of the pre-heater tower while being subjected to higher temperatures at every single stage of the 5 stages. High temperatures free the raw meal of all moisture and also do the preheating. After 4 stages, the raw meal enters the 'calciner' wherein calcium carbonate in the raw meal is decomposed into calcium oxide and carbon dioxide. The material is then fed to rotary kiln.

The pre-heater tower and rotary kiln are made of a steel casing and lined with special refractory materials to protect it from not only the high temperatures in the kiln but also from reactions with the raw meal and gases in the kiln, abrasion and mechanical stresses induced by deformation of the kiln shell as it rotates.

In the kiln, the calcination process is completed as the raw meal burns at 1,450 degree Celsius with fine coal fed through the kiln outlet and calciner. The raw material inside the kiln liquefies. During this heat treatment of raw meal, calcium oxide reacts with silica, alumina and iron oxides to form crystals of calcium silicates, calcium aluminates and calcium alumino ferrites etc. This process is called sintering. The reaction results in nodular product known as 'clinker' which has the desired hydraulic properties.

The heated clinker is discharged from the rotary kiln into a clinker cooler. Large cooling fans blow air through the heated clinker cooling it down on its way out. The hot kiln gases are filtered through the reverse air bag house and cooler hot gases are filtered through electrostatic precipitator. The clinker cooler is primarily meant totransfer heat from the clinker to the pyro processing system in the form of hot gases, optimizing the whole system by reducing fuel consumption and improving overall energy efficiency.

The clinker leaving the clinker cooler is at a temperature of 100 degree Celsius capable of being handled by standard conveying equipment. Clinker is then stored in well sheltered stock piles.

<u>Manufacturing Clinker to Cement</u>

Stage 4

Final Grinding and blending

The black, nodular clinker, gypsum and fly-ash are stored in separate hoppers ready to follow the course of final grinding. From the hoppers the clinker along with gypsum and fly-ash are ground together in ball mills in defined proportions to form the final cement products. Fineness of the final products, amount of gypsum added, and the percentage of fly-ash added are all varied to develop the product variants and different grades of cement.

Stage 5

***Distribution* and Dispatch system**

Each product variant is stored in an individual bulk storage silo ready to be dispatched. Cement is packed in bags using auto roto packer to maintain accurate weight of the cement in the bag and is distributed by road. Customers may also demand cement to be dispatched in bulk tankers**.**

PLANT AND MACHINERY

Our manufacturing units are equipped with various state of art machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process.

Raw Materials and Supply

The principal raw materials used by our Company for cement manufacturing process are:

1. Limestone;
2. Gypsum;
3. Iron Ore;
4. Laterite;
5. Fly Ash and
6. Slag

Raw materials are transported to the production plant mainly by means of road transport. We use independent road haulage operators to transport raw materials to our plants.

Limestone

The main raw material used in the production of cement is limestone. The cement production process requires approximately 1.5 MT of limestone for every MT of clinker produced, resulting in an estimated annual requirement of approximately 15.3 lakhs MT of limestone at our Cement Plant, based on full utilisation of current installed capacity.

As of date, we operate two limestone mines situated in Chintalapalem village, in Suryapet District, with reserves (including probable reserves) of approximately 34 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 44 million tonnes. The mines are situated near our Cement Plant.

Gypsum

The other raw material used in manufacturing of cement is gypsum,which acts as a retarding agent to control the setting time for cement. Generally, between 4.50 MT and 5.00 MT of gypsum is consumed in the production of 100 MT of cement. Our current annual requirement of gypsum is approximately 40,000 MT. Gypsum is usually obtained from domestic supplies and we generally maintain stocks in levels sufficient to meet our production requirements.

Iron Ore and Laterite

We currently meet our iron ore requirement by obtaining iron sludge. Laterite is used as an additive. We obtain iron ore and laterite from local suppliers by placing purchase orders, as required.

Fly Ash

Fly ash is used typically in the manufacturing process of PPC as it reduces the amount of clinker required and allows production of PPC at a lower cost. Fly ash is a waste generated from the operation of coal-fired power stations and is readily available and cheaper than clinker.

Power and Fuel

Power and fuel expenses are the most significant expenses in the cement manufacturing process comprising approximately 36% and 30% of our total expenses in Fiscal 2022 and 2021, respectively. Coal and electricity are our principal sources of energy for cement production along with use of alternate fuels. Coal / alternate fuels are used to burn raw materials in the kiln during the production process while electricity is used across all the processes.

Coal

Currently our long term domestic linkages, historically have only met majority of our coal requirements, the balance of our coal requirements are typically met through the use of coal purchased from Chettinad Logistics Private Limited who imports the same from South Africa, Australia and Indonesia.

We primarily use domestically sourced coal at our Cement Plant, as the plant is in close proximity to domestic suppliers of coal which makes it economical. The domestic coal consumed by us is supplied primarily from Singareni Collieries Company Limited. The supply of domestic coal in India is subject to price and distribution controls imposed by the Government of India. All purchases of coal are delivered by road from the various coalfields to our Cement Plant.

Electricity

Electricity is supplied by Telangana State Southern Power Distribution Company Limited. Our Company has its own coal based Captive Power Plant of capacity 1x16 MW commissioned in the year of January 2017. In addition to that our Company has start up power of 4700 KVA @132KV level from State Southern Power Distribution Company of Telangana Limited ("**TSSPDCL**") which will be utilized during startup of Captive Power Plant and also Cement Plant.

Alternate Fuels

The pharmaceutical waste is used to substitute coal for thermal energy requirement in our Cement Plant. This solvent waste is available to us at zero landing cost to our manufacturing facility. Currently, we procure these solvents from pharmaceutical companies located in and around Hyderabad and Visakhapatnam.

Pharmaceutical waste like spent carbon, spent organic liquid and spent organic solid can be substituted in place of coal, to reduce carbon-di-oxide emissions and also reduce cost of production.

Power and Fuel Efficiency

Our current energy reduction program includes the increased use of high quality imported coal, with a planned level of optimum amount of imported coal in our overall fuel mix and the use of alternate fuels. This should enable us to reduce our consumption of thermal energy. The price of imported coal has been increasing in the recent years, mainly due to an increase in the FOB value as well as an increase in freight shipping rates.

Sales and Distribution

Our sales and distribution operations are spread over South India, Maharashtra, Goa and also Odisha. We have over 439 trade dealers and 2,229 non trade dealers spread across 89 districts to promote our products in these markets. Further, we have more than 2,229 customers which include direct customers like infrastructure companies, government departments, contractors, builders, pipe and cement brick manufacturing units among others.

Market Segmentation

Broadly based on the geographical spread, our marketing operations are categorized broadly into three segments:

1. Primary Market: Upto a radius of 250 km.
2. Secondary Market: 251 km – 500 km
3. Tertiary Market: 501 km – 1000 km

The realization from the primary market is the highest, the secondary market is moderate and tertiary market fetches variable cost plus a marginal contribution. The following table sets forth our revenue and sales quantities by products for the periods indicated.

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Quantity (in MTs)	**Amount *(₹ in lakhs)***	**Quantity (in MTs)**	**Amount *(₹ in lakhs)***	**Quantity (in MTs)**	**Amount *(₹ in lakhs)***
OPC	663,597	38,643	700,531	38,834	730,575	36,217
PPC	260,000	18,212	167,044	10,899	251,634	14,249
Composite Cement	121,831	8,273	84,792	5,750	68,121	3,811
Total Cement Sales	**1,045,428**	**65,128**	**952,367**	**55,483**	**1,050,330**	**54,278**

The following table sets forth our domestic cement sales quantities across states and the per cent of total sales for each of the periods indicated.

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Quantity (in MTs)	**%**	**Quantity (in MTs)**	**%**	**Quantity (in MTs)**	**%**
Andhra Pradesh	441,691	42	411,247	43	422,229	40
Telangana	425,318	41	372,370	39	333,149	32
Tamil Nadu	88,686	8	65,537	7	136,986	13
Karnataka	50,201	5	58,629	6	96,033	9
Kerala	38,597	4	38,713	4	53,960	5
Others – Direct Sales from plant other than above states- Small Quantities	935	0	5,871	1	7,973	1
Total Cement Sales	**1,045,428**	**100**	**952,367**	**100**	**1,050,330**	**100**

Quality Control

We have an analytical laboratory for quality control at our manufacturing facility which is controlled by experienced team of professionals. Our laboratory is equipped with X-ray analyzer for monitoring of mineral composition of raw materials and the final product. Samples of the final products are also sent to independent quality analysts for inspection to enhance and standardize quality norms.

Competition

The Indian cement industry is highly competitive and is dominated by a few large pan-India cement manufactures. In southern region of India, our major competitors include well-known locally established cement manufacturers. Competition occurs principally on the basis of price, quality and brand name. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We compete against our competitors by establishing ourselves as a knowledge-based company with industry expertise in providing variety of quality products.

Acquisition of our Subsidiary, Bhavya Cements Private Limited

During the financial year 2021-22, our Company entered into a Share Purchase Agreement dated May 26, 2021 with Mr. V. Anand Prasad, Ms. V. Krishnakumari, Mr. V. Aditya and Bhavya Constructions Private Limited ("**Sellers**") for acquisition of 11,54,55,015 equity shares of Bhavya Cements Private Limited aggregating to 82.51% of the paid-up equity share capital of Bhavya Cements Private Limited. The Company has completed the acquisition on June 7, 2021. With this acquisition, Bhavya Cements Private Limited has become subsidiary of our

Company with effect from closing business hours of June 7, 2021. Further the Company has also acquired 1,56,41,380 equity shares of Bhavya Cements Private Limited aggregating to 11.18% of the paid-up equity share capital of Bhavya Cements Private Limited from its existing shareholders. This resulted in an increase in the Company’s shareholding in Bhavya Cements Private Limited to 93.53%. Further, pursuant to the completion of the Buyback offer given by our Subsidiary, the shareholding percentage of our Company in Bhavya Cements Private Limited increased from 93.53% to 99.08%. Our Company did not participate in the Buyback offer given by Bhavya Cements Private Limited, considering the fact that it will be beneficial to the Company to increase its percentage of shareholding in Bhavya Cements Private Limited, after completion of buyback process. Subsequent to the financial year 2021-22 under review, our Company has also acquired 17,579 equity shares of Bhavya Cements Private Limited aggregating to 0.02% of the paid-up equity share capital of Bhavya Cements Private Limited from its existing shareholders. This has resulted in an increase in our Company’s shareholding in Bhavya Cements Private Limited to 99.09% as on the date of this Draft Letter of Offer.

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than twelve (12) Directors. As on date of this Draft Letter of Offer, we have six (6) Directors on our Board, which includes, one (1) executive director, three (3) non-executive and non-independent directors and two (2) non-executive and independent directors. Out of these, we have two woman directors.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (in years)	Other Directorships
Valliammai Valliappan **DIN:** 01197421 **Date of Birth:** January 24, 1975 **Designation:** Chairperson & Non Executive Independent Director **Address:** A3/23, 6th Main Road, Tristar Residency, West Mugappair, Mogappair, Tiruvallur – 600 037, Tamil Nadu, India. **Occupation:** Professional **Term:** Appointed with effect from September 08, 2017 for a period of 5 years. Not liable to retire by rotation **Nationality:** Indian	47	i. Bhavya Cements Private Limited ii. South India Corpn Private Limited
Nadimpalli Venkat Raju **DIN:** 08672963 **Date of Birth:** September 30, 1960 **Designation:** Managing Director **Address:** B-401, Anjanipuram, Gudimalkapuram, Nalgonda, Andhra Pradesh – 508 246, India. **Occupation:** Professional **Term:** Appointed with effect from January 24, 2020 for a period of 5 consecutive years. **Nationality:** Indian	61	i. Bhavya Cements Private Limited
Annamalai Chettiar Subramanian **DIN:** 06693209 **Date of Birth:** October 01, 1948 **Designation:** Non-Independent & Non-Executive Director **Address:** 1E, 11th Block, Asvini Amarisa Apartments, 77, Kalasathamman Koil Street, Ramapuram, Ambattur, Tiruvallur, Chennai – 600 089, Tamil Nadu, India. **Occupation:** Business	74	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (in years)	Other Directorships
Term: Re- Appointed with effect from January 19, 2020; Liable to retire by rotation **Nationality:** Indian		
Ramanathan Palaniappan **DIN:** 00143198 **Date of Birth:** June 16, 1969 **Designation:** Non-Executive Independent Director **Address:** W-322, Lovedale Apts, T-2, C Sector, 2nd, Avenue, Anna Nagar Western Extn, Tiruvallur, Chennai – 600 101, Tamil Nadu, India. **Occupation:** Professional **Term:** Appointed with effect from August 28, 2019 for a period of 5 consecutive years. **Nationality:** Indian	52	i. Chettinad Developers Private Limited ii. Chettinad Holdings Private Limited
Velappan Palaniappan **DIN:** 00645994 **Date of Birth:** October 13, 1973 **Designation:** Non-Independent & Non-Executive Director **Address:** Flat-B 1St Floor, Prem's Classic Apartment, No.95, Yamuna Street, Chinmaya Nagar Stage I, Virugambakkam, Chennai – 600 092, Tamil Nadu, India. **Occupation:** Professional **Term:** Appointed with effect from August 28, 2019; Liable to retire by rotation **Nationality:** Indian	49	i. Chettinad Plantations Private Limited ii. Chettinad Morimura Semiconductor Material Private Limited iii. Chettinad Structural & Engineering Limited iv. Chettinad Realtors Private Limited v. South India Corpn Private Limited vi. South India Corporation Travancore Private Ltd vii. Chettinad Coal Washeries Private Limited viii. Chettinad Inland Water Transport Services Private Limited ix. Blaze Logistics Private Limited x. Chettinad Financial Management Services Private Limited xi. Chettinad Corporation Private Limited xii. Chettinad Holdings Private Limited xiii. Chettinad Paroupakaaram Foundation xiv. Chettinad Educational Institutions
Nirmalatha Sunanda Bakthavatchalam **DIN:** 03092392 **Date of Birth:** August 16, 1974 **Designation:** Non-Independent & Non-Executive Director **Address:** No. 35, 1st Main Road, Lake Area, Nungambakkam, Chennai, Tamil Nadu – 600 034, India. **Occupation:** Professional **Term:** Appointed with effect from February 10, 2015; Liable to retire by rotation **Nationality:** Indian	48	Nil

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been or were suspended from being traded on any of the stock exchanges during the .term of the directorship in such Company.

2. None of our directors is or was a directory of any listed Company which has been or was delisted from any stock exchange, during the term of their directorship in such Company, in the last ten years immediately preceding the date of filing of this Draft Letter of Offer.

Our Key Managerial Personnel

In addition to our Managing Director, whose details have been described above and uploaded on our Company's website http://www.anjanicement.com/directorial_board.html, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer*:

Subhanarayan Muduli, aged 30 years, is the Company Secretary and Compliance Officer of our Company. He is a member of the Institute of Company Secretaries of India. Prior to joining our Company he was associated with companies like Chettinad Products and Services Private Limited, Panasonic Appliances India Company Limited and SL Lumax Limited. He has been associated with our Company since April 01, 2021 and is responsible for handling secretarial function of our Company.

Our Senior Managerial Personnel

A.Narayana Rao, aged 58 years, is the Senior Vice President, Marketing of our Company. He holds a Master's degree in business administration. He has over 32 years of experience. Prior to joining our Company, he has worked with cement companies including M/s. Ultratech Cement Limited and M/s. Jaypee Cement. He has been with our Company since 2020 and heads our Company's marketing department.

R.S.Ramanjaneyulu, aged 43 years, is the Deputy General Manager, Finance & Accounts, of our Company. He is a member of the Institute of Chartered Accountants of India and also Member of Institute of Cost Accountants of India. He has over 16 years of experience. Prior to joining our Company, he has worked with companies like Rain Cements Limited, GMR Airport Developers Limited, Coromandal Fertilisers Limited. He has been with our Company since September 2019.

All our Key Managerial Personnel are permanent employees of our Company.

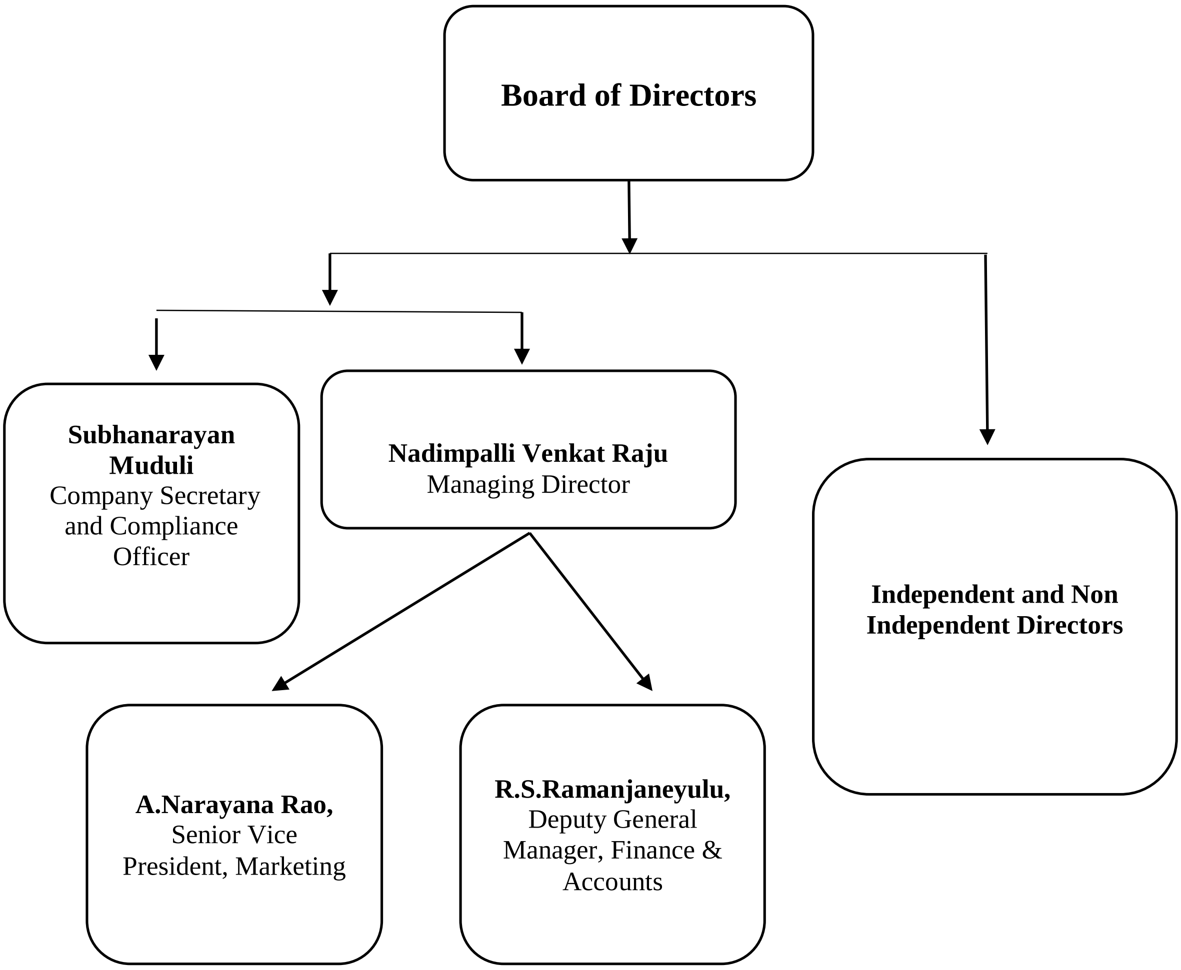
***** *Our erstwhile Chief Financial Officer, M.L. Kumavat resigned from his post due to personal reasons, with effect from May 13, 2022. The Board of our Company will fill his vacancy within a period of six months from the date of his vacancy in accordance with Section 203 (4) of the Companies Act, 2013.*

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

None of the key managerial personnel are related to each other or to any of our Directors.

Management Organization Structure

Set forth is the organization work structure of our Company:


Board of Directors
Subhanarayan Muduli
Company Secretary and Compliance Officer
Nadimpalli Venkat Raju
Managing Director
Independent and Non Independent Directors
A.Narayana Rao,
Senior Vice President, Marketing
R.S.Ramanjaneyulu,
Deputy General Manager, Finance & Accounts

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Ramanatham & Rao
Chartered Accountants
P. B. No. 2102, Flat # 302, Kala Mansion,
Sarojini Devi Road, Secunderabad - 500 003
E-mail : ramanathamandrao@gmail.com
Phone : 27814147, 27849305, Fax : 27840307

Independent Auditor's Report

To the Members of Anjani Portland Cement Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Anjani Portland Cement Limited (hereinafter referred to as "the Holding Company") and its subsidiary Bhavya Cement Private Limited (the Holding Company and its subsidiary together referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters.

Key Audit Matter	Auditor's Response
Evaluation of uncertain tax positions	***Principal Audit Procedures***
The Group has material uncertain tax positions including matters under dispute which involves significant judgment to	Obtained details of completed tax assessments and demands as on March 31, 2022 from managements of the respective companies. We

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determine the possible outcome of these disputes. Refer Note No. 39 to the Consolidated Financial Statements	involved our internal experts to challenge the managements' underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Other Information

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Company's Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the group and respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective

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Boards of Directors either intend to liquidate the group or respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ofthese consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Holding Company has adequate internal financial controls system 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.

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(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors of the Group Companies is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary, which is incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary, which is incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer note 39);

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There is no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

iv. (a) The respective Management of the Company and its subsidiary which is incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or its subsidiary to or in any other person or entity, including foreign entity ("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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Company and its subsidiary which is incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

RAMANATHAM & RAO Chartered Accountants SEC'BAD

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, 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 (a) and (b) above, contain any material misstatement

v. As stated in Note 36(b) to the consolidated financial statements

(a) The dividend proposed in the previous year by the Holding Company, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Government of India in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Ramanatham& Rao
Chartered accountants
(Firm Registration No.S-2934)

C. Kameshwar Rao
Partner
Membership No.024363

UDIN: 22024363AIVSYU9366

Place : Hyderabad
Date : 12th May 2022

RAMANATHAM & RAO * SEC'BAD * Chartered Accountants

Annexure "A" to the Independent Auditor's Report
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Anjani Portland Cement Limited ("the Holding Company") and its subsidiary, which is incorporated in India, as of 31st March,2022 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 Holding Company's internal financial controls system over financial reporting.

RAMANATHAM & RAO
Chartered Accountants
SEC'BAD

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, incorporated in India have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Holding Company and Subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramanatham& Rao
Chartered accountants
(Firm Registration No.S-2934)

C. Kameshwar Rao
Partner
Membership No.024363

UDIN: 22024363AIVSYU9366

Place : Hyderabad
Date : 12th May 2022

RAMANATHAM & RAO
Chartered Accountants
SEC'BAD

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(All Amounts are in INR, unless otherwise stated)

Sl. No.	Particulars	Details
1	Name of the subsidiary	**Bhavya Cements Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2021- 31st March 2022
3	Reporting currency and Exchange rate as on the last date of the	INR
4	Share capital	13,232
5	Reserves & surplus	3,059
6	Total assets	28,661
7	Total Liabilities	12,370
8	Investments	-
9	Turnover	40,636
10	Profit/(Loss) before taxation	3,600
11	Provision for taxation	859
12	Profit/(Loss) after taxation	2,741
13	Proposed Dividend	-
14	Other Comprehensive Income	37
15	Total Comprehensive Income for the year	2,778
16	% of shareholding	99.08%

1. List of Subsidiaries which are yet to commence the operations - NIL
2. List of Subsidiaries sold/liquidated during the year - NIL

For and on behalf of the Board

For Ramanatham & Rao
Chartered Accountants
FR No : S-2934

C.Kameshwar Rao
Partner
Membership No : 024363
Place : Hyderabad
Date : 12th May,2022

RAMANATHAM & RAO Chartered Accontants SEC'BAD

N Venkat Raju
Managing Director
(DIN: 08672963)

V. Valliammai
Director
(DIN: 01197421)

A Subramanian
Director
(DIN: 06693209)

S.B. Nirmalatha
Director
(DIN: 03092392)

V Palaniappan
Director
(DIN: 00645994)

R M Palanippan
Director
(DIN: 00143198)

M.L. Kumavat
Chief Financial Officer

Subhanarayan Muduli
Company Secretary
M. No.A 41513

Place : Chennai
Date : 12th May,2022

Anjani Portland Cement Limited		
Consolidated Balance Sheet as at March 31, 2022		
		All amounts in INR Lakhs unless otherwise stated
Particulars	**Note**	**As at Mar 31 2022**
Assets		
Non-current assets		
Property, plant and equipment	2a	59,873
Right-of-use assets	42	369
Capital work-in-progress	2c	141
Investment property	2d	109
Goodwill	3	23,922
Other intangible assets	2b	8,130
Financial assets		
i. Other financial assets	4	1,810
Other non-current assets	5	1,140
Total non-current assets		**95,494**
Current assets		
Inventories	6	4,925
Financial assets		
i. Trade receivables	7	6,256
ii. Cash and cash equivalents	8	1,262
iii. Bank Balances other than (ii) above	9	96
v. Other financial assets	4	334
Other current assets	10	3,293
Total current assets		**16,166**
Total Assets		**111,660**
Equity and liabilities		
Equity		
Equity share capital	11	2,529
Other equity	12	29,303
Non-controlling Interest	12a	333
Total equity		**32,165**
Liabilities		
Non-current liabilities		
Financial liabilities		
i. Borrowings	13	37,500
ia. Lease liabilities		312
Provisions	14	313
Deferred tax liabilities (net)	16	10,913
Government grants	17	12
Total non-current liabilities		**49,050**
Current liabilities		
Financial liabilities		
i. Borrowings	18	12,180
ia. Lease liabilities	42	97
ii. Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	19	1,301
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,057
iii. Other financial liabilities	15	9,157
Other current liabilities	20	3,218
Provisions	14	38
Government grants	17	7
Current tax liabilities (net)	21	390
Total current liabilities		**30,445**
Total liabilities		**79,495**
Total equity and liabilities		**111,660**
Significant Accounting Policies	1	-

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For Ramanatham & Rao
Chartered Accountants
FR No : S-2934

C.Kameshwar Rao
Partner
Membership No : 024363
Place : Hyderabad
Date : 12th May,2022

Ramanatham & Rao Chartered Accountants Sec'bad

For and on behalf of the Board

N Venkat Raju
Managing Director
(DIN: 08672963)

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(DIN: 01197421)

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M.L. Kumavat
Chief Financial Officer

Subhanarayan Muduli
Company Secretary
M. No.A 41513

Place : Chennai
Date : 12th May,2022

Anjani Portland Cement Limited Consolidated profit and loss for the year ended March 31, 2022		
		All amounts in INR Lakhs unless otherwise stated
Particulars	**Note**	**Year ended March 31, 2022**
Income		
Revenue from operations	22	80,126
Other income	23	310
Total income		**80,436**
Expenses		
Cost of material consumed	24	8,678
Purchase of stock-in-trade		4,169
Changes in inventories of finished goods, stock-in -trade and work-in-progress	25	(453)
Employee benefits expense	26	3,406
Finance costs	27	3,001
Depreciation and amortisation expense	28	5,837
Power and fuel	29	30,548
Freight and forwarding expense		11,168
Other expenses	30	8,205
Total expenses		**74,559**
Profit before tax		**5,877**
Tax expenses		
Current Tax	31	2,305
Deferred tax		(627)
Total tax expense		**1,678**
Profit for the year		**4,199**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of post employment benefit obligations		20
Income tax relating to these items		(5)
Other comprehensive income for the year, net of tax		**15**
Total comprehensive income for the year		**4,214**
Profit attributable to:		
Owners of the Company		**4,142**
Non-controlling Interests		**57**
Profit for the year		**4,199**
Other comprehensive income attributable to:		
Owners of the Company		**16**
Non-controlling Interests		**(1)**
Other comprehensive income for the year, net of tax		**15**
Total Comprehensive income attributable to:		
Owners of the Company		**4,158**
Non-controlling Interests		**56**
Total comprehensive income for the year		**4,214**
Earnings per equity share (Face Value of Rs 10/- each) :		
Basic earnings per share in Rupees	43	16.38
Diluted earnings per share in Rupees		16.38
Significant Accounting Policies	1	

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For Ramanatham & Rao
Chartered Accountants
FR No : S-2934

C.Kameshwar Rao
Partner
Membership No : 024363
Place : Hyderabad
Date : 12th May,2022

For and on behalf of the Board

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Subhanarayan Muduli
Company Secretary
M. No.A 41513

Place : Chennai
Date : 12th May,2022

Ramanatham & Rao Chartered Accountants SEC'BAD

Anjani Portland Cement Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2022

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended Mar 31, 2022
Cash flow from operating activities	
Profit before tax	5,877
Adjustments for	
Depreciation and amortisation expense	5,837
Fixed Assets written off	123
Creditors payable /Debtors adv written back (Net of advances)	(44)
(Gain)/loss on disposal of property, plant and equipment	(45)
Provisions for bad debts	104
Bad debts written off	-
Amortisation of government grants	(7)
Amortisation of interest on rental deposit	(111)
Interest income on rental deposit	(56)
Finance costs	3,001
Liabilities no longer required written back	(1)
Change in operating assets and liabilities	
(Increase)/Decrease in trade receivables	(2,209)
(Increase)/Decrease in inventories	(659)
Increase/(Decrease) in trade payables	(954)
(Increase)/Decrease in other financial assets	709
(Increase)/decrease in other current assets and non current asset	(904)
Increase/(Decrease) in employee benefit obligations/Provisions	(24)
Increase/(Decrease) in financial liabilities	3,391
Increase/(Decrease) in other current liabilities	(1,351)
Cash generated from operations	**12,677**
Income taxes paid	(2,823)
Net cash inflow from operating activities	**9,854**
Cash flows from investing activities	
Payments for property, plant and equipment	(703)
Increase / (Decrease) in capital creditors	(42)
(Increase) / Decrease in capital advances	56
Proceeds from sale of property, plant and equipment	61
Fixed deposits (Increase)/Decrease- (Net)	18,023
Interest income	29
Acquisition of subsidiary and additional acquisition of stake from NCI	(68,663)
Net cash outflow from investing activities	**(51,239)**
Cash flows from financing activities	
Proceeds/(Repayment) of long term borrowings	37,855
Proceeds/(Repayment) of short term borrowings	10,680
Interest paid	(1,276)
Payments made towards Buyback of equity shares	(4,000)
Payments made towards Buyback tax	(929)
Payment of lease liabilities	(107)
Dividends paid to company's shareholders	(1,264)
Increase in unpaid dividend account	17
Net cash inflow (outflow) from financing activities	**40,976**
Net increase (decrease) in cash and cash equivalents	(409)
Cash and cash equivalents at the beginning of the financial year	879
Cash and cash equivalents through business combination	722
Cash and cash equivalents at end of the year	1,192
Add :Balances in statutory restricted accounts	70
Cash and Cash Equivalents (Note 8)	1,262
1) Components of cash and cash equivalents	
Balances with banks in current accounts	1,190
Balances with banks in deposit accounts	
Cash on hand	2
Cash and cash equivalents considered in the cash flow statement	**1,192**

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2) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in Indian Accounting Standard - 7 specified under Section 133 of the Companies Act, 2013.

3) Reconciliation liabifilities arising from financing activities

Particulars	Outstanding as at 01 Apr 2021	Cash flows(Net)	Cash flows	Outstanding as at 31 Mar 2022
From related parties	-	43,500	-	43,500
Loans from bank	-	6,180	-	6,180
Total Borrowings	-	49,680	-	49,680

Significant Accounting Policies Note 1

The accompanying notes form an integral part of Consolidated financial statements
As per our report of even date

For and on behalf of the Board

For Ramanatham & Rao
Chartered Accountants
FR No : S-2934

C.Kameshwar Rao
Partner
Membership No : 024363

Place : Hyderabad
Date : 12th May,2022

Ramanatham & Rao Chartered Accontants Sec'bad

N Venkat Raju
Managing Director
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M.L. Kumavat
Chief Financial Officer

Subhanarayan Muduli
Company Secretary
M. No.A 41513

Place : Chennai
Date : 12th May,2022

Anjani Portland Cement Limited
Consolidated Statement of changes in Equity

All amounts in INR Lakhs unless otherwise stated

I) Equity share capital

Particulars	Note No	Amounts
Balance as at April 1, 2021		2,529
Add: Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the year		2,529
Changes in equity share capital during the year	11	-
Balance as at March 31, 2022		**2,529**

II) Other equity

Particulars	Note No	Reserves and surplus: Securities Premium	General Reserve	Capital Redemption Reserve	Retained earnings	Total
Balance as at April 1, 2021		**6,810**	**500**	-	**24,792**	**32,102**
Profit for the year	12	-	-	-	4,142	**4,142**
Other comprehensive income	12	-	-	-	16	**16**
Transactions with owners in their capacity as owners						
Dividends paid	36(b)	-	-	-	(1,264)	**(1,264)**
Transfer (from)/to Capital Redemption Reserve				761	(761)	-
Excess consideration for acquisition of NCI stake		-	-	-	(3,228)	**(3,228)**
Excess consideration for buy back of shares by subsidiary		-	-	-	(2,465)	**(2,465)**
Balance as at March 31, 2022		**6,810**	**500**	**761**	**21,232**	**29,303**

As per our report of even date

For Ramanatham & Rao
Chartered Accountants
FR No : S-2934

C.Kameshwar Rao
Partner
Membership No : 024363
Place : Hyderabad
Date : 12th May,2022

Ramanatham & Rao Chartered Accountants Sec'bad

For and on behalf of the Board

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M.L. Kumavat
Chief Financial Officer

Subhanarayan Muduli
Company Secretary
M. No.A 41513

Place : Chennai
Date : 12th May,2022

1. SIGNIFICANT ACCOUNTING POLICIES

a) Brief description of the Company

Anjani Portland Cement Limited ('the Company' or 'the Holding Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at-#6-3-553, Unit No. E3 & E4, 4th Floor,Quena Square Off: Taj Deccan Road, Erramanzil, Hyderabad Telangana 500082. The Company manufactures high quality premium cement. The Company has manufacturing plant located at Chintalapalem, Suryapeta District, Telangana.

During the year, the Company has acquired a controlling stake in Bhavya Cements Private Limited ('Bhavya' or 'the subsidiary company') Refer Note 32, as a result of which Bhavya has become a subsidiary of the Company with effect from 7th June 2021. The Company and Bhavya are hereinafter together referred to as 'the Group'.

The consolidated financial statements have been approved by the holding company's Board of Directors on 12th May, 2022.

b) Basis of preparation of the consolidated financial statements

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The consolidated financial statements have been prepared under the historical cost convention on accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policies given below) which have been measured at fair value.

c) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any additional stake acquired in an existing subsidiary is also accounted for as an equity transaction.

As at March 31, 2022, the Company has only one subsidiary named Bhavya Cements Private Limited which is an entity incorporated in India. As at March 31, 2022, the Company had a stake of 99.08% in Bhavya. In the previous year, the Company did not have any subsidiaries and accordingly, there are no previous year figures to present in these consolidated financial statements.

RAMANATHAM & RAO
Chartered Accountants
SEC'BAD

d) Use of estimates

The preparation of these consolidated financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

e) Critical Estimates and judgments

The areas involving critical estimates or judgments are:

i) Estimation of current tax expense and payable
ii) Estimation of defined benefit obligation
iii) Estimation of useful life of Property, Plant and Equipment
iv) Impairment of trade receivables
v) Estimation of decommissioning liabilities for quarry mines
vi) Leases

f) Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

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- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109.

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are and net of returns, trade allowances, rebates, and amounts collected on behalf of third parties.

Sale of products:
Timing of recognition – Revenue from sale of products is recognized when control of the products is transferred to customers based on terms of sale.

Measurement of Revenue: Revenue from sales is based on the price specified in the sales contract, net of all discounts and returns in relation to sales made until end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. Receivable is recognized when the goods are dispatched as this is the point in time that the consideration is unconditional and only passage of time is required before payment is done.

Interest, Dividends and Other Income:
Dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

h) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other property plant and equipment are stated at cost of acquisition less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use. However, cost excludes input credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

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i) Depreciation and amortization

i) Depreciation of Property, plant and Equipment of the holding company is provided on straight line method of depreciation based on the useful lives estimated by the holding company from the technical evaluation carried out. The useful lives so determined are equal to those prescribed under the Part C of Schedule II of the Companies Act, 2013.

ii) Depreciation of Property, plant and Equipment of the subsidiary company is provided on written down value method of depreciation based on the useful lives estimated by the subsidiary company from the technical evaluation carried out. The useful lives so determined are equal to those prescribed under the Part C of Schedule II of the Companies Act, 2013.

iii) The assets' residual values are measured at not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

iv) On tangible property, plant and equipment added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

v) Gains and losses on disposal of assets are determined by comparing the sale proceeds with the carrying amount. These are included in profit or loss within other income.

j) Intangible assets

Intangible assets are recorded at their acquisition cost except for intangible assets which have arisen on account of Business combination which are recorded at fair value as on the date of business combination. These assets are amortized over their useful life from the date on which they are ready for intended use as follows:

Sl. No.	Name of the Intangible Asset	No. of years of amortization
1.	Computer software	4
2.	Brand	15
3.	Mining License	40

k) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash inflows can be generated which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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l) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, (including any non-cash assets transferred or liabilities assumed), is recognised in profit or loss as other gain/(loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised up-to the time when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

n) Transactions in foreign currencies

i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

ii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

o) Inventories

Inventories are valued at the lower of cost and net realisable value.

i) Cost of raw materials and components, packing materials, stores and spares, work-in-process and finished goods are ascertained on a weighted average basis.

ii) Cost of finished goods and work-in-process comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

iii) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

iv) Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

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v) Slow and non-moving material, obsolesces, defective inventories are duly provided for.

p) Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees; and
b) Defined contribution plans such as provident fund.

a) Gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

b) Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv) Bonus plans:

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where statutory liability exists, contractually obliged or where there is a past practice that has created a constructive obligation.

q) Income tax

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Where the Group is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Group accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

r) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Group has a present or constructive obligation as a result of present obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

ii) Contingent liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

s) Leases

The Company as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

t) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the conditions attached to it.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented under other income.

Grants related to income are recognised in statement of profit or loss by deducting it from the the related expense.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

v) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

w) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

x) Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

y) Investments and Other financial assets

i) Classification

The Group classifies its financial assets as those subsequently measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

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ii) Measurement

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

iii) Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 33 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets:

A financial asset is de-recognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or
b) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

z) Current and Non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

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All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the 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
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

aa) Recent accounting announcements

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
- These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standardsetter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are

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not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.

(iv) **Ind AS 103: Business combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

All amounts in INR Lakhs unless otherwise stated

2a Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

Asset Description	Gross carrying amount						Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Fair value of assets taken over pursuant to a business combination*	Adjustment on account of IndAS adoption of subsidiary company	Additions	Deletions / Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	Deletions	As at March 31, 2022	As at March 31, 2022
Land - freehold	1,210	15,667	(5)	128	-	17,000	6	0	-	6	16,994
Building	3,650	9,698	(110)	4	-	13,242	538	830	-	1,368	11,874
Plant and equipment	26,233	19,266	85	503	282	45,805	10,620	4,555	159	15,016	30,789
Furniture and fixtures	22	-	2	4	1	27	13	2	1	14	13
Office equipment	76	-	2	6	3	81	64	4	2	66	15
Vehicles	11	319	0	-	33	297	7	125	17	115	182
Data Processing equipments	-	-	3	6	-	9		3	-	3	6
Total	31,202	44,950	(23)	651	319	76,461	11,248	5,519	179	16,588	59,873

* Refer Note 32 for the details of the business combination.

2b Other intangible assets

Asset Description	Gross carrying amount						-				Net carrying amount
	As at April 1, 2021	Fair value of assets taken over pursuant to a business combination*	Adjustment on account of IndAS adoption of subsidiary company	Additions	Deletions / Adjustments	As at March 31, 2022	As at April 1, 2021	Amortisation for the year	Deletions	As at March 31, 2022	As at March 31, 2022
Computer software											
- Acquired	13	-	-	-	-	13	12	-	-	12	1
-'Bhavya' Brand	-	1,542	-	-	-	1,542	-	84	-	84	1,458
-Mining License	-	6,810	-	-	-	6,810	-	139	-	139	6,671
Total	13	8,352	-	-	-	8,365	12	223	-	235	8,130

* Refer Note 32 for the details of the business combination.

2c

Capital work in progress	83	-	-	212	154	141	-	-	-	-	141
	83	-	-	212	154	141	-	-	-	-	141

a) CWIP Ageing Schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3	
Projects in progress	68	44	29		141
Projects temporarily suspended	-	-	-	-	-

Notes: Refer to note 39 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

2d Investment property

Asset Description	Gross carrying amount						Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Fair value of assets taken over pursuant to a business combination*	Adjustment on account of IndAS adoption of subsidiary company	Additions	Deletions / Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	Deletions	As at March 31, 2022	As at March 31, 2022
Residential Buildings	-	110	-	-	-	110	-	1	-	1	109

The fair value of the investment property as at March 31, 2022 is Rs. 119 lakhs.

Anjani Portland Cement Limited
Notes to Consolidated Balance Sheet
All amounts in INR Lakhs unless otherwise stated

3 Goodwill

Particulars	As at Mar 31 2022
As at 1 April 2021	-
Additions	-
Disposals / Adjustments	-
Acquisition through business combination (Refer note 32)	23,922
Other adjustments	-
As at 31 March 2022	**23,922**

4 Other financial assets

Particulars	As at Mar 31 2022
Non-current	
Unsecured, considered good	
Security deposits	54
Fixed Deposits with banks with matuarity greater than 12 Months *	276
Sales tax incentives receivable	376
Power incentives receivable	1,104
Total other financial assets - non-current	**1,810**

* Represents margin money deposits against Bank Guarantees

Particulars	As at Mar 31 2022
Current	
Security deposits	50
DIC Claim receivable	201
Interest Receivable	83
Total other financial assets - current	**334**

5 Other non-current assets

Particulars	As at Mar 31 2022
Capital advances	294
Balances with government authorities	55
Security deposits	791
Total other non-current assets	**1,140**

6 Inventories

Particulars	As at Mar 31 2022
Raw materials	309
Work-in-progress	1,185
Finished goods	301
Coal and fuel	1,448
Packing materials	178
Stores and spares	1,504
Total inventories	**4,925**

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All amounts in INR Lakhs unless otherwise stated

7 Trade receivables

Particulars	As at Mar 31 2022
a) Trade receivables considered good - secured	904
b) Trade receivables considered good - unsecured	5,559
c) Trade receivables which have significant increase in credit risk	44
d) Trade receivables - credit impaired	17
e) Trade receivables from related parties	4
Less: Allowance for expected credit losses	(272)
Total trade receivables	**6,256**

As on March 31, 2022

Particulars	Outstanding for following periods from due date of payment*						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,982	2,240	604	337	82	-	6,246
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	18	26	44
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	10	67	143	-	220
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	0	13	5	18
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total		2,240	614	404	256	31	6,528
Less: Allowance for bad and doubtful debts							(272)
Trade Receivables net of Allowance for bad and doubtful debts							**6,256**

8 Cash and cash equivalents

Particulars	As at Mar 31 2022
Balances with banks	
- in current accounts	1,190
- in earmarked accounts *	70
Cash on hand	2
Total cash and cash equivalents	**1,262**

* Represents amounts in unpaid dividend accounts

9 Bank Balances other than cash and cash equivalents above

Particulars	As at Mar 31 2022
Balances with banks	
Term deposits *	14
Margin Money against Bank Guarantee	82
Total Bank Balances other than cash and cash equivalents	**96**

* Rs. 7 lakhsrepresents margin money deposit against BG

10 Other current assets

Particulars	As at Mar 31 2022
Advances other than capital advances	
Supplier advances	2,827
Balances with government authorities	335
Prepaid Expenses	131
Total other current assets	**3,293**

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All amounts in INR Lakhs unless otherwise stated

11 **Equity share capital**

Authorised equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31 2021	300	3,000
Increase during the year	-	-
As at Mar 31 2022	**300**	**3,000**

Authorised preference share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31 2021	10	100
Increase during the year	-	-
As at Mar 31 2022	**10**	**100**

Issued and Subscribed equity Share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31 2021	253	2,529
Increase during the year	-	-
As at Mar 31 2022	**253**	**2,529**

(i) Movements in equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31 2021	**253**	**2,529**
Add : Issue of shares	-	-
As at Mar 31 2022	**253**	**2,529**

Terms and rights attached to equity shares

The company has one class of equity shares having a par value of INR 10. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of and amounts paid on equity shares held.

(ii) Shares of the company held by ultimate holding company

Particulars	As at Mar 31 2022	
	Number of shares	Amount (INR)
Chettinad Cement Corporation Private Limited, Ultimate Holding Company	1,89,64,270	18,96,42,700
	1,89,64,270	**18,96,42,700**

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at Mar 31 2022	
	Number of shares (in lakhs)	% holding
Chettinad Cement Corporation Private Limited, Holding Company	190	75%
Sangeetha S	12	5%
	202	**80%**

Promoter's Shareholding
Year ended March 31,2022

Shares held by promoters at the end of the year			% Change During the Year
Promoter Name	**No.Of Shares**	**%Of Total Shares**	
Chettinad Cement Corporation Private Limited	18964270	75	NIL
Total	**18964270**	**75**	

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Anjani Portland Cement Limited
Consolidated Statement of Changes in Equity
All amounts in INR Lakhs unless otherwise stated

12 **Other Equity**

Particulars	As at Mar 31 2022
Securities premium	6,810
General reserve	500
Retained earnings	21,232
Capital redemption reserve	761
Total other equity	**29,303**

a) Securities premium

Particulars	As at Mar 31 2022
Opening balance	6,810
Additions during the year	-
Deductions/Adjustments during the year	-
Closing balance	**6,810**

b) General reserve

Particulars	As at Mar 31 2022
Opening balance	500
Additions during the year	-
Deductions/Adjustments during the year	-
Closing balance	**500**

c) Retained earnings

Particulars	As at Mar 31 2022
Opening balance	24,792
Net profit for the year	4,142
Items of other comprehensive income recognised directly in retained earnings	
- Remeasurements of post-employment benefit obligation, net of tax	16
Appropriations	
- Dividend (including dividend distribution tax)	(1,264)
- Transfer to Capital Redemption Reserve	(761)
Excess consideration towards equity share buyback by subsidiary	(2,465)
Excess consideration for acquisition of NCI stake	(3,228)
Closing balance	**21,232**

d) Capital redemption reserve

Particulars	As at Mar 31 2022
Opening balance	-
Additions during the year	761
Deductions/Adjustments during the year	-
Utilized towards equity share buy-back	-
Closing balance	**761**

12a **Non-controlling interest**

Particulars	As at Mar 31 2022
Opening balance	-
Additions during the year	7,738
Add: Profit for the year	56
Deductions/Adjustments during the year	(7,461)
Closing balance	**333**

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

This reserve is used to record the transfers made from the retained earnings and was made on account of the requirements of the Companies Act, 1956 for payment of dividends.

(iii) Retained Earnings

This reserve represents the cumulative profits of the Company and effects of the remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013

(iv) Capital Redemption Reserve

This reserve has been created on account of the buy back of equity shares by the subsidiary company in accordance with the requirements of the Companies Act, 2013.

All amounts in INR Lakhs unless otherwise stated

13 Borrowings

Particulars	As at Mar 31 2022
Un-Secured Loans	
From Related Party (refer note 13a)	34,500
Secured Loans	
Term Loan	
From Banks (refer note 13b)	3,000
Total other non current financial liabilities	**37,500**

13a) Un-secured loan from related party represents loan taken by holding company from ultimate holding company which carries interest rate of 7% repayable at four equal instalments starting from 31 Mar 2023.

13b) During the current year, i.e. FY 2021-22, the subsidiary Company has availed a Working Capital Term Loan of Rs 4,500 Lakhs from HDFC Bank, carrying interest rate of 6.05% p.a., repayable in in 36 months with quarterly repayments starting from June 2, 2022 and ending on June 2, 2025. The same is secured under hypothecation by way of exclusive charge on movable fixed assets (Plant & Machinery) of the subsidiary Company with minimum cover of 1.3 times of the loan, amounting to Rs 5,850 lakhs.

14 Provisions-

Particulars	As at Mar 31 2022		
Employee benefit obligations	**Current**	**Non-current**	**Total**
Compensated absences	24	140	164
Gratuity	4	57	61
Superannuation	10	-	10
Others			
Decommissioning liability	-	116	116
Total	**38**	**313**	**351**

(i) Compensated absences

The compensated absences obligations cover the Group's liability for the earned leave. The provision is presented as current and non-current based on the actuarial report obtained by the Group. However, based on past experience the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Particulars	As at Mar 31 2022
Current compensated absences expected to be settled within the next 12 months	24

(ii) Post-employment obligations - gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to the recognised funds in India.

(iii) Defined contribution plans

The Group also has certain defined contribution plans. Contributions are made to the provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to the registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognised during the period towards defined contribution plan is INR 202 lakhs

Gratuity

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2021	**573**	**(582)**	**(9)**
Addition on account of Business comibination	**258**	**(208)**	**50**
Current service cost	78	-	78
Interest expense/(income)	57	(53)	4
Total amount recognised in profit or loss	**135**	**(53)**	**82**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	3	3
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(25)	-	(25)
Experience (gains)/losses	(32)	(1)	(33)
Expenses	-		
Total amount recognised in other comprehensive income	**(57)**	**2**	**(55)**
Employer contributions	-	(7)	(7)
Benefit payments	(46)	46	-
March 31, 2022	**863**	**(802)**	**61**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at Mar 31 2022
Present value of funded obligations	863
Fair value of plan assets	(802)
Deficit (Excess)of funded plan	**61**

(iv) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at Mar 31 2022
Discount rate	7%
Salary growth rate	8%

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for an employee retiring at age 58.

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		l benefit obligation (In	
Particulars	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2022	March 31, 2022	March 31, 2022
Discount rate	1%	8%	9%
Salary growth rate	1%	10%	-9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(vi) The major categories of plan assets are as follows:

The Group has plan assets by way of investment funds in Life Insurance Corporation of India (LIC) under the group gratuity scheme. The fair value of the plan assets

Particulars	March 31, 2022 Unquoted
Investment funds (Investments in LIC)	802
Total	**802**

(vii) Risk exposure

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

Investment risks:
The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bond rate. If the return on plan asset is lower than this rate, then it will create a plan deficit.

Interest risks:
A decrease in bond rate will increase the plan liability although this will be partially offset by an increase in the value of the plans bond holdings.

Longevity risks (Life expectancy):
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risks
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

15 Other financial liabilities

Particulars	As at Mar 31 2022
Current	
Interest accrued and due on ICD	1,508
Deposits from dealers	2,190
Capital creditors	131
Expenses payable	1,997
Unpaid dividends*	70
Deferred Consideration-Liability	2,482
Security deposits	755
Retention money	2
Accrued interest	22
Total other current financial liabilities	**9,157**

Note :* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.

All amounts in INR Lakhs unless otherwise stated

16 Deferred tax liabilities(net)

The balance comprises temporary differences attributable to:

Particulars	As at Mar 31 2022
Deferred tax liabilities	
On account of depreciation and amortisation on Property Plant and Equipment and intangible assets	11,091
DTA Addition/(Reversal) on account of Ind AS	8
Total deferred tax liabilities	11,099
Deferred tax assets	
Provision for employee benefits	(33)
Provision for doubtful debts	(69)
Others	(84)
Deferred tax liabilities(net)	**10,913**

Movement in deferred tax liabilities/(assets)

Particulars	On account of depreciation and amortisation on Property Plant and Equipment and intangible assets	Provision for employee benefits	Provision for doubtful debts	Others	Total
At March 31, 2021	3,618	(112)	(30)	33	**3,509**
(Charged)/credited:					-
- to profit or loss	(164)	46	(38)	(642)	**(798)**
- to other comprehensive income	-	-	-	13	**13**
- to current tax liabilities	-	-	-	-	-
Adjustment due to business combination				8,189	**8,189**
At March 31, 2022	**3,454**	**(66)**	**(68)**	**7,593**	**10,913**

17 Government Grants

Particulars	As at Mar 31 2022
Opening balance	26
Less: Released to profit or loss	(7)
Closing balance	**19**
Current portion	7
Non-current portion	12
Total	**19**

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All amounts in INR Lakhs unless otherwise stated

18 Current borrowings

Particulars	Maturity date	Terms of repayment	Coupon / Interest rate	As at March 31 2022
<u>**Secured**</u> From banks				
Bank overdrafts	Payable on demand	Payable on demand	7.7% and 7.35% w.e.f. 15-Dec-21	-
Working capital loan from banks (refer note a)	Payable on demand	Payable on demand	7.35%	1,680
Current maturities of long term debt				
Secured (Refer Note 13b)			6.05%	1,500
Unsecured (Refer Note 13a)			7.00%	9,000
Total Current Borrowings				**12,180**

The borrowings are secured as follows;

a) During the current year, i.e. FY 2021-22, the subsidiary Company has availed Working capital facilities of Rs 4,500 Lakhs from HDFC Bank and the same are secured by way of exclusive charge on inventory and trade receivables of the subsidiary Company. The working capital loans are repayable on demand and the loans carry an interest rate of 7.35% p.a.

b) The carrying amount of financial and non-financial assets pledged as security for current borrowings are disclosed in Note 43.

19 Trade payables

Particulars	As at Mar 31 2022
Dues to micro and small enterprises	1,301
Dues to other than micro and small enterprises	4,057
Total trade payables	**5,358**

As on March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i)MSME	1,296	5	-	-	-	1,301
ii)Others	3,003	844	161	15	22	4,045
iii)Disputed Dues-MSME	-	-	-	-	-	-
IV)Disputed Dues-Others	-	-	-	-	12	12
Total	**4,299**	**849**	**161**	**15**	**34**	**5,358**

20 Other current liabilities

Particulars	As at Mar 31 2022
Advances from customers	1,322
Statutory dues	1,896
Total other current liabilities	**3,218**

21 Current tax liabilities(net)

Particulars	As at Mar 31 2022
Provision for income-tax (net of advance tax and TDS)	390
Total current tax Liabilities(net)	**390**

All amounts in INR Lakhs unless otherwise stated

22 Revenue from operations

Particulars	Year ended March 31, 2022
Sale of manufactured products	74,393
Sale of traded products	5,361
Other operating revenue	372
Total revenue	**80,126**

23.1: Disaggregated Revenue Disclosures are not applicable to the Group since the Group deals mainly in one product i.e., manufacturing and selling of Cement.

23.2: Trade Receivables and Contract Balances
a) The Group classifies the right to consideration in exchange for deliverables as receivable.
b) A receivable is a right to consideration that is unconditional upon passage of time. Trade receivables are presented net of impairment in the Balance Sheet.

23.3: Disclosures relating to pending performance obligations are not given since there are no pending obligations.

23 Other Income

a) Other Income

Particulars	Year ended March 31, 2022
Interest income on	
Bank deposits	53
Others	43
Profit on sale of property, plant and equipment	45
Interest income from financial assets at amortised cost	115
Government grants #	7
Others	47
Total other income	**310**

Government grants relates to the capital subsidy and power subsidy received for investment in property, plant and equipment in subsidiary company. There are no unfulfilled conditions or other contingencies attached to these grants.

24 Cost of material consumed

Particulars	Year ended March 31, 2022
Raw materials consumed:	
i) Limestone	4,481
ii) Gypsum	1,146
iii) Fly ash	1,221
iv) Granulated slag	429
v) Laterite	514
vi) Clinker	887
Total cost of material consumed	**8,678**

25 Changes in inventories of finished goods, stock-in -trade and work-in-progress

Particulars	Year ended March 31, 2022
Opening balance	
Finished goods	111
Work-in-progress	580
Total opening balance (A)	**691**
Inventories taken over pursuant to business combination	
Finished goods	168
Work-in-progress	174
	342
Closing balance	
Finished goods	301
Work-in-progress	1,185
Total closing balance (B)	**1,486**
Total Changes in inventories of finished goods, stock-in-trade and work-in-progress (A-B)	**(453)**

26 Employee benefits expense

Particulars	Year ended March 31, 2022
Salaries, wages and bonus	2,844
Contribution to provident and other funds	310
Gratuity	47
Compensated absences	(7)
Staff welfare expenses	131
Directors' remuneration	81
Total employee benefits expense	**3,406**

27 Finance costs

Particulars	Year ended March 31, 2022
Interest and finance charges on financial liabilities calculated using effective interest rate	226
Interest expense	
On Inter-corporate deposits	2,564
On term loans	29
On working capital loans	93
Others	4

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All amounts in INR Lakhs unless otherwise stated

Interest on shortfall in payment of advance tax	77
Loan Preclosure charges	1
Other Borrowing costs	7
Total finance costs	**3,001**

28 Depreciation and amortisation expense

Particulars	Year ended March 31, 2022
Depreciation of property, plant and equipment	5,519
Depreciation on investment property	1
Amortisation of intangible assets	223
Amortisation of Right-of-use assets	94
Total depreciation and amortisation expense	**5,837**

29 Power and fuel

Particulars	Year ended March 31, 2022
Power and fuel	30,548
Total power and fuel expense	**30,548**

30 Other expenses

Particulars	Year ended March 31, 2022
Consumption of stores and spares	1,950
Packing materials	2,753
Labour charges	351
Repairs and maintenance	
Repairs and maintenance - building	30
Repairs and maintenance - plant and machinery	498
Repairs and maintenance - others	107
Communication expenses	33
Rent	82
Rates and taxes	83
Travel and conveyance	186
Printing and stationery	9
Professional charges	224
Payment to Auditors	16
Insurance	159
Provision for doubtful debts	104
Selling and marketing expenses	498
Advertisement and sales promotion	36
Office maintenance	136
Misc. expenses	262
Corporate social responsibility expenses (refer note 41(b))	177
Fixed Assets written off	123
Others	388
Total other expenses	**8,205**

Details of payments to auditors

Particulars	Year ended March 31, 2022
Payment to auditors	
As auditors:	
Statutoy Audit fee(including Quarterly Limited Review)	13
Tax audit fee	2
Others	1
Total	**16**

31 Income tax expense

Particulars	Year ended March 31, 2022
(a) Income tax expense	
Current tax	
Current tax on profits for the year	2,208
Adjustments for current tax of prior periods	97
Total current tax expense	**2,305**
Deferred tax	
Decrease/(increase) in deferred tax assets	166
(Decrease)/increase in deferred tax liabilities	(793)
Total deferred tax expense/(benefit)	**(627)**
Income tax expense	**1,678**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2022
Profit before income tax expense	5,877
Tax at the Indian tax rate of 25.168%	1,479
Reduction in Deferred Tax due to adoption of reduced corporate tax rate under section 115 BAA of Income Tax Act 1961	12
Tax credits for which no deferred income tax was recognised	84
Prior period tax expense	97
Other items	5
Income tax expense	**1,678**

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32 **Acquisition of Bhavya Cements Private Limited**

Pursuant to a Share Purchase Agreement (SPA) dated 26th May,2021 entered into between the Holding Company, the shareholders of Bhavya Cements Private Limited and Bhavya Cements Private Limited(BCPL), the Holding Company acquired 115,455,015 equity shares of BCPL at a price of Rs. 52.59 per equity share. Consequent to this acquisition, the company obtained a controlling stake of 82.51% in BCPL as at June 8, 2021 and has also appointed majority of the directors on the Board of BCPL with a purchase consideration of Rs 604.38 Crores.

The Holding Company has recorded this transaction in the consolidated financial statements as a business combination under IndAS 103. Accordingly, the identifiable assets and liabilities of BCPL as at June 8, 2021 have been recognised at fair values. The difference between the fair value of consideration and the fair value of identifiable net assets of BCPL has been recognised as Goodwill after recognising Non-controlling interest and deferred taxes on the fair value uplift on the assets and liabilities. The following table includes the details of the same:

Particulars	Fair value on date of acquisition
Assets	
Tangible assets	44,950
Intangible assets on acquisitioin	
'Bhavya' Brand	1,542
Mining License	6,810
Long term loans and advances	838
Other non-current assets	371
Inventories	1,492
Trade receivables	2,621
Cash and cash equivalents	756
Short term loans and advances	782
Other current assets	1,628
Indemnification assets	66
	61,856
Liabilities	
Long term borrowings	1,067
Other non-current liabilities	619
Long term provision	320
Trade payables	4,012
Other current liabilities	2,124
Short term provisions	389
Contingent liabilities	66
Deferred tax liabilities	9,005
	17,602
Total identifiable net assets at fair value	**44,254**
Non-controlling interest as a proporation of fair value of net assets acquired	(7,738)
Goodwill	23,922
Fair value of consideration	**60,438**

The above fair values have been considered based on a valuation report obtained from an independent

The goodwill of INR 23,922 lakhs comprises the value of expected synergies and extension of the holding company's business in expanded territories arising from the acquisition which is not separately recognised. Goodwill is allocated entirely to the cements business segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

Contingent liabilities amounting to Rs. 66 lakhs has been recognised along with an indemnification asset of the same amount representing certain legal cases for which the Holding Company has an indemnification arrangement with the seller.

Non-controlling interest has been computed as a proportionate share of the fair value of the identifiable net assets acquired as a part of the consideration.

From the date of acquisition, BCPL has contributed INR 33,320 lakhs of revenue and INR 3,1777 lakhs to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from combined continuing operations would have been INR 88,226 lakhs and the combined profit before tax from continuing operations for the Group would have been INR 8,514lakhs

The consideration of Rs. 60,718 lakhs (the fair value of which is Rs. 60,438 lakhs) was entirely paid by way of a bank payment except for deferred consideration fair value Rs.2,333 lakhs and there is no contingent consideration payable to the sellers of BCPL.

Acquisition of additional stake in BCPL

After obtaining control over BCPL, the holding company has also acquired an additional stake of 11.18% in BCPL in two tranches at an aggregate consideration of Rs. 8,225.58 lacs as a result of which the Company's equity interest in BCPL increased to 93.69%. For such additional stake, the difference between the consideration paid and the proportionate net identifiable assets of BCPL amounting to Rs. 3,228 lakhs has been debited to the Reserves and Surplus

Buy back of shares by BCPL

In the month of February 2022, BCPL announced a buy-back scheme and consequently bought-back 76,06,000 equity shares at a total consideration of Rs. 3,999.99 lacs and paid a buy-back tax amounting to Rs. 928.54 lacs. As a result of such buy-back, the shareholding of the holding company in BCPL increased to 99.08%. Accordingly, the difference between consideration paid by the Group for such buy-back and the proportionate value of NCI acquired amounting to Rs. 2,465.31 lacs has been debited to the Reserves and Surplus in accordance with the requirements of IndAS 110 on 'Consolidated Financial Statements'.

33 **Impairment testing of goodwill**

For impairment testing, goodwill acquired through the business combination has been allocated to the cements business. The total carrying amount of goodwill as at March 31, 2022 is Rs. 23,922 lacs. The Group performed the annual impairment test of goodwill as at March 31, 2022. The recoverable amount of the cements business was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections for impairment testing during the current year is 13.00% . The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 6.0%. The impairment test did not identify any impairment in the carrying value of goodwill as at March 31, 2022.

Key assumptions used for value in use calculations:

The calculation of value in use is most sensitive to the following assumptions:

a) Gross margins - these are based on the averages achieved in the earlier years. These are increased over the budget period for anticipated efficiency. An increase of 10% in the revenues and costs has been considered for the next 5 years based on the business plans of the Company.

b) Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity.

c) Growth rates used to extrapolate cash flows beyond the forecast period - These are based on published industry research and management's estimates.

The value in use computations are sensitive to variance in the above key assumptions.1.0% movement in any one of the above key assumptions keeping the other assumptions constant is not resulting in any impairment of goodwill.

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All amounts in INR Lakhs unless otherwise stated

34 Fair value measurements

Financial instruments by category

Particulars	As at Mar 31 2022 FVTPL	FVOCI	Amortised cost
Financial assets			
Trade receivables	-	-	6,256
Cash and cash equivalents	-	-	1,262
Bank Balances other than cash and cash equivalents	-	-	96
Loans			-
Other financial assets	-	-	2,144
Total financial assets	**-**	**-**	**9,758**
Financial liabilities			
Borrowings	-	-	49,680
Lease Liability	-	-	409
Trade payables	-	-	5,358
Others	-	-	9,157
Total financial liabilities	**-**	**-**	**64,604**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at Mar 31 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Other financial assets	4	-	-	2,144	2,144
Trade receivables				6,256	6,256
Cash and cash equivalents				1,262	1,262
Bank Balances other than cash and cash equivalents				96	96
Total financial assets		**-**	**-**	**9,758**	**9,758**
Financial Liabilities					
Borrowings	18	-	-	49,680	49,680
Lease Liabilities	42			409	409
Trade payables	19	-	-	5,358	5,358
Others	15	-	-	9,157	9,157
Total financial liabilities		**-**	**-**	**64,604**	**64,604**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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 entity-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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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(ii) Valuation processes

Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at Mar 31 2022 Carrying amount	Fair value
Financial assets		
Loans	-	-
Other Financial Assets	2,144	2,144
Total financial assets	**2,144**	**2,144**
Financial Liabilities		
Borrowings	49,680	49,680
Lease Liability	409	409
Total financial liabilities	**50,089**	**50,089**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. Since there are no changes in the borrowing rate contracted with the bank, thus the fair value is equal to the amortised cost.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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All amounts in INR Lakhs unless otherwise stated

35 Financial risk management

The group's activities expose it to credit risk, liquidity risk and market risk.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Long-term and Short-term borrowings at variable interest rates.	Sensitivity analysis	Availability of committed credit lines and borrowing facilities

The group's risk management is carried out by the treasury team under policies approved by the board of directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and credit exposures to customers including outstanding receivables with dealers and advances given to vendors.

(i) Credit risk management

Credit risk is managed on a wholistic basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the group assesses and manages credit risk based on external credit rating system. The finance department under the guidance of the board, assess the credit rating system. Credit rating is performed for each class of financial instruments with different characteristics. The group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

VL 1 : High-quality assets, negligible credit risk
VL 2 : Quality assets, low credit risk
VL 3 : Standard assets, moderate credit risk
VL 4 : Substandard assets, relatively high credit risk
VL 5 : Low quality assets, very high credit risk
VL 6 : Doubtful assets, credit-impaired

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk The group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included -

- Internal credit rating assessment
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The group provides for expected credit loss based on the following:

<table>
<tr><th rowspan="2">Internal rating</th><th rowspan="2">Category</th><th rowspan="2">Description of Category</th><th colspan="2">Basis of recognition of expected credit loss provision</th></tr>
<tr><th>Loans and security deposits</th><th>Trade receivables</th></tr>
<tr><td>VL 1</td><td>High-quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where risk of default is negligible or nil</td><td rowspan="3">12-month expected credit losses</td><td rowspan="5">Life-time expected credit losses (simplified approach)</td></tr>
<tr><td>VL 2</td><td>Quality assets, low credit risk</td><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past</td></tr>
<tr><td>VL 3</td><td>Standard assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong</td></tr>
<tr><td>VL 4</td><td>Substandard assets, relatively high credit risk</td><td>Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due</td><td rowspan="2">Life-time expected credit losses</td></tr>
<tr><td>VL 5</td><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default. In general, assets where contractual payments are more than 60 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 60 days past due</td></tr>
<tr><td>VL 6</td><td>Doubtful assets, credit-impaired</td><td>Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the group. The group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 120 days past due. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.</td><td colspan="2">Assets being written off</td></tr>
</table>

All amounts in INR Lakhs unless otherwise stated

Year ended 31 March 2022:

(a) Expected credit loss for loans and security deposits

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans and Security deposits	VL 1	104	0%	-	104

(b) Expected credit loss for trade receivables under simplified approach:

Ageing	0 to 180	181 to 365	366 to 730	> 731	Total
Gross carrying amount	5,224	614	404	287	6,529
Expected loss rate	0.50%	5.00%	10.00%	50.00%	
Expected credit losses (Loss allowance provision)	26	31	40	143	240
Provision carried in books #	39	39	42	153	273
Carrying amount of trade receivables (net of impairment)	**5,185**	**575**	**362**	**134**	**6,256**

-

(iii) Reconciliation of loss allowance provision- Loans and deposits

There are no loss allowance provision created for the loans and deposits.

(iv) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on 1 April 2021	98
Add: Loss allowance on account of Business combination (refer note 32)	70
Changes in loss allowance	104
Loss allowance on 31 March 2022	**272**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The funding sources of the group include short-term working capital loans from banks.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at Mar 31 2022
Floating rate	
- Expiring within one year (bank overdraft)	5,300
- Expiring beyond one year (bank loans)	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for non-derivative liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
31 March 2022						
Non-derivatives						
Borrowings	375	375	11,430	13,000	24,500	49,680
Lease Liability	25	25	49	108	203	410
Trade payables	5,335	2	1	1	22	5,361
Other financial liabilities	5,847	72	3,237	-	-	9,156
Total non-derivative liabilities	11,582	474	14,717	13,109	24,725	64,607

(C) Market risk

(i) Foreign currency risk

The group is not exposed to foreign exchange risk arising from foreign currency transactions during the year. Foreign exchange risk arises from recognised liabilities denominated in a currency that is not the group's functional currency (INR).

a) Foreign currency exposure

The group's exposure to foreign currency risk at the end of the current and previous reporting period is NIL

(ii) Interest rate risk

The group's main interest rate risk arises from borrowings with variable rates, which expose the group to cash flow interest rate risk.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The group has not taken any interest rate swaps to convert the floating rate borrowings to fixed rate loans. The group monitors the movement in the interest rates and uses the prepayment option to repay the borrowings at the time when the interest rates are unfavorable. The assessment of viability of using the pre-payment option shall be evaluated by the finance team.

a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at Mar 31 2022
Variable rate borrowings	1,680
Fixed rate borrowings	48,000
Total	**49,680**

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit after tax
	As at Mar 31 2022
Interest rates – increase by 70 basis points *	11.76
Interest rates – decrease by 70 basis points*	(11.76)

* Holding all other variables constant

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All amounts in INR Lakhs unless otherwise stated

36 Capital management

(a) Risk management

For the purpose of capital management, capital includes issued equity capital attributable to the Holding Company.
The Group's objectives when managing capital are to;
• Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, The group monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

Particulars	As at Mar 31 2022
Net debt	61,230
Total equity	31,832
Net debt to equity ratio	**1.92**

(i) Loan covenants
In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022.

(b) Dividends

Particulars	As at Mar 31 2022
(i) Equity shares	
Final dividend for the year ended March 31, 2021 of INR 5 per fully paid share	1,264
(i) Dividends not recognised at the end of the reporting period	
Directors have recommended the payment of a dividend of INR 5 (PY INR 5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	759

Anjani Portland Cement Limited
Notes to financial statements

All amounts in INR Lakhs unless otherwise stated

37 Segment information

(a) Description of segments and principal activities

The Group has following business segments, which are its reportable segments during the year. These segments offer different products and services, and/or managed separately because they require different technology and production processes. Operating segment disclosures are constant with the information provided to and reviewed by the chief operating decision maker.

Reportable segment	Product/ Services
Cement	Manufacturing and trading of cement
Power plant	Generation of power

Particulars	Year ended March 31, 2022		
	Cement	Power	Total
Segment revenue	79,867	5,438	85,305
Less : Inter segment revenue		(5,179)	(5,179)
Total revenue from operations	79,867	259	80,126
Segment result (Profit before tax and interest) from each segment	8,293	585	8,878
Less : Interest			(3,001)
Total Profit before tax			5,877
Capital employed (Segment assets - segment liabilities)	**As at Mar 31 2022**		
Segment assets	1,04,138	7,522	1,11,660
Segment liabilities	79,386	109	79,495

(b) Major Customers in Cement Segment

15% of Group Revenue is coming from 15 customers in cement segment.

All amounts in INR Lakhs unless otherwise stated

38 Related party transactions

The related party relationships is as identified by the company and relied upon by the auditor.

(a) Parent entities

The Group is controlled by following entity:

Name of entity	Ownership interest held by the Ultimate Holding Company		
	Place of Incorporation	Registered Address	As at Mar 31 2022
Chettinad Cement Corporation Private Limited - Ultimate Holding Company	India	"CHETTINAD TOWERS", NO. 603, ANNA SALAI, CHENNAI Chennai TN 600006 IN	75%

(b) Fellow Subsidiaries of Holding Company

Name of entity	Ownership interest held by the Ultimate Holding Company		
	Place of Incorporation	Registered Address	As at Mar 31 2022
Chettinad Power Corporation Private Limited	India	"Chettinad Towers", No. 603, Anna Salai,Chennai, Tamil Nadu - 600 006	100%
Grand Paper & Boards Private Limited	India	NO.37,Old Mahabalipuram Road, Kazhipattur Village,Padur Post, Kanchipuram Kancheepuram TN 603103 IN	100%
Belaire Apartments Private Limited	India	Plot No.18, Block No.1 Rajmahal Vilas, 2nd Stage Bengaluru KA - 560094 IN	100%
Grand Lanka Exim (Private) Ltd.	Srilanka	No.354 Hamilton Canal Rod, Dickovita, Hendala, Wattala, Sri Lanka	98%

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(c) Associate Company

The Group does not have any associate Company in the current financial year.

(d) Joint ventures in which the entity is a joint venturer

The Group does not have any joint ventiures

(e) Key management personnel(KMP) of the reporting entity and Parent of the reporting entity

Mr. M A M R Muthiah , Managing Director of Ultimate Holding Company

Mr. N. Venkat Raju Managing Director of Group

(f) Key management personnel compensation

Particulars	As at Mar 31 2022
Short-term employee benefits	79
Post-employment benefits*	4
Total compensation	**83**

* This does not include gratuity based on acturial valuation as this is done for the company as a whole

(g) Related Parties

Entities controlled or jointly controlled by a person identified (e) above :

Chettinad Morimura Semiconductor Material Private Limited

Chettinad Inland Water Transport Services Private Limited

Chennai Computer and Software Services Private Limited

Chettinad Realtors Private Limited

Chettinad Lignite Transport Services Private Limited

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(h)Transactions with related parties

The following transactions occurred with related parties:

Particulars	As at Mar 31 2022
Ultimate Holding Company	
Purchase of goods	5,410
Sale of goods	9
Rent Paid	1
Rent received	1
Dividend Paid	948
ICD Interest Paid/Accrued	2,564
ICD Received	46,000
ICD Repaid	2,500

(i) Outstanding balances arising from sales/purchases of goods and services

Particulars	As at Mar 31 2022
Ultimate Holding Company	
Payable against purchase of goods	540
Inter Corporate Deposit (Principal and Interest payable)	45,008

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All amounts in INR Lakhs unless otherwise stated

39 Contingent liabilities and contingent assets

(a) Contingent liabilities	As at Mar 31 2022
Claims against the Company not acknowledged as debts	
Income tax related	328
Excise related *	180
Customs related **	130
Entry tax	32
Others	138
Total	**808**

*Does not include penalty amount of INR 180.32 Lakhs
**Does not include penalty amount of INR 103.70 Lakhs

During the year, Holding Company has received a notice from Superintendent of Engineer, Southern Power Distribution Company of Telangana Limited, Suryapet purporting to claim and demand Rs.16,71,96,831/- (Rupees Sixteen Crore Seventy one lakh Ninety six thousand Eight hundred and thirty one) towards difference in wheeling charges and interest thereon pursuant to the judgment dated 29.11.2019 of the Hon'ble Supreme court. Company has approached to Hon'ble High court of Telangana State, Hyderabad and filed the writ petition on the ground that the demand raised is unauthorized and legally untenable as the Company was not party to any wheeling agreement entered into with transmission/distribution Licensee. The Hon'ble High Court of Telangana has granted stay order to the said demand.

(b) Contingent assets

The Groupd does not have any contingent assets as at March 31, 2022.

40 Commitments

Capital commitments (net of capital advances)

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at Mar 31 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	
Property, plant and equipment	386
Total	**386**

41 Other Disclosure

(a)Dues to Micro and Small Enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the 'Suppliers' regarding their status under the Act.

Particulars	As at Mar 31 2022
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year	-
Principal amount due to micro and small enterprises	-
Interest due on above	-
ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	0.04
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-
iv) The amount of interest accrued and remaining unpaid at the end of each	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

(b) Corporate Social Responsibility (CSR)

Section 135(5) of the Companies Act, 2013 stipulates that the group needs to spend two per cent of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility (CSR) Policy.

The Group has spent INR 177 lakhs during financial year 2021-22 towards CSR activities

Particulars	As at Mar 31 2022
a) Gross amount required to be spent by the Company during the year	174
b) Amount approved by the Board to be spent during the year	177
c) Amount of expenditure incurred on :	
i) Construction/acquisition of any asset	-
ii) On purposes other than (i) above	177
d) Shortfall at the year end	-
e) Total previous shortfall	-
f) Reason for shortfall	NA
g) Nature of CSR activities under Sec 135 read with Schedule VII of Companies Act, 2013	Promoting Education, Rural Development, Health Care, Hygiene & Sanitation
h) Details of related party transactions in relation to CSR expenditure	NA

42. Leases

Disclosures as per Ind AS 116:

The weighted average incremental borrowing rate applied to lease liabilities is 9 % in the case of holidng company and 7% for Subsidiary

in Lakhs

Particulars	**Right of use (ROU)-Building**
Opening Balance as on 1st April 2021	254
Add: On account of business combination (refer note 32)	5
Add: Additions	214
Less: Deletions	10
Less: Depreciation	94
Closing Balance as on 31st March 2022	369

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

Particulars	**Year Ended 31st March 2022**
Current Lease Liability	97
Non Current Lease Liability	312
Total	409

The following is the movement in lease liabilities during the year ended March 31, 2022

Particulars	**Year Ended 31st March 2022**
Balance at the beginning	280
Add: On account of business combination (refer note 32)	10
Additions	214
Finance Cost accrued during the period	28
Less: Deletion	16
Less: Payment of lease liabilities	107
Balance at the end	409

The table below provides details regarding the contractual maturities of lease liabilities as at March 31,2022 on an undiscounted basis:

Particulars	**Year Ended 31st March 2022**
Less than one year	127
One to five years	344
More than five years	-
Total	471

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All amounts in INR Lakhs unless otherwise stated

43 Earnings per share

(a) Basic earnings per share

Particulars	As at Mar 31 2022
Basic earnings per share attributable to the equity holders of the Company in Rupees	16.38

(b) Diluted earnings per share

Particulars	As at Mar 31 2022
Diluted earnings per share attributable to the equity holders of the Company in Rupees	16.38

(c) Reconciliations of earnings and number of shares used in calculating earnings per share

Particulars	As at Mar 31 2022
Basic/Diluted earnings per share	
Profit attributable to equity holders of the company used in calculating basic/diluted earnings per share	4,142
Weighted average number of Equity Shares outstanding during the period(In Number)	2,52,85,696
Profit attributable to equity holders of the company used in calculating basic/diluted earnings per share	4,142

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All amounts in INR Lakhs unless otherwise stated

44 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at Mar 31 2022
Current	
Financial assets	
First charge	
Trade receivables	6,259
Cash and cash equivalents	913
Bank Balnaces other than cash and cash equivalents	9
Others	286
	-
Non-financial assets	-
First charge	-
Inventories	2,816
Other current assets	3,760
Total current assets pledged as security	**14,043**
Non-Current	
First charge	
Plant and machinery	5,850
Furniture and fixtures	-
Office equipment	-
Vehicles	-
Total non-current assets pledged as security	**5,850**
Total assets pledged as security	**19,893**

45 Events occurring after the reporting period

No events were noted after the reporting period which require an adjustment nor disclosure as provided under Ind AS 10.

All amounts in INR Lakhs unless otherwise stated

46 Additional statutory information in respect of components of the Group

Name of the entity	As at and for year ended 31 March 2022							
	Net Assets i,e total assets less total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Parent- Anjani Portland Cement Limited	115%	36,870	83%	3,497	40%	6	83%	3,503
Subsidiary								
Bhavya Cements Private Limited	51%	16,291	56%	2,365	62%	9	56%	2,374
Total		53,161		5,862		15		5,877
Less: Consolidation adjustments	-65%	(20,996)	-40%	(1,662)	2%	0	-39%	(1,663)
Net amount	**100%**	**32,165**	**100%**	**4,199**	**104%**	**15**	**100%**	**4,214**

47 Impact of Covid-19

The Group has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

48 Note on "Code on Security, 2020"

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49 Previous Year comparatives and ratio analysis are not presented as consolidation is applicable for the first time.

The accompanying notes form an integral part of financial statements

As per our report of even date

For Ramanatham & Rao
Chartered Accountants
FR No : S-2934

C.Kameshwar Rao
Partner
Membership No : 024363
Place : Hyderabad
Date : 12th May,2022

RAMANATHAM & RAO
Chartered Accontants
SEC'BAD

For and on behalf of the Board

N Venkat Raju
Managing Director
(DIN: 08672963)

V. Valliammai
V. Valliammai
Director
(DIN: 01197421)

A Subramanian
Director
(DIN: 06693209)

S.B. Nirmalatha
Director
(DIN: 03092392)

V Palaniappan
Director
(DIN: 00645994)

R M Palanippan
Director
(DIN: 00143198)

M.L. Kumavat
Chief Financial Officer

Subhanarayan Muduli
Company Secretary
M. No.A 41513

Place : Chennai
Date : 12th May,2022

STATEMENT OF ACCOUNTING RATIOS

(Amount in lakhs except share data)

Particulars	Based on Audited Consolidated Financial Statements As at and for the year ended March 31, 2022
Net Worth	31,832
Profit attributable to the owners of the equity	4,142
Number of the shares outstanding at the end of the year	2,52,85,696
Basic earnings per share (₹)	16.38
Diluted earnings per share (₹)	16.38
Return on Net Worth (%)	13.01%
Net Asset Value per Equity Share (₹)	125.89
EBITDA	14,715

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ Net worth at the end of the year.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items including other income as presented in the statement of profit and loss in the Financial Statements.

STATEMENT OF MATERIAL DEVELOPMENTS AFTER MARCH 31, 2022

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

i. Our Board at its meeting held on May 12, 2022, have approved the audited consolidated financial statements of the Company for the financial year 2021-22 along with Auditor's Report thereon.

ii. Our Board at its meeting held on May 12, 2022, have recommended a dividend of ₹ 3 per equity share of ₹ 10 each for the financial year March 31, 2022, subject to approval of the shareholders at the ensuing Annual General Meeting.

iii. Our Board at its meeting held on May 12, 2022, have approved raising of funds through issuance and allotment of equity shares aggregating upto ₹ 25,000 lakhs on a Rights basis, to the eligible equity shareholders of our Company.

iv. Our erstwhile Chief Financial Officer, M.L. Kumavat resigned from his post due to personal reasons, with effect from May 13, 2022. The Board of our Company will fill his vacancy within a period of six months from the date of his vacancy in accordance with Section 203 (4) of the Companies Act, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Information" beginning on page 78 of this Draft letter of Offer. *Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 1717 and 12, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Anjani Portland Cement Limited, our Company.

Unless otherwise indicated, financial information included herein are based on our Audited Financial Statements for the year ended March 31, 2022, Fiscals 2021 and 2020 respectively. Our Company has a subsidiary and a controlling stake in Bhavya Cements Private Limited after Fiscal 2021, and accordingly Consolidated Financial Statements have only been prepared for the Fiscal year 2022.

OVERVIEW OF OUR BUSINESS

Our Company is part of the Chettinad group which is one of the prominent business houses in South India with diverse businesses including cement manufacturing, transportation, logistics and supply chain management, construction, healthcare and education.

Our Company is one of the prominent small-sized cement manufacturing companies in South India. Our Company commenced its cement manufacturing operations in 1999 with an installed production capacity of 1,98,000 MT per annum with one production plant. As on March 31, 2022, we operated two production lines in our Cement Plant with an installed production capacity of 11,60,000 MT per annum. Our Company manufactures Ordinary Portland Cement ("**OPC**"), Portland Pozzolana Cement ("**PPC**") and Composite Cement ("**CC**"). This classification of cement is based on its composition which ultimately determines the usage. Within OPC there are different grades of cement based on the minimum compressive strength gained by the cement-sand mortar mix in 28 days' time. We manufacture 53 grade and 43 grade in OPC.

The principal raw materials used by our Company for cement manufacturing process are limestone, gypsum, iron ore, laterite and fly ash.

Our installed cement manufacturing capacity and production details for Fiscals 2020, 2021 and 2022 have been set out below:

(Figures in MT per annum)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Installed capacity	1160000	1160000	1160000
	Actual Production		
OPC 53	550555	541780	462785
OPC 43	109414	115220	183111
PPC	148326	90616	117857
Composite Cement	120265	84285	65903
Total Production	**928560**	**831901**	**829656**

Our Company operates an integrated cement manufacturing facility in Suryapet District, Telangana, which is located approximately 220 kilometers from Hyderabad. Telangana, and in particular, the Suryapet District is a repository of high-quality limestone which is an essential raw material for the manufacturing of cement. As of date, we operate two limestone mines situated in Chintalapalem Village, in Suryapet District, with reserves (including probable reserves) of approximately 34 million tonnes. In addition, we are in the process of obtaining the necessary approvals for a third limestone mine, which will increase our available reserves (including probable reserves) to approximately 44 million tonnes. The mines are situated near our Cement Plant.

Our manufacturing facility uses a significantly automated production process installed using SIEMENS PCS7-CEMAT distribution control system with round-the-clock monitoring, sampling and analysis of cement production through its stages from mining to packing.

Our manufacturing facility has been granted various accreditations including ISO 9001:2015, ISO 14001:2015 and BS OHSAS 45001:2018.

Our Company's total revenue in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was ₹ 47,021akhs, ₹ 40,720 lakhs and ₹ 40,893 lakhs, respectively. Our Company's profit after tax in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was ₹ 3,497 lakhs, ₹ 8,498 lakhs and ₹ 4,035 lakhs, respectively. *(As per standalone financials)*

The professional teams of technical, financial, marketing, strategic planning and human resources have served through prestigious capacities in the industry with integrity and repute for more than 30 years. The responsibility and accountability of these professionals is evident in their good management practices and shared objectives.

The cement is only as good as its raw materials and primarily depends on the quality of the lime stone used. The limestone mines of our company are acclaimed as the best mines amongst the cement brackets of Suryapet District, thus confirming the superior quality of the cement produced.

With its exemplary growth in production and services, Anjani Cement has captured the market in Andhra Pradesh and Telangana and competes with the national players in the industry. We have now extended our reach to Tamil Nadu, Orissa and Karnataka and also made forays into the markets of Maharashtra, Kerala and Goa. An excellent dealer network system ensures successful spread and sales of the cement within and outside the state.
Anjani Cement also makes persistent effort to restore and maintain the eco balance and greening process in and around the cement plants. The RABH technology ensures minimum air pollution in and around the plant. Efforts are made towards greening the environment by planting and nurturing trees and other flora in the cement plant vicinity.

As a responsible corporate, Anjani cement has taken conscious and decisive measures to develop knowledge based society by providing quality education for the families of the employed and neighboring villages. **SIGNIFICANT**

FACTORS AFFECTING OUR RESULTS OF THE OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled '*Risk Factors'* on page 17 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

Demand for cement

Our Company is heavily reliant on demand for cement from industries such as housing and construction industry and other infrastructure related projects particularly in Telangana, Andhra Pradesh and the eastern region of India. Demand in the eastern region has been largely driven by infrastructure and housing development and implementation of several industrial projects in the mineral resource-rich states such as Odisha, Jharkhand and Chhattisgarh. Odisha, in particular, is one of the major consumers of cement in the eastern part of India.

Competition and prices

The competition from domestic cement producers, many of whom are expanding capacities, may lower the market price of cement in future. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share at our expense in markets in which we are focused. Further, any consolidation amongst our competitors could have an impact on the level of competition.

Power and fuel cost

Power costs, together with fuel costs for coal and fuel oil, generally comprise the largest portion of our Company's total expenditures. Our Company has since Fiscal 2010 started using alternate sources of energy like industrial wastes instead of coal. During Fiscal 2022, our Company used alternate fuel sources to substitute coal to an extent of 11.44% of our total fuel requirement. Nevertheless, coal still remains our primary source of fuel. Fluctuations in the prices of fuel oil, coal and power, therefore, have, and will continue to have, a significant direct impact on our results of operations.

Taxation

The Government of India may from time to time implement new policies using economic or administrative means to regulate the cement industry. Cement in India is a highly taxed commodity with taxes and levies comprising a significant portion of the end-user price. Goods and service tax is charged at 28% on cement.

Other factors

Besides the four broad factors, as mentioned above and except as otherwise stated in this Letter of Offer, the following factors could cause actual results to differ materially from the expectations:

1. Changes in fiscal, economic or political conditions in India;
2. Company's ability to successfully implement its strategy and its growth and expansion plans;
3. Increasing competition in the construction industry;
4. Increase in labour costs, raw materials prices, prices of plant and machineries and insurance premia;
5. Changes in the value of the Indian rupee and other currencies;
6. Regulatory changes pertaining to the industry in which our Company operates and its ability to respond to them; and
7. Our Company's ability to obtain financing on favourable terms.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in the Financial Statements.

Basis of preparation of the consolidated financial statements

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policies given below) which have been measured at fair value.

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its Subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any additional stake acquired in an existing subsidiary is also accounted for as an equity transaction.

As at March 31, 2022, the Company has only one subsidiary named Bhavya Cements Private Limited which is an entity incorporated in India. As at March 31, 2022, the Company had a stake of 99.08% in Bhavya. In the previous year, the Company did not have any subsidiary and accordingly, there are no previous year figures to present in these consolidated financial statements.

Use of estimates

The preparation of these consolidated financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical Estimates and judgments

The areas involving critical estimates or judgments are:

i) Estimation of current tax expense and payable
ii) Estimation of defined benefit obligation
iii) Estimation of useful life of Property, Plant and Equipment
iv) Impairment of trade receivables
v) Estimation of decommissioning liabilities for quarry mines
vi) Leases

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss in accordance with Ind AS 109.

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are and net of returns, trade allowances, rebates, and amounts collected on behalf of third parties.

Sale of products:

Timing of recognition – Revenue from sale of products is recognized when control of the products is transferred to customers based on terms of sale.

Measurement of Revenue: Revenue from sales is based on the price specified in the sales contract, net of all discounts and returns in relation to sales made until end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. Receivable is recognized when the goods are dispatched as this is the point in time that the consideration is unconditional and only passage of time is required before payment is done.

Interest, Dividends and Other Income:

Dividend income is recognized when the right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

Property, Plant and Equipment

Freehold Land is stated at historical cost. All other property plant and equipment are stated at cost of acquisition less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use. However, cost excludes input credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Depreciation and amortization

i. Depreciation of Property, plant and Equipment of the holding company is provided on straight line method of depreciation based on the useful lives estimated by the Company from the technical evaluation carried out. The useful lives so determined are equal to those prescribed under the Part C of Schedule II of the Companies Act, 2013.

ii. Depreciation of Property, plant and Equipment of the subsidiary company is provided on written down method of depreciation based on the useful lives estimated by the Company from the technical evaluation carried out. The useful lives so determined are equal to those prescribed under the Part C of Schedule II of the Companies Act, 2013.

iii. The assets' residual values are measured at not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

iv. On tangible property, plant and equipment added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

v. Gains and losses on disposal of assets are determined by comparing the sale proceeds with the carrying amount. These are included in profit or loss within other income.

Intangible assets

Intangible assets are recorded at their acquisition cost except for intangible assets which have arisen on account of Business combination which are recorded at fair value as on the date of business combination. These assets are amortized over their useful life from the date on which they are ready for intended use as follows:

Sr. No	Name of the Intangible Asset	No. of years of amortization
1.	Computer software	4
2.	Brand	15
3.	Mining License	40

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash inflows can be generated which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method.
Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amounts of a financial liability that has been extinguished or transferred to another party and the consideration paid, (including any non-cash assets transferred or liabilities assumed), is recognized in profit or loss as other gain/ (loss).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised up-to the time when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Transactions in foreign currencies

i. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
ii. Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
iii. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

Inventories

Inventories are valued at the lower of cost and net realisable value.

i. Cost of raw materials and components, packing materials, stores and spares, work-in-process and finished goods are ascertained on a weighted average basis.

ii. Cost of finished goods and work-in-process comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

iii. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

iv. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

v. Slow and non-moving material, obsolesces, defective inventories are duly provided for.

Employee benefits

i) <u>Short term obligations:</u>

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) <u>Other long term employee benefit:</u>

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees; and
b) Defined contribution plans such as provident fund.

a) Gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

b) Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv) Bonus plans:

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where statutory liability exists, contractually obliged or where there is a past practice that has created a constructive obligation.

Income tax

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Company has a present or constructive obligation as a result of present obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Leases

The Company as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.
The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the conditions attached to it.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented under other income.

Grants related to income are recognized in statement of profit or loss by deducting it from the related expense.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Investments and Other financial assets

i) Classification

The Company classifies its financial assets as those subsequently measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement

Amortized Cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

iii) Impairment of financial assets:

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

iv) Derecognition of financial assets:

A financial asset is de-recognized only when:

a) The Company has transferred the rights to receive cash flows from the financial asset or
b) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:
- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:
- it is expected to be settled in the 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
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Recent accounting announcements

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:
- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
- These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021. These amendments had no impact on the financial statements of the Group.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.

(iv) **Ind AS 103: Business combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognize those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "*Financial Information*" on page 78 of this Draft Letter of Offer, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditor has not given any reservation, qualification and adverse remarks on the financial statements of the Company. For details, see section titled "*Financial Information*" on page 78 of this Draft Letter of Offer.

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Summary of Financial Statements.

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations comprises revenue from the sale of products and other operating revenue. Our revenue from sale of products primarily comprises revenue from the sale of cement. Our other operating revenue primarily comprises sale of power and scrap sales.

Other Income

Other revenue comprises of interest on bank deposits, profit on the sale of assets, interest income from financial assets at amortized cost, government grants and other miscellaneous income.

Expenses

Our expenses primarily comprise cost of materials consumed, power and fuel expenses, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses. Expenses that are primarily fixed in nature include insurance, rent, repair, maintenance, and taxes.

Cost of materials consumed

The cost of materials consumed in the manufacture of cement primarily comprises cost of raw materials such as limestone, laterite, gypsum, purchase of clinker, granulated slag and fly ash.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade comprises of difference in closing balance *vis-a-vis* opening balance of stock in trade.

Power and Fuel expenses

Power and Fuel is one of the important component of expenses incurred by the Company, used in the various manufacturing processes.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, contribution to provident fund & other funds, staff welfare and Director's Remuneration.

Finance cost

Finance cost comprises interest expense and other borrowing costs. Interest expense, generally, comprises interest on term loans, inter-corporate deposit received, unsecured loans and working capital loans. Other borrowing costs relate to fees charged by banks for Letter of Credit and Bank Guarantee.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

Other expenses

Other expenses comprise manufacturing expenses, selling and distribution and administrative expenses. Manufacturing expenses comprise labour charges, packing materials, stores and spares, obsolete stocks written-off, direct manufacturing expenses, repairs and maintenance of plant and machinery and buildings. Selling and distribution expenses include freight charges, product promotion expenses and trade discounts. Administrative expenses include insurance, rent, rates and taxes, travelling and conveyance expenses, communication expenses and office maintenance expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

RESULTS OF OPERATIONS

The following table shows a breakdown of our results of operations and each item as a percentage of total income for the periods indicated:

(in ₹ lakhs)

Particular	FY 2021-22*	Percentage of total income (%)
INCOME		
Revenue from Operations	80,126	99.61%
Other Income	310	0.39%
Total Income (A)	**80,436**	100.00%
EXPENDITURE		
Cost of Material consumed	8,678	10.79%
Purchase of stock-in-trade	4,169	5.18%
Changes in inventories of finished goods, stock-in -trade and work-in-progress	(453)	(0.56%)
Employee benefit expenses	3,406	4.23%
Finance costs	3,001	3.73%
Depreciation and amortization expense	5,837	7.26%
Power and fuel	30,548	37.98%
Freight and forwarding expense	11,168	13.88%
Other Expenses	8,205	10.20%
Total Expenses (B)	**74,559**	92.69%
Profit before tax	**5,877**	7.31%
Tax expense:		
(i) Current tax	2,305	2.87%
(ii) Deferred tax	(627)	(0.78%)
Total Tax Expense	**1,678**	2.09%
Profit for the year	**4,199**	5.22%
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	**20**	0.02%
Income tax relating to these items	(5)	(0.01%)
Other comprehensive income for the year, net of tax	**15**	0.02%
Total comprehensive income for the year	4,214	5.24%

**For the financial year 2021-22, Consolidated Financial statements have been considered.*

Details for Fiscal 2022

Revenue

Revenue from operations

Our revenue from operations comprises revenue from the sale of products and other operating revenue. Our revenue from sale of products primarily comprises revenue from the sale of cement. Our revenue from operations was ₹ 80,126 lakhs in Fiscal 2022. Our other operating revenue primarily comprises sale of power and scrap sales.

Other income

Other revenue comprises of interest on bank deposits, profit on the sale of assets, interest income from financial assets at amortized cost, government grants and other miscellaneous income. Our other income was ₹ 310 lakhs in Fiscal 2022

Expenditure

Cost of Material consumed

The cost of materials consumed in the manufacture of cement primarily comprises cost of raw materials such as limestone, laterite, gypsum, purchase of clinker, fly ash and granulated slag. Our Cost of Material consumed was ₹ 8,678 lakhs in Fiscal 2022.

Purchase of stock-in-trade

Our purchase of stock-in-trade comprises the value of traded goods. Our Purchase of stock-in-trade was ₹ 4,169 lakhs in Fiscal 2022.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, contribution to provident fund & other funds, staff welfare and directors' remuneration. Our employee benefit expenses was ₹ 3,406 lakhs in Fiscal 2022.

Power and fuel

Power and Fuel is one of the important component of expenses incurred by the Company, used in the various manufacturing processes. Our Power and fuel expenses was ₹ 30,548 lakhs in Fiscal 2022.

Freight and forwarding expense

Freight and forwarding is one of the important component of expenses incurred by the Company, used in sales and delivery. Our Freight and forwarding expense was ₹ 11,168 lakhs in Fiscal 2022.

Other expenses

Other expenses comprise manufacturing expenses, selling and distribution and administrative expenses. Manufacturing expenses comprise labour charges, packing materials, stores and spares, obsolete stocks written-off, direct manufacturing expenses, repairs and maintenance of plant and machinery and buildings. Selling and distribution expenses include freight charges, product promotion expenses and trade discounts. Administrative expenses include insurance, rent, rates and taxes, travelling and conveyance expenses, communication expenses and office maintenance expenses. Our other expenses was ₹ 8,205 lakhs in Fiscal 2022.

Finance cost

Finance cost comprises interest expense and other borrowing costs. Interest expense, generally, comprises interest on term loans, unsecured loans, inter-corporate deposits received and working capital loans. Other borrowing costs relate to fees charged by banks for Letter of Credits and Bank Guarantee. Finance cost was ₹ 3,001 lakhs in Fiscal 2022.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets. Our depreciation expenses was ₹ 5,837 lakhs in Fiscal 2022.

Profit before tax

Our profit before tax is ₹ 5,877 lakhs in Fiscal 2022

Tax expenses

Our tax expenses is ₹ 1,678 lakhs in Fiscal 2022

Profit / (Loss) after tax (Net Profit)

Our Net Profit is ₹ 4,199 lakhs in Fiscal 2022

Comparison of Historical Results of Operations*

(in ₹ lakhs)

Particular	FY 2021-22	Percentage of total income (%)	FY 2020-21	Percentage of total income (%)	FY 2019-20	Percentage of total income (%)
INCOME						
Revenue from Operations	47,021	99.78%	40,720	98.32%	40,893	99.04%
Other Income	102	0.22%	695	1.68%	395	0.96%
Total Income (A)	**47,123**	100.00%	**41,415**	100.00%	**41,288**	100.00%
EXPENDITURE						
Cost of Material consumed	4,263	9.05%	3,708	8.95%	3,704	8.97%
Purchase of stock-in-trade	4,169	8.85%	3,302	7.97%	6,100	14.77%
Changes in inventories of finished goods, stock-in -trade and work-in-progress	60	0.13%	214	0.52%	130	0.31%
Employee benefit expenses	2,384	5.06%	2,132	5.15%	2,239	5.42%
Finance costs	2,853	6.05%	65	0.16%	33	0.08%
Depreciation and amortization expense	1,935	4.11%	2,026	4.89%	2,004	4.85%
Power and fuel	15,153	32.16%	9,483	22.90%	10,342	25.05%
Freight and forwarding expense	6,832	14.50%	6,778	16.37%	6,958	16.85%
Other Expenses	4,560	9.68%	3,555	8.58%	3,422	8.29%
Total Expenses (B)	**42,209**	89.57%	**31,263**	75.49%	**34,932**	84.61%
Profit before tax	**4,914**	10.43%	**10,152**	24.51%	**6,356**	15.39%
Tax expense :						
(i) Current tax	1,657	3.52%	2,903	7.01%	2,369	5.74%
(ii) Deferred tax	(240)	(0.51)%	(1,249)	(3.02)%	(48)	(0.12)%
Total Tax Expense	**1417**	3.01%	**1,654**	3.99%	**2,321**	5.62%
Profit for the year	**3,497**	7.42%	**8,498**	20.52%	**4,035**	9.77%
Other Comprehensive Income						
Items that will not be reclassified to profit or loss	8	0.02%	7	0.02%	**(70)**	-0.17%
Income tax relating to these items	-2	0.00%	(2)	0.00%	24	0.06%
Other comprehensive income for the year, net of tax	**6**	**0.01%**	**5**	**0.01%**	**(46)**	**(0.11)%**
Total comprehensive income for the year	3,503	7.43%	8,503	20.53%	3,989	9.66%

Comparison of Historical Results of Operations*
**For Comparison -we have considered only standalone financials*

Fiscal 2022 compared to Fiscal 2021

Revenue

Revenue from operations

Our revenue from operations increased by 15.47% from ₹ 40,720 lakhs in Fiscal 2021 to ₹ 47,021 lakhs in Fiscal 2022 due to increase in the quantity of cement sold from 9,70,403 MT in Fiscal 2021 to 10,64,396 MT in Fiscal 2022.

Other income

Our other income decreased by 85.32% from ₹ 695 lakhs in Fiscal 2021 to ₹ 102 lakhs in Fiscal 2022 due to reduction in interest income on bank deposits.

Expenditure

Cost of Material consumed

Our Cost of Material consumed increased by 14.97% from ₹ 3,708 lakhs in Fiscal 2021 to ₹ 4,263 lakhs in Fiscal 2022 primarily on account of higher production levels due to increase of demand for cement in Fiscal 2022.

Purchase of stock-in-trade

Our Purchase of stock-in-trade increased by 26.26% from ₹ 3,302 lakhs in Fiscal 2021 to ₹ 4,169 lakhs in Fiscal 2022 primarily on account of increase of purchase quantity of cement from 1,12,722 MT in Fiscal 2021 to 1,20,675 MT in Fiscal 2022.

Changes in inventories of finished goods, stock-in -trade and work-in-progress

Our changes in inventories of finished goods, stock-in -trade and work-in-progress decreased by 71.96% from ₹ 214 lakhs in Fiscal 2021 to ₹ 60 lakhs in Fiscal 2022 primarily on account of decrease in closing stock in Fiscal 2022.

Employee benefit expenses

Our employee benefit expenses increased by 11.82% from ₹ 2,132 lakhs in Fiscal 2021 to ₹ 2,384 lakhs in Fiscal 2022 primarily on account of increase in salaries Fiscal 2022.

Power and fuel

Our Power and fuel expenses increased by 59.79% from ₹ 9,483 lakhs in Fiscal 2021 to ₹ 15,153 lakhs in Fiscal 2022 primarily on account of higher production levels due to increase of demand for cement in Fiscal 2022 and also increase in price of coal.

Freight and forwarding expense

Our Freight and forwarding expense increased by 0.80% from ₹ 6,778 lakhs in Fiscal 2021 to ₹ 6,832 lakhs in Fiscal 2022 primarily on account of increase in freight rates.

Other expenses

Our other expenses increased by 28.26% from ₹ 3,555 lakhs in Fiscal 2021 to ₹ 4,560 lakhs in Fiscal 2022 primarily on account of increase in manufacturing expenses like stores and spares, packing material, repairs and maintenance, etc. and increase in selling and distribution expenses on account of increase of sales quantity and decrease of fixed assets written off from ₹ 313 lakhs in Fiscal 2021 to ₹ 123 lakhs in Fiscal 2022.

Finance cost

Finance cost increased by 4289.23% from ₹ 65 lakhs in Fiscal 2021 to ₹ 2,853 lakhs in Fiscal 2022 primarily due to interest cost of Rs. 2,564 is on Inter Corporate Deposit received in Fiscal 2022.

Depreciation

Our depreciation expenses decreased by 4.47% from ₹ 2,026 lakhs in Fiscal 2021 to ₹ 1,935 lakhs in Fiscal 2022 due to written off of some fixed assets in Fiscal 2022 and Fiscal 2021.

Profit before tax

Our profit before tax decreased by 51.60% from ₹ 10,152 lakhs in Fiscal 2021 to ₹ 4,914 lakhs in Fiscal 2022 primarily due to increase in raw material cost, power & fuel cost and finance cost.

Tax expenses

Our tax expenses decreased from ₹ 1,654 lakhs in Fiscal 2021 to ₹ 1,417 lakhs in Fiscal 2022 primarily due to reduction in profit in Fiscal 2022.

Profit / (Loss) after tax (Net Profit)

Our Net Profit decreased by 58.85% from ₹ 8,498 lakhs in Fiscal 2021 to ₹ 3,497 lakhs in Fiscal 2022 primarily due to increase in raw material cost, power & fuel cost and finance cost.

Fiscal 2021 compared to Fiscal 2020

Revenue

Revenue from operations

Our revenue from operations decreased by 0.42% from ₹ 40,893 lakhs in Fiscal 2020 to ₹ 40,720 lakhs in Fiscal 2021 due to reduction in the quantity of cement and clinker sold from 11,07,446 MT in Fiscal 2020 to 9,70,403 MT in Fiscal 2021.

Other income

Our other operating income increased by 75.95% from ₹ 395 lakhs in Fiscal 2020 to ₹ 695 lakhs in Fiscal 2021 due to increase in interest income on bank deposits.

Expenditure

Cost of material consumed

Our expenditure Cost of material consumed increased by 0.11% from ₹ 3,704 lakhs in Fiscal 2020 to ₹ 3,708 lakhs in Fiscal 2021 primarily on account of higher production quantity.

Purchase of stock-in-trade

Our Purchase of stock-in-trade decreased by 45.87% from ₹ 6,100 lakhs in Fiscal 2020 to ₹ 3,302 lakhs in Fiscal 2021 primarily on account of reduction in the quantity of cement purchased from 2,24,098 MT in Fiscal 2020 to 1,12,722 MTs in Fiscal 2021.

Changes in inventories of finished goods, stock-in -trade and work-in-progress

Our expenditure on inventories of finished goods, stock-in -trade and work-in-progress increased by 64.62% from ₹ 130 lakhs in Fiscal 2020 to ₹ 214 lakhs in Fiscal 2021 primarily on account of decrease of closing stocks in Fiscal 2021.

Finance Cost

Our expenditure on finance cost increased by 96.97% from ₹ 33 lakhs in Fiscal 2020 to ₹ 65 lakhs in Fiscal 2021 primarily on account of interest on income tax payable of (u/s.234 C of income tax act) ₹ 29 lakhs in Fiscal 2021.

Depreciation and amortization expense

Our expenditure on Depreciation and amortization increased by 1.10% from ₹ 2,004 lakhs in Fiscal 2020 to ₹ 2,026 lakhs in Fiscal 2021 due to additions in fixed assets in Fiscal 2021.

Employee benefit expenses

Our employee benefit expenses decreased by 4.78% from ₹ 2,239 lakhs in Fiscal 2020 to ₹ 2,132 lakhs in Fiscal 2021 primarily due to resignation/ retirement of certain employees in Fiscal 2021.

Power and fuel

Our Power and fuel expenses decreased by 8.31% from ₹ 10,342 lakhs in Fiscal 2020 to ₹ 9,483 lakhs in Fiscal 2021 primarily on account of reduction in coal price.

Freight and forwarding expense

Our Freight and forwarding expense decreased by 2.59% from ₹ 6,958 lakhs in Fiscal 2020 to ₹ 6,778 lakhs in Fiscal 2021 primarily on account of decrease of free on road sales.

Other expenses

The other expenses increased by 3.89% from 3,422 lakhs in Fiscal 2020 to ₹ 3,555 lakhs in Fiscal 2021, primarily on account of written off of fixed assets of ₹ 313 lakhs in Fiscal 2021.

Profit / (Loss) before tax

Our profit before tax increased by 59.72% from ₹ 6,356 lakhs in Fiscal 2020 to ₹ 10,152 lakhs in Fiscal 2021 primarily due to increase of average selling price from ₹4,902 per MT in Fiscal 2020 to ₹5,560 per MT in Fiscal 2021 and decrease in coal cost.

Tax expenses

Our tax expenditure decreased by 28.74% from ₹ 2,321 lakhs in Fiscal 2020 to ₹ 1,654 lakhs in Fiscal 2021 primarily due to adoption of Section 115 BAA of Income tax Act, 1961 in Fiscal 2021. The tax rate has decrease from 34.944% in Fiscal 2020 to 25.17% in Fiscal 2021.

Profit / (Loss) after tax (Net Profit)

We incurred a net profit of 4,035 lakhs in Fiscal 2020 as compared to ₹ 8,498 lakhs in Fiscal 2021 on account of increase in the average selling price from ₹ 4,902 Per MT in Fiscal 2020 to ₹ 5,560 per MT in Fiscal 2021.and decrease of coal cost.

CASH FLOWS

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

(in ₹ lakhs)

Particulars	Fiscal 2022 (Consolidated)	Fiscal 2022 (Standalone)	Fiscal 2021 (Standalone)	Fiscal 2020 (Standalone)
Net (loss) / profit before tax	5,877	4,914	10,152	6,356
Net cash from/ (used in) operating activities	9,854	10,567	13,757	5,284
Net cash from/ (used in) investing activities	(51,239)	(51,599)	(11,758)	(5,455)
Net cash from financing activities	40,976	40,996	(1,370)	(853)
Net increase/ (decrease) in cash and cash equivalents	**(409)**	**(36)**	**629**	**(1,024)**
Cash and cash equivalents at the beginning of the year/period	879	879	250	1,274
Cash and cash equivalents at year/period end	**1,192**	**843**	**879**	**250**

Note: Cash flow details for all years have been taken on a Standalone basis. Consolidated financials for FY 2021-22 have also been displayed.

Operating activities

Operating activities comprises of profit for the year before interest and finance charges, changes in working capital and further adjustment for noncash items which are in profit and loss account.

There was a decrease in net cash flow from operating activities in Fiscal 2022 compared to Fiscal 2021, primarily on account of decrease in profitability in Fiscal 2022 compared to Fiscal 2021.

There was an increase in net cash flow from operating activities in Fiscal 2021 compared to Fiscal 2020, primarily on account of increase in profitability in Fiscal 2021 compared to Fiscal 2020.

Investing activities

Investing activities comprises of purchase/sale of fixed assets, and any sale or purchase of investments.

There was a decrease in net cash flow from investing activities in Fiscal 2022 compared to Fiscal 2021, the decrease was primarily on account of investment of ₹ 68,663 lakhs made in Bhavya Cements Private Limited which became our subsidiary in Fiscal 2022.

There was a decrease in net cash flow from investing activities in Fiscal 2021 compared to Fiscal 2020, primarily on account of increase in fixed deposits.

Financing activities

Financing activities comprises of interest and finance charges, inflow or outflow of loans and dividend paid by our Company.

There was an increase in outflow from financing activities in Fiscal 2022 compared to Fiscal 2021, primarily on account of Inter-Corporate Deposit received in Fiscal 2022.

There was a decrease in outflow from financing activities in Fiscal 2021 compared to Fiscal 2020 primarily on account of payment of dividend of ₹ 1,264 lakhs in Fiscal 2021 compared to ₹ 632 lakhs in Fiscal 2020

Contractual obligations and commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2022:

(in ₹ lakhs)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Estimated amount of contracts remaining to be executed on account of capital and not provided for property, plant and equipment	386	84	11

(Contractual obligations and commitments for all years have been taken on a Standalone basis)

Contingent liabilities and Contingent Assets

The following table sets forth certain information relating to our contingent liabilities:

(in ₹ lakhs)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Contingent Liabilities			
Income tax related	295	295	412
Excise related*	180	180	180
Customs related**	130	130	130
Others	138	138	138
Total	**743**	**743**	**860**

(Contingent liabilities and contingent assets for all years have been taken on a Standalone basis)
* *does not include penalty amount of ₹ 180.32 lakhs*
** *does not include penalty amount of ₹ 103.70 lakhs*

Except as disclosed above or in our consolidated financial statements included in this Draft Letter of Offer, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to Investors.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, credit risk and inflation risk. Our principal market risks are equity price risk, interest rate risk and credit risk.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 17 and 81, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "*Risk Factors*" on page 17 of this Draft Letter of Offer.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 17 and 81, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume and price of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we are able to stay competitive. For further details, kindly refer the chapter titled "*Our Business*" beginning on page 65 of this Draft Letter of Offer.

Total Turnover of Each Major Business Segment

We currently operate in one business segment i.e. Cement Industry.

New Product or Business Segment

Except as disclosed in "*Our Business*" on page 65 of this Draft Letter of Offer, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on page 17 of this Draft Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related party transactions

For details of Related Party Transactions for financial year 2021-22 on consolidated basis, please see the "*Related Party Disclosure*" in section titled "*Financial Information*" at page 78 of this Draft Letter of Offer.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under chapters "*Our Business*" and "*Risk Factors*" on pages 65 and 17 respectively, of this Draft Letter of Offer, to our knowledge no circumstances have arisen since March 31, 2022, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months. For further details, refer to the chapter titled "*Statement of Material Developments after March 31, 2022*" on page 80 of this Draft Letter of Offer.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position: and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of (a) the "Policy for Determination of Materiality of Events and Information" adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the materiality policy adopted by the Board of Directors of our Company through its resolution dated May 12, 2022 for the purpose of litigation disclosures in this Draft Letter of Offer (**"Materiality Policy"**)*

In this regard, please note the following:

Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violation of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, if (i) the monetary claim involved in such proceed is more than 1% of the profit before depreciation, amortization, finance cost and tax of our Company as per the audited consolidated financial statements of Fiscal 2022; or (ii) whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation.

Pre-litigation notices received by our Company and/or our Subsidiary from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company and/or our Subsidiary are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

4. Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Company

Nil

B. Proceedings involving issues of moral turpitude or criminal liability initiated by our Company

Following are the list of cases filed by us under Section 138 of the Negotiable Instruments Act, 1881

(₹ in lakhs)

Sr.No.	Case No.	Name of the Parties	Forum	Next date of Hearing	Amount involved	Status
1	289/17	SRI R.R.CEMENTS,08120138, Nellore District	XIX ACMM Secunderabad	05.05.2022	2.43	Non-Bailable Warrant Pending
2	523/17	HIREMATH TRADERS,20011150, Afzalpur, Gulbarga District.	XIX ACMM Secunderabad	09.05.2022	0.88	Non-Bailable Warrant Pending
3	614/18	SRI LAKSHMI CEMENT & STEELS,08120145, Vidavalur Nellore District	XVIII ACMM Secunderabad	13.06.2022	2.31	Non-Bailable Warrant Pending

4	615/18	SRI LAKSHMI STEEL & CEMENTS,08120140, Podalapuru, Nellore District	XVII ACMM Secunderabad	13.06.2022	2.98	Non-Bailable Warrant Pending
5	134/18	SARAVANAA AGENCY,18010083, Katpadi, Vellore, Tamil Nadu	XX ACMM Secunderabad	08.07.2022	26.62	Non-Bailable Warrant Pending
6	207/19	VASAVI TRDAERS,16160023, Achampeta, Mahaboobnagar District	XI MM Manorama Complex, Namplly, Hyderabad	10.05.2022	1.42	Cross Examination
7	206/19	S.V.K.ENTERPRISES,18010051, Chennai, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	06.05.2022	5.42	Non-Bailable Warrant Pending
8	209/19	MOUNT ENTERPRISES PRIVATE LIMITED.18011112, Gummadipoondi, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	10.05.2022	2.50	Non-Bailable Warrant Pending
9	210/19	MOUNT ENTERPRISES PRIVATE LIMITED.18011112, Gummadipoondi, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	10.05.2022	2.50	Non-Bailable Warrant Pending
10	211/19	MOUNT ENTERPRISES PRIVATE LIMITED.18011112, Gummadipoondi, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	06.05.2022	2.50	Non-Bailable Warrant Pending
11	293/19	MOUNT ENTERPRISES PRIVATE LIMITED.18011112, Gummadipoondi, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	18.05.2022	2.50	Non-Bailable Warrant Pending
12	296/19	MOUNT ENTERPRISES PRIVATE LIMITED.18011112, Gummadipoondi, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	18.05.2022	1.54	Non-Bailable Warrant Pending
13	815/20	SREE SUCHITRA READY MIX CONCRETE,05012455, Vijayawada, Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	17.06.2022	5.00	Appearance of accused
14	816/20	SRI BALAJI READYMIX CONCRETE,05012439, Vijayawada, Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	2.70	Appearance of accused
15	301177/2018	SRI LALITA CEMENT INDUSTRIES LTD, 01012524, Hyderabad	II AMSJ Nampally, Hyderabad	12.05.2022	82.22	Arguments
16	13036/2020	SUN ROCK INDUSRTY, 18101150, Tiruvallore Dist, Tamil Nadu	XI MM Manorama Complex, Namplly, Hyderabad	15.06.2022	2.62	Appearance of accused
17	1531/2021	SHREE VENKATESHWARA READY MIX, 01013309, Hyderabad	XI MM Manorama Complex, Namplly, Hyderabad	23.06.2022	5.94	Appearance of accused

18	5628/2021	SAMARTHA CONSTRUCTION-20011381 (P), Bangalore	XI MM Manorama Complex, Namplly, Hyderabad	12.04.2022	5.50	Appearance of accused
19	4334/2021	SAMRIDDHI HOMES-20011412 (P), Bangalore	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	3.39	Appearance of accused
20	4336/2021	LAKSHMI HARDWARES AND ELECTRICALS, 14230088, Chittoor District. Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	13.01	Appearance of accused
21	4332/2021	VINAYAKA CEMENT TRADERS.06090096, Guntur, Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	5.92	Appearance of accused
22	4338/2021	DHANA LAKSHMI PAINTS, 08130024, Vinjamuru, Nellore District	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	2.17	Appearance of accused
23	4340/2021	SURYASRI ENTERPRISES-07100081, Giddaluru, Prakasam District. Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	0.86	Appearance of accused
24	4335/2021	SHREE GAYATHREE AGENCIES-21240035, Rayachoty, Kadapa District, Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	0.75	Appearance of accused
25	4341/2021	CEMEX INFRA, 01013310, Medchal Malkajgiri District, Telangana	XI MM Manorama Complex, Namplly, Hyderabad	04.05.2022	2.50	Appearance of accused
26	4264/2021	S.V.R.ENTERPRISES-12211010, Bhogapuram, Vizianagaram District. Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	1.51	Appearance of accused
27	4267/2021	SRI VENKATESWARA CEMENT & FERTILIZERS-11200092, Vizag, Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	0.50	Appearance of accused
28	4289/2021	AVR ENTERPRISES- 20011293 (P), Bangalore, Karnataka	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	2.29	Appearance of accused
29	4265/2021	SHRI GURU CEMENTS-20010129, Bijapur, Karnataka	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	2.09	Appearance of accused
30	4269/2021	DIVYA INFRASTRUCTURE-20011419 (P), Bangalore Rural	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	0.75	Appearance of accused
31	4283/2021	ABHINAYA TRADERS-07100071, Markapur, Prakasam Dist. Andhra Pradesh	XI MM Manorama Complex,	14.06.2022	0.71	Appearance of accused

			Namplly, Hyderabad			
32	4284/2021	SRK STEEL TRADERS-07100061, Ongole, Prakasam Dist	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	0.62	Appearance of accused
33	4262/2021	RUDRA FOUNDATIONS, 18102594 (P), Poonamalle , Tamilnadu	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	2.53	Appearance of accused
34	4268/2021	GMR INFRA, 24011134, Warangal District, Telangana	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	5.00	Appearance of accused
35	4286/2021	SUCHERITHA READY MIX CONCRETE-24011140, Warangal District, Telangana	XI MM Manorama Complex, Namplly, Hyderabad	14.06.2022	2.21	Appearance of accused
36	3963/2021	VARHINI AGENCIES-05070155, Markapur, Prakasam District. Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	23.06.2022	5.75	Appearance of accused
37	STC-817/2021	VENKATA SAPTHAGIRI TRADERS-21240034, Rayachoti, Kadapa District.Andhra Pradesh	XI MM Manorama Complex, Namplly, Hyderabad	09.05.2022	0.92	Appearance of accused
38	STC-NI 341/2021	KDN Agencies Prop. Mr.K.Raghu Kumar (KAY YES CONSTRUCTIONS, 18101153)	V MM Manorama Complex, Namplly, Hyderabad	09.05.2022	0.64	Non-bailable warrant; Pending
39	STC-NI 341/2021	KDN Agencies Prop. Mr.K.Raghu Kumar (KAY YES CONSTRUCTIONS, 18101153)	V MM Manorama Complex, Namplly, Hyderabad	09.05.2022	0.64	Non-bailable warrant Pending
40	STC-NI 341/2021	KDN Agencies Prop. Mr.K.Raghu Kumar (KAY YES CONSTRUCTIONS, 18101153)	V MM Manorama Complex, Namplly, Hyderabad	09.05.2022	0.64	Non-bailable warrant Pending
41	STC-NI 839/2021	N.Lakshmi Narayana & Co., 01013431, Hyderabad	V MM Manorama Complex, Namplly, Hyderabad	26.05.2022	7.90	Non-bailable warrant Pending
					220.99	

C. Proceedings involving material violations of statutory regulations by our Company

Nil

D. Economic offences where proceedings have been initiated against our Company

Nil

E. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Material Policy and other pending matters which, if they result in

an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

Nil

F. Tax Proceedings

Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

Particulars	**Number of cases**	**Amount involved* (₹ in lakhs)**
	Indirect Tax	
Sales Tax/VAT	Nil	-
Excise	01	180
Customs	03	130
Service Tax	Nil	-
Total	**04**	**310**
	Direct Tax	
Appeal filed against the order passed against our Company#	02	295
Cases filed by our Company	Nil	-
Total	**02**	**295**

***** *To the extent quantifiable*

#Appeal filed by Income Tax Department in the High Court against the order passed in favour of the Company by ITAT (Income Tax Appellate Tribunal).

5. Litigations involving our Subsidiary

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Subsidiary, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Subsidiary

i. Bhavya Cements Private Limited (formerly known as Bhavya Cements Limited) v/s. Hon'ble XII Additional Chief Metropolitan Magistrate, Hyderabad

Case bearing number CC 6051 of 2019 filed under Section 171 B read with 171 B under IPC claiming that the cash collections and receipts of ₹ 70,00,000 pertaining to our Company are being carried for sponsoring the State Assembly Elections.

Our Subsidiary filed CRLP No. 5863 of 2019 on September 12, 2019, to quash the case inter alia on the ground that no offence was committed under section 171-B of IPC. However, due to Covid-19 and pending log wherein Hon'ble High Court of Telangana is addressing only cases of 'urgent matters' and 'extremely urgent', the matter is yet to come up for hearing in the High Court.

B. Proceedings involving issues of moral turpitude or criminal liability initiated by our Subsidiary

i. Following are the list of cases filed under section 138 of the Negotiable Instruments Act, 1881, by our Subsidiary ("Bhavya Cements") against the parties as mentioned in the table hereunder and which are pending as on date of filing of this Draft Letter of Offer.

(₹ in lakhs)

Sr.No	**Case No.**	**Case History**	**Forum**	**Next date of hearing**	**Amount**	**Case status**
1.	CC/3320/2022	Bhavya Cements Vs Sri RR Cements and Steels	VI Metropolitan Magistrate	14-07-2022	2.01	NBW Pending

2.	CC/3135/2022	Bhavya Cements Vs. Advanced Cement and Steels	VI Metropolitan Magistrate	28-06-2022	12.16	NBW Pending
3.	CC/3146/2022	Bhavya Cements Vs. Sri Venkata Saptagiri traders	VI Metropolitan Magistrate	03-06-2022	0.46	NBW Pending
4.	CC/3311/2022	Bhavya Cements Vs. Muni Sekhar Agencies	VI Metropolitan Magistrate	07-06-2022	0.97	NBW Pending
5.	CC/8502/2022	Bhavya Cements Vs. Hanuman Steels and Cements	Not Allocated	NIL	1.93	NBW Pending
6.	CC/8531/2022	Bhavya Cements Vs. Vaishnovi Infratech Limited, Borta	Not Allocated	Nil	7.50	Sec 82-83 Cr.P.C. pending
7.	CC/8532/2022	Bhavya Cements Vs. Vaishnovi Infratech Limited, Borta	Not Allocated	Nil	3.00	Sec 82-83 Cr.P.C. pending
8.	Not Numbered	Bhavya Cements Vs. Sri Sai Srinivasa Traders, Nellore	Not Allocated	Nil	0.97	Summons
9.	CC/3335/2022	Bhavya Cements Vs. Padmavathi Traders	VI Metropolitan Magistrate	14-07-2022	1.54	NBW Pending
10.	Not Numbered	Bhavya Cements Vs. Sri Chakra Ready Mix Concrete, Hyderabad	NIL	Nil	3.20	Summons
11.	CC/10297/2022	Bhavya Cements Vs. Sai Earth Movers, Nemmani	Not Allocated	NIL	2.00	Summons
12.	Not Numbered	Bhavya Cements Vs. Venkateswara Readymix Concrete, Hyderabad	Not Allocated	NIL	9.58	Summons
13.	CC/1064/2022	Bhavya Cements Vs. Datin Infrastructure Private Limited, Hyderabad	XI Metropolitan Magistrate	29-06-2022	5.00	Summons
14.	CC/1065/2022	Bhavya Cements Vs. Datin Infrastructure Private Limited, Hyderabad	XI Metropolitan Magistrate	29-06-2022	5.00	Summons
15.	Not Numbered	Bhavya Cements Vs. Pandian Traders	NIL	NIL	0.50	To be refiled
16.	Not Numbered	Bhavya Cements Vs. Praveen Enterprises, Khammam	NIL	NIL	1.22	To be refiled
17.	CC/3133/2022	Bhavya Cements Vs. Sri Lakshmi Cements & Steels	VI Metropolitan Magistrate	03-06-2022	0.85	NBW Pending
18.	Not Numbered	Bhavya Cements Vs. BMR Housing Pvt Ltd	NIL	NIL	7.21	To be filed
					65.17	

C. Proceedings involving material violations of statutory regulations by our Subsidiary

Nil

D. Economic offences where proceedings have been initiated against our Subsidiary

Nil

E. Other proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Material Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

Cases initiated against the Subsidiary

i. Writ Petition bearing number WP/24178/2011 was filed by the villagers (K. Brahma Reddy & Others) ("**Petitioners**") in the Hon'ble High Court of Andhra Pradesh against our Subsidiary & Others ("**Respondents**") regarding the illegal construction of electrical substation made by the Subsidiary in the Government land to the tune of 1 Acre 932 cents (Survey No 838/43/C3). The matter remains pending.

ii. Writ Petition bearing number WP/34926/2012 was filed by the villagers (E. Narayana Dasu & Others) ("**Petitioners**"), against our Subsidiary & Others ("**Respondents**"), in the Hon'ble High Court of Andhra Pradesh regarding the encroachment of water bodies-Government land (Survey No 1085) by the Subsidiary and the allegation that the Subsidiary has encroached the non-leased area . The Mines & Geology Department, State Government (one of the respondents) had submitted a reply to the High Court stating that mining lease was not granted for the said Survey Number 1085. It was proved in the Court that the Subsidiary has encroached the land. The Mines & Geology Department, State Government had asked the Court to allow imposition fine for encroaching the non-lease area. The matter remains pending.

iii. Writ Petition bearing number WP/41255/2018 was filed by Yekkatla Hamumayamma & Others ("**Petitioner**") against the Subsidiary & Others ("**Respondent**") seeking cancellation of mining permission for the lands (bearing Survey No. 75/18B of Tangeda village, Dhachapalli mandal of Guntur District) assigned to the Petitioner. Our Subsidiary has submitted its response to the Court that it has not mined that survey number and M/s Y. Hanumayamma is not owning the said Survey Number as mentioned in the writ petition.

iv. Arbitration Application No. 186 of 2021 was filed by Axis Finance Limited ("**Applicant**") in the Hon'ble High Court of Telangana against the Subsidiary & Others ("**Respondents**") to seek appointment of a sole arbitrator to adjudicate the disputes, claims, etc. arisen between the parties in terms of a clause in the facility agreement dated December 04, 2020 executed by and between the Applicant and Respondents and to award the costs of the application in favour of the Applicant. Currently, the listing date is awaited for appointment of arbitrator by the Hon'ble High Court of Telangana.

However, the loan availed by the Subsidiary was prepaid on June 07, 2021. A prepayment penalty @ 2% amounting to Rs 2.22 Crores (2% on Outstanding Loan of ₹ 110.76 Cr) had been levied which had been paid by the Subsidiary to facilitate NOC from Kotak Mahindra Investments Limited/ Axis Finance Limited with respect to the share sale to our Company. Presently, our Company or our Subsidiary will not face any financial implication in relation to this loan, as our Company has covered the risk (which could be faced in case of non repayment of the loan), by way of a condition precedent in the share purchase agreement executed during the acquisition of the Subsidiary by our Company. The previous management of the Subsidiary is seeking refund of the prepayment penalty of Rs 2.22 Crores and is pursuing the case against Kotak Mahindra Investments Limited and Axis Finance Limited.

v. Original Suit bearing case number O.S. No. 131/2013 filed by Gogireddy Pitchi Reddy ("**Petitioner**") against our Subsidiary ("**Respondent**") at the Principal Junior, Civil Judge Court, Gurazala. The Petitioner claims that he has neither sold nor signed any document in relation to the sale of land situated at Sy.No:1077/2, Tangeda Village, Dhachapalli Mandal of Guntur District and claims that the land is his property. Amount involved - ₹ 1,25,950. The matter is listed for hearing on June 14, 2022.

vi. Original Suit bearing case number O.S. 33/2012 filed by Posa Ramudu ("**Petitioner**") against our Subsidiary ("**Respondent**") at the Hon'ble Principal Junior Civil Judge Court, Gurazala. The Petitioner claims that land situated at Sy.No:17/A;18;69&76/6, Tangeda Village, Dhachapalli Mandal of Guntur District is his land and that he has neither sold that land nor has he signed any documents in relation to the sale of land. The matter is listed for hearing on June 23, 2022. Amount involved - ₹ 2,40,100

vii. Appeal Suit bearing case number A.S. 11/2019 filed by Guni Peda Sambaiah ("**Petitioner**") against our Subsidiary ("**Respondent**") at the Hon'ble District Court, Gurazala. The Petitioner claims that the land situated at Sy. No. 838/19AD2, Tangeda Village, Dhachapalli Mandal of Guntur District is owned by him and he has not sold the land to the Subsidiary. The matter is listed for hearing on June 24, 2022. Amount involved - ₹ 10,00,000

viii. Original Suit bearing number O.S. No. 293/ 2021 has been filed by Suda Narasaiah ("**Petitioner**") against our Subsidiary ("**Respondent**") at the Hon'ble Senior Civil Judge Court, Gurazala. The Petitioner claims that the land situated at Sy. No. 838/82-13-2, Tangeda Village, Dhachapalli Mandal of Guntur District is owned by him. He further states that he has neither sold the land to our Subsidiary, nor has he signed any documents pertaining to the sale of the land. The matter is listed for hearing on June 16, 2022. Amount involved - ₹ 4,61,400

Cases initiated by the Subsidiary

ix. Writ Petition bearing number WP/28452/2011 was filed by the Subsidiary ("**Petitioner**") in the Hon'ble High Court of Andhra Pradesh as a response to the matter numbered *E.i* above, regarding the encroachment of government land. The Company requested the High Court to direct the District Collector, Guntur to consider acceptance of substitute land for the Land encroached by the Subsidiary. The substitute land offered was 2 Acres cents and has the Survey No 838/88 & 838/89. The matter remains pending.

x. Arbitration Application bearing number 106 of 2021 was filed by our Subsidiary ("**Petitioner**") against Ecoren Energy India Private Limited & Another ("**Respondents**") to seek appointment of an arbitrator to award compensation for non-supply of wind power as per Power Purchase Agreement dated December 14, 2014 and Supplemental Agreement dated August 03, 2018 entered into with Ecoren Energy India Private Limited and Jwalya Winds Private Limited. Currently, the listing date is awaited for appointment of Arbitrator by the Hon'ble High Court of Telangana and the previous management of the Subsidiary is seeking claim of ₹ 118 lakhs and is pursuing the case against the Respondents.

xi. Original Suit bearing case number O.S No. 396/2012 filed by our Subsidiary ("**Petitioner**") at Senior Civil Judge Court, Gurazala, aginst Mr. Gogi Reddy Pichi Reddy ("**Respondent**"). Our Subsidiary has paid advance for purchase of land situated at Survey No. 1023 and 1087, Tangeda Village, Dhachapalli Mandal of Guntur District but the Respondent is not transferring the title deeds to the sub registrar office for registration. Amount involved - ₹ 40,000. The judgment is reserved and the next date of hearing is on June 21, 2022.

xii. Original Suit bearing case number O.S No. 395/2012 filed by our Subsidiary ("**Petitioner**") at the Hon'ble Senior Civil Judge Court, Gurazala, aginst Mr. Kami Reddy Bhrama Reddy ("**Respondent**"). Our Subsidiary has paid advance for purchase of land situated at Survey No. 1023 and 1087 Tangeda Village, Dhachapalli Mandal of Guntur District but the Respondent is not transferring the title deeds to the sub registrar office for registration. Amount involved - ₹ 45,000. The judgment is reserved and the next date of hearing is on June 21, 2022.

F. Tax Proceedings

Particulars	**Number of cases**	**Amount involved (₹ in lakhs)**
	Indirect Tax	
Sales Tax/VAT	Nil	-
Excise	Nil	-
Entry Tax	02	32.00
Customs	Nil	-
Service Tax	Nil	-
Total	**02**	**32.00**
	Direct Tax	
Appeal filed against the order passed against our Subsidiary	Nil	-
Demand order raised against our Subsidiary	02	33.00
Cases filed by our Subsidiary	Nil	-
Total	**02**	**33.00**

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations ("**Approvals**") for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the manufacturing facility is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards part repayment and/ or prepayment of Inter-Corporate Deposits availed by our Company from its Promoter, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated May 12, 2022, authorised the Issue under Section 62(1) (a) of the Companies Act, 2013.

The Rights Issue Committee, at its meeting held on [●], determined the Issue Price as ₹ [●]/- per Rights Equity Share and the Rights Entitlement as [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date, i.e., [●]. The Issue Price of ₹ [●]/- per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to the determination of the Record Date.

This Draft Letter of Offer has been approved by our Rights Issue Committee, at its meeting held on June 17, 2022.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter bearing reference number [●] dated [●] issued by BSE and reference number [●] dated [●] issued by NSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 123 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association of our Directors with the securities markets

None of our Directors are associated with the securities market in any manner.

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1) (a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;

2. The reports, statements and information referred to above are available on the website of BSE and NSE;

3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) A DUE DILIGENCE CERTIFICATE DATED JUNE 17, 2022 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE OFFER DOCUMENT OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE**

JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

(a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THESE REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID. – <u>COMPLIED WITH</u>

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOT APPLICABLE</u>

5. WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. – <u>NOT APPLICABLE</u>

6. ALL APPLICABLE PROVISIONS OF THESE REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER- <u>NOT APPLICABLE</u>

7. ALL APPLICABLE PROVISIONS OF THESE REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS'' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE , SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE. – <u>NOT APPLICABLE</u>

8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE</u>

9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE

VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    (a) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SR EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SR EQUITY SHARES COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS ON EQUITY SHARES); AND**

    (b) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. – COMPLIED WITH**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. – NOTED FOR COMPLIANCE**

12. **IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. – NOT APPLICABLE**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manger accepts no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information, including our Company's website i.e. www.anjanicement.com or the respective websites of our Promoter Group or an affiliate of our Company, would be doing so at his own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad, India only.

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to us, post scrutiny of the Draft Letter of Offer will be inserted, prior to filing of the Letter of Offer with the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of the Draft Letter of Offer has been submitted to NSE. The disclaimer clause, as intimated by NSE to us, post scrutiny of the Draft Letter of Offer will be inserted, prior to filing of the Letter of Offer with the Stock Exchanges.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter ("**Issue Materials**") and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company/ Registrar.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Issue Material or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Our Company reserves the right to treat as invalid any Common Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Common Application Form, including to the effect that the person submitting and/or renouncing the Common Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Common Application Form.

Our Company reserves the right to treat as invalid any Common Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Common Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Common Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Common Application Form.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**Securities Act**"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, Lead Manager, the Registrar to the Issue, Banker to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated June 16, 2022 from our Statutory Auditor, namely, Ramanatham & Rao, Chartered Accountants for inclusion of their (i) report dated May 12, 2022 on the Audited Consolidated Financial Information in this Draft Letter of Offer and (ii) to include their name in this Draft Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated June 16, 2022 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated June 16, 2022 from our Statutory Auditor, namely, Ramanatham & Rao, Chartered Accountants for inclusion of their (i) report dated May 12, 2022, on the Audited Consolidated Financial Information in this Draft Letter of Offer, (ii) to include their name in this Draft Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated June 16, 2022 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by Ramanatham & Rao, Chartered Accountants, our Company has not obtained any expert opinions.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

This Draft Letter of Offer has been filed with Securities Exchange Board of India, Southern Regional Office situated at Overseas Towers, 7th Floor, 756 – L, Anna Salai, Chennai – 600 002, Tamil Nadu, India for its observations and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018) issued by the SEBI, and with the Stock Exchanges. After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges simultaneously with the filing of the Letter of Offer with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the email address: cfddil@sebi.gov.in

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. KFin Technologies Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 10 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

KFIN TECHNOLOGIES LIMITED
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad- 500 032,
Telangana, India.
Telephone: +91 40 6716 2222/ / +91 40 7961 1000
Email: murali.m@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders etc.

Subhanarayan Muduli is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Address: 6-3-553, Unit No.E3 & E4,
4th Floor, Quena Square,
Off Taj Deccan Road, Erramanzil,
Hyderabad- 500 082, Telangana, India.
Telephone: +91 40 2335 3096/ 3106
E-mail: subhanarayan@anjanicement.com

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Common Application Form, before submitting the Common Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigation and ensure that the Common Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI- Rights issue Circular"), all investors (including renounce) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

1. **Dispatch and availability of Issue materials:**

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send/ dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue material ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

(i) our Company at www.anjanicement.com;
(ii) the Registrar at https://rights.kfintech.com;
(iii) the Lead Manager, i.e., Saffron Capital Advisors Private Limited at www.saffronadvisor.com;
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com and

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the

Registrar (i.e. https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.anjanicement.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

The distribution of the Letter of Offer, the Abridged Letter of Offer, Common Application Form, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

2. **Facilities for Application in this Issue:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the paragraph titled "*Procedure for Application through the ASBA process*" on page 134 of this Draft Letter of Offer.

ASBA facility: Investors can submit either the Common Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application through the ASBA Process*" on page 134 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making

Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see "*Application on Plain Paper under ASBA process*".

3. **Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.anjanicement.com)

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com
- Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: einward.ris@kfintech.com

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [●].

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. [●], you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.anjanicement.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see *"Notice to Investors"* on page 8 of this Draft Letter of Offer.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●]/- per Rights Equity Share (including premium of ₹ [●]/- per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date, i.e. [●].

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., [●].

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see "*Procedure for Renunciation of Rights Entitlements*" on page 135 of this Draft Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. [●]; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from [●] to [●] (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "*PROCEDURE FOR APPLICATION*" ON PAGE 132 OF THIS DRAFT LETTER OF OFFER.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under Rights Entitlement ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see "- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on pages 135 and 136 respectively, of this Draft Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see "*Procedure for Application*" on page 132 of this Draft Letter of Offer.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

₹ [●]/- per Rights Equity Share (including premium of ₹ [●]/- per Rights Equity Share) shall be payable, in entirety at the time of making the Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The un-blocking of ASBA funds/ refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the

Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in the multiple of [●] ([●]) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one (1) additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] ([●]) Equity Shares, such Equity Shareholder will be entitled to [●] ([●]) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE and NSE through letters bearing reference number [●] dated [●] and number [●] dated [●], respectively. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 518091) and NSE (Symbol: APCL) under the ISIN: INE071F01012. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading ―*Terms of Payment* at page 128 of this Draft Letter of Offer.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 14 of this Draft Letter of Offer.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

a) The right to receive dividend, if declared;

b) The right to vote in person, or by proxy;

c) The right to receive surplus on liquidation;

d) The right to free transferability of Rights Equity Shares;

e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and

f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 (one) Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

Notices

In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Telangana, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on einward.ris@kfintech.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. [●] see "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 139 of this Draft Letter of Offer.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc*. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renouncees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company, the Lead Manager or Stock Exchanges.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

(i) our Company at www.anjanicement.com;
(ii) the Registrar at https://rights.kfintech.com ;
(iii) the Lead Manager, *i.e.*, Saffron Capital Advisors Private Limited www.saffronadvisor.com at; and
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.anjanicement.com).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- *Grounds for Technical Rejection*" on page 142 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Application on Plain Paper under ASBA process*" on page 136 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Common Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Common Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Common Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 136 of this Draft Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "-*Basis of Allotment*" on page 146 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under RE ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not been entitled to renounce their Rights Entitlements and should not utilize the Common Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Anjani Portland Cement Limited ;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;

10. Total amount paid at the rate of ₹ [●] /- per Rights Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. [●]and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Common Application Form from:

- our Company (www.anjanicement.com);
- the Lead Manager (at www.saffronadvisor.com);
- the Stock Exchanges (at www.bseindia.com and at www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.anjanicement.com);

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNTIN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

General instructions for Investors

(a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Common Application Form sent to you.

(c) The Common Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(d) Application should be made only through the ASBA facility.

(e) Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the

Common Application Form are liable to be rejected. The Common Application Form must be filled in English.

(f) In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 136 of this Draft Letter of Offer.

(g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

(h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(j) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.

(l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors**. **Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**

(m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(p) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

(a) Ensure that the Common Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Dont's:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Dont's for Investors applying through ASBA:

(a) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.

(g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.

(l) Physical Common Application Forms not duly signed by the sole or joint Investors.

(m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

Modes of Payment

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the

Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar, our Company and the Lead Manager.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" on page 150 of this Draft Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 14 of this Draft Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "*-Basis of Allotment*" on page 146 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE#	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. [●].

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e [●].

For details, see "*General Information - Issue Schedule*" on page 42 of this Draft Letter of Offer.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, i.e. [●], provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity

Shares will be at the sole discretion of our Board or our duly authorized committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or a duly authorized committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

(a) Unblocking amounts blocked using ASBA facility.

(b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Common Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORYACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE,OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated November 30, 2011 with NSDL and an agreement dated October 25, 2011 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Common Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.

3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications.

7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

Our Promoter has, vide letter dated June 15, 2022 (the "**Subscription Letter**") informed us that it may renounce a part of its Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with SEBI and Stock Exchanges.

In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

Note: Our Promoter Group do not hold any equity shares in our Company.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed "`Anjani Portland Cement Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

KFin Technologies Limited
Selenium Tower – B, Plot 31 & 32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032, Telangana, India.
Telephone: +91 40 6716 2222
Email: murali.m@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: https://rights.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 1800 3094 001.

This Issue will remain open for a minimum 7 days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of the contracts and documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of the Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Issue Agreement dated May 12, 2022 entered into between our Company and the Lead Manager.

(ii) Registrar Agreement dated May 30, 2022 entered into between our Company and the Registrar to the Issue.

(iii) Monitoring Agency dated May 26, 2022 entered into between our Company and CARE Ratings Limited.

(iv) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Certificate of incorporation dated December 17, 1983 issued by Registrar of Companies, Andhra Pradesh.

(iii) Fresh certificate of incorporation dated October 17, 1985 issued by Registrar of Companies, Andhra Pradesh consequent to the name of our Company being changed from Shez Chemicals Limited to Shez Cements Limited.

(iv) Fresh certificate of incorporation dated October 7, 1999 issued by Registrar of Companies, Andhra Pradesh at Hyderabad consequent to the name of our Company being changed from Shez Cements Limited to Anjani Portland Cements Limited.

(v) Copy of Letter of Offer dated June 16, 2014, by way of open offer for change in management control of our Company.

(vi) Copy of Letter of Offer dated May 17, 2016 for the rights issue of our Company.

(vii) Resolution of the Board of Directors dated May 12, 2022 in relation to the Issue.

(viii) Resolution of Rights Issue Committee dated June 17, 2022 approving and adopting this Draft Letter of Offer.

(ix) Copy of No Objection Certificate received from HDFC Bank Limited for the Rights Issue.

(x) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, Lead Manager, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.

(xi) Copies of Annual Reports of our Company for Fiscals 2021, 2020, 2019 and 2018.

(xii) The Audited Consolidated Financial Statements along with reports dated May 12, 2022 of the Statutory Auditors thereon, included in this Draft Letter of Offer.

(xiii) Statement of Tax Benefits dated June 16, 2022 from the Statutory Auditor included in this Draft Letter of Offer.

(xiv) Tripartite Agreement dated October 25, 2011 between our Company, CDSL and the Registrar to the Issue.

(xv) Tripartite Agreement dated November 30, 2011 between our Company, NSDL and the Registrar to the Issue.

(xvi) In principle listing approval dated [●] and [●] issued by BSE and NSE respectively.

(xvii) Due Diligence Certificate dated June 17, 2022 addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

V.Valliammai

Valliammai Valliappan
(Chairperson and Non-Executive Independent -Director)

Date: June 17, 2022

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

NadimpalliVenkat Raju
(Managing Director)

Date: June 17, 2022

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Annamalai Chettiar Subramanian
(Non-Independent and Non-Executive Director)

Date: June 17, 2022

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

R.M. Palaniappan
(Non-Executive, Independent Director)

Date: June 17, 2022

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Velappan Palaniappan
(Non Independent and Non Executive Director)

Date: June 17, 2022

Place: Chennai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

S. B. Nirmalatha

Nirmalatha Sunanda Bakthavatchala
(Non Independent and Non Executive Director)

Date: June 17, 2022

Place: Chennai