



Anjani Portland Cement Limited
(Subsidiary of Chettinad Cement Corporation Private Limited)

33rd ANNUAL REPORT

2016-17



33rd Annual Report 2016 - 17

www.anjanicement.com

Anjani Portland Cement Limited

Board of Directors

| | | |
|----------------------|---|---------------------------------------|
| Mr. A. Subramanian | I | Managing Director |
| Mr. Gopal Perumal | I | Independent Director |
| Mr. V. Subramanian | I | Independent Director |
| Mrs. S.B. Nirmalatha | I | Non-Executive Director |
| Mrs. V. Valliammai | I | Additional Director (from 25.05.2017) |

Management Team

| | | |
|-------------------------|---|-------------------------------|
| Mr. N. Venkata Raju | I | Sr.Vice President (Works) |
| Mr. Ch. Gandhi Raju | I | Sr.Vice President (Marketing) |
| Mr. M.L. Kumavat | I | Chief Financial Officer |
| Mr. M. Nagabhushana Rao | I | Vice President (Mechanical) |
| Mr. K.V. Gopala Raju | I | General Manager (Purchase) |
| Mr. D.V. Subba Raju | I | Sr. General Manager (E & I) |
| Mrs. Anu Nair | I | Company Secretary |

Registered Office

306A, The Capital, 3rd Floor,
Plot No.C-70, G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051,
Maharashtra, Tel. No. 022 4023 9909
www.anjanacement.com

Corporate Office

#6-3-553, Unt Nos.E3&E4,
4th Floor, Quena Square,
Off Taj Deccan Road, Erramanzil,
Hyderabad – 500 082, Telangana.

Statutory Auditors

M/s. Ramanatham & Rao
Chartered Accountants,
P.B.No.2102, Flat No.302,
Kala Mansion, Sarojini Devi Road,
Secunderabad – 500 003, TS.

Cost Auditors

Narasimha Murthy & Co.,
3-6-365, 104 & 105, Pavani Estate
Himayat Nagar,
Hyderabad - 500029, TS.

Factory

Chintalapalem (V & M),
Suryapet (District),
Telangana State - 508246

Internal Auditors

M. Bhaskara Rao & Co.,
Chartered Accountants, 5-4, 5th Floor,
“Kautilya”, 6-3-652, Somajiguda,
Hyderabad – 500 482

Registrars & Share Transfer Agents

Karvy Computershare Pvt. Ltd.,
Karvy Selenium Tower B,
Plot No 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500032

Bankers

HDFC Bank,
State Bank of India,
Lakshmi Vilas Bank.

Debenture Trustees

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400001

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PERFORMANCE AT A GLANCE

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------------------|-----------|------------|-----------|-----------|-----------|
| PRODUCTION in MT's | | | | | | |
| Cement | 7,89,174 | 8,37,993 | 8,01,105 | 6,55,896 | 7,57,229 | 8,49,656 |
| Capacity Utilisation (%) | 68% | 72% | 69% | 57% | 65% | 73% |
| SALES IN MT's | | | | | | |
| Cement & Clinker | 8,14,740 | 8,70,066 | 8,57,318 | 6,85,022 | 7,60,174 | 8,49,933 |
| FINANCIAL HIGHLIGHTS | (₹ in Lakhs) | | | | | |
| Turnover (Gross) Including Other Income | 38,440.53 | 33,285.78 | 32,590.46 | 30,435.56 | 31,943.84 | 36,009.71 |
| Gross Profit | 6,945.73 | 5,342.68 | 2,321.13 | 5,236.31 | 8,300.45 | 8,369.48 |
| Finance Costs | 3,376.83 | 3,445.68 | 3,538.06 | 2,779.87 | 1,584.06 | 944.44 |
| Depreciation | 1,383.27 | 1,433.79 | 1,490.91 | 1,059.37 | 2,312.21 | 1,705.57 |
| Profit/(Loss) Before Tax | 2,185.63 | 463.21 | (2,707.84) | 1,397.07 | 4,404.19 | 5,719.47 |
| Provision for Taxation | | | | | | |
| - Current Tax | 365.19 | 1.14 | 106.22 | - | 928.93 | 1,247.12 |
| - Deferred Tax | 239.99 | 152.96 | (879.23) | (274.19) | 1,496.03 | (15.73) |
| Net Profit/(Loss) After Tax | 1,580.45 | 309.11 | (1,934.84) | 1,671.26 | 1,979.23 | 4,488.09 |
| PAID - UP SHARE CAPITAL | 1,838.96 | 1,838.96 | 1,838.96 | 1,838.96 | 1,838.96 | 2,528.57 |
| RESERVES & SURPLUS | 5,906.22 | 6,215.33 | 4,280.49 | 5,907.17 | 6,894.39 | 17,893.95 |
| RATIOS | | | | | | |
| PBDIT to Gross Sales (%) | 18.45% | 16.28% | 7.28% | 17.33% | 25.99% | 23.26% |
| PBT to Gross Sales (%) | 5.81% | 1.41% | -8.49% | 4.62% | 13.79% | 15.90% |
| EPS (in Rupees) | 8.59 | 1.68 | (10.52) | 9.09 | 9.87 | 18.60 |
| Debt to Equity | 2.66 | 2.60 | 2.38 | 2.47 | 1.58 | 0.37 |
| Book Value per Share (in Rupees) | 42 | 44 | 33 | 42 | 47 | 81 |
| Dividend (%) | 12 | - | - | - | - | 20 |

ANJANI PORTLAND CEMENT LIMITED

CIN:L26942MH1983PLC265166



Regd Office : 306-A, The Capital, 3rd Floor, Plot no C.70, G Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400051 Tel. 022 4023 9909,
email id: secretarial@anjanicement.com, website: www.anjanicement.com

Notice

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Friday, September 8, 2017, at 10.00 a.m. at Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai, Maharashtra 400019 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017, together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the Financial year 2016-17.
3. To appoint a Director in place of Dr. (Mrs.) S.B Nirmalatha, (DIN 03092392) who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution,

"RESOLVED THAT pursuant to the provisions of Section 139 and Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time and pursuant to the recommendation of the Audit Committee, appointment of M/s Ramanatham & Rao, Chartered Accountants (Firm Registration Number (S-2934), who had been appointed as Statutory Auditors of the Company at the 32nd Annual General Meeting of the Company for a period of three years to hold office upto the conclusion of the 35th Annual General Meeting, be and is hereby ratified, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹ 1,75,000 (Rupees One Lakh Seventy Five Thousand only) plus applicable taxes and out of pocket expenses, payable to M/s Narasimha Murthy & Co., (Firm Registration Number 000042) Cost Auditors for audit of the cost records of the Company for the financial year ending March 31, 2018 as approved by the Board of Directors of the Company be and is hereby ratified."

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

"RESOLVED THAT, pursuant to the provisions of Regulation 23 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company be and is hereby accorded for transactions relating to transfer of resources, services, obligations, between the Company and Chettinad Cement Corporation Private Limited a related party of the Company as per the provisions of the Companies Act, 2013 and Listing Regulations, for an amount not exceeding ₹ 300 crores.

RESOLVED FURTHER THAT the Board of directors of the Company be and are hereby authorized to take such steps as may be necessary to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015, Mrs. V. Valliamai (DIN 01197421) who was appointed as an Additional Director of the Company with effect from May 25, 2017 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a member under Section 160 of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years, and that she is not liable to retire by rotation."

On Behalf of the Board of Directors

Anu Nair

Company Secretary

Membership No A30525

Date: August 9, 2017
Place: Chennai

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NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. NOTES: (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc, must be supported by appropriate resolutions /authority as applicable. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 2, 2017 to Friday, September 8, 2017 (both days inclusive). The record date for determining entitlement to dividend for the year ended March 31, 2017 to be declared at the AGM shall be Friday, September 1, 2017
4. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in respect of Director(s) retiring by rotation and being reappointed forms part of this annual report
5. The Company has appointed M/s. Karvy Computershare Pvt. Ltd. as the Registrar and Share Transfer Agent to undertake all investor servicing activities, both demat and physical segments. All concerned are requested to send their documents and address all their correspondence directly to the above Registrars.
6. The unclaimed dividend amounts out of the Dividend declared for the financial year ended March 31, 2010 shall be transferred to the Investor Education and Protection Fund of the Central Government after the expiry of 7 years from the date of transfer to Unpaid Dividend Account.
7. Shareholders holding shares in physical form are requested to notify change of address, if any, to the Share Transfer Agents (STA) of the Company, Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32 Gachi Bowli Financial District, Nanakramguda, Hyderabad 500032 immediately. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants.
8. In terms of provisions of Section 101 and 136 of the Companies Act, 2013 and Rules made there-under, Shareholders who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the Depositories, are being sent such documents in the electronic form. As a Shareholder of the Company, you are entitled to be furnished, free of cost, with the copies of such documents upon receipt of requisition from you to that effect. Physical copies of the Annual Report for 2016-17 are being sent in the permitted mode.
9. PROCEDURE AND INSTRUCTIONS FOR E-VOTING

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Company is pleased to provide to its Members, the facility to exercise their vote through electronic means i.e. 'remote e-voting' on resolutions proposed to be passed at this Annual General Meeting. The cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is September 1, 2017. The remote e-voting facility will be available during the following voting period:

| | |
|----------------------------|--|
| Commencement of e-voting : | From 9 a.m. (IST) on September 5, 2017 |
| End of e-voting: | Upto 5 p.m. (IST) on September 7, 2017 |

Complete instructions for remote e-voting including details of login ID, process and manner for generating or receiving the password and for casting vote in a secured manner is given in the remote e-voting Form annexed to this Report and forms an integral part of this Notice. Ms. Shailashri Bhaskar, Practising Company Secretary (CP No 5092) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The results shall be declared by the Chairman or any person authorized by him in writing within forty-eight hours from the conclusion of this Meeting. The results declared along with the consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company at www.anjanacement.com and on the website of Karvy Computershare Private Limited at <https://evoting.karvy.com>. The voting results shall simultaneously be forwarded to the BSE Limited and NSE of India Limited.

Other Instructions

1. In case of members whose email ids are registered with the Company user ID and password shall be sent to them by Karvy Computershare Private Limited. In case of members receiving physical copy of Annual Report user ID and password are provided in the remote e-voting form. In case member is already registered with Karvy Computershare Private Limited they can use their existing User ID and password/PIN for casting their vote.
2. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on this cut-off date (September 1, 2017). A person whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the Annual General Meeting through Ballot paper.
3. Any person who acquires shares of the Company and becomes member of the Company after the date of dispatch of Notice and holds shares as on the cut-off date may obtain the User ID and password/PIN by sending a request to Karvy Computershare Private Limited.
4. The facility of voting through Ballot paper will be provided at the Annual General Meeting. Members attending the meeting and who have not cast their vote earlier by remote e-voting shall be able to vote at the meeting.
5. Members can participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting. Once the vote on a resolution is cast by the member by remote e-voting, he shall not be allowed to modify the same or cast vote again.
6. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.karvy.com> or contact on 1-800- 3454001(toll free) or contact : Mr. Raghu Veedha on (040)67161606.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all the material facts relating to the special business mentioned in the accompanying notice.

Item No 5

The Board of Directors of the Company on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Narasimha Murthy & Co., Cost Accountants (Firm Registration Number 000042), to conduct the Cost Audit of the Cost Records of the Company at a remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) plus applicable taxes and out of pocket expenses for the Financial year 2017-18.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board recommends the Ordinary Resolution set out at item number 5 for approval by shareholders.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of this resolution.

Item No 6

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires shareholders approval by an ordinary resolution for all the material related party transactions. Related party transactions are considered material if the transaction(s) to be entered together with previous transactions already entered during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. The Company proposes to enter in to transactions relating to transfer of resources, services, obligations, with Chettinad Cement Corporation Private Limited. The proposed related party transactions of the Company to be entered into during the financial year 2017-18 with Chettinad Cement Corporation Private Limited (CCCPL), a related party of the Company under Regulation 23 of the said Regulations, is expected to exceed 10% of the annual turnover of the Company for the last financial year 2016-17. It is, therefore, proposed to obtain approval of the members by an ordinary resolution for all material related party transactions entered into and to be entered into with Chettinad Cement Corporation Private Limited during the financial year 2017-18. Pursuant to Regulation 23 of the said Regulations, all entities falling under the category of 'related parties' (as defined therein) shall abstain from voting in respect of the resolution at Item No. 6 of the Notice, irrespective of whether the related party is a party to the particular transaction or not.

The Board recommends the Ordinary Resolution set out at item number 6 for approval by shareholders. None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of this resolutions.

The Promoter, Chettinad Cement Corporation Private Limited is interested in the passing of this resolution.

Item No 7

The Board of Directors of the Company appointed pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. V. Valliammai as additional Director of the Company with effect from May 25, 2017. In terms of provisions of Section 161(1) of the Act, Mrs. V. Valliammai would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. V. Valliammai for the office of Independent Director of the Company.

Section 149 of the Act inter alia stipulates the criteria of independence should a Company propose to appoint an Independent Director on its board. As per the said Section 149, an Independent Director can hold office for a term up to 5 consecutive years on the Board of a Company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mrs. V. Valliammai that she meets the criteria of independence as prescribed under Sub-Section (6) of Section 149 of the Act.

In the opinion of the Board of Directors of the Company Mrs. V. Valliammai fulfills the conditions in the Companies Act, 2013 and rules made thereunder as Independent Directors and she is independent of the Management of the Company.

The Board recommends the Ordinary Resolution set out in Item no 7 for approval by shareholders.

Except for Mrs. V. Valliammai, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these resolutions

Details of Directors Seeking Appointment/ Re-appointment at the Annual General Meeting.

| Particulars | Dr. (Mrs) S.B. Nirmalatha | Mrs. V. Valliammai |
|--|--|---|
| Date of Birth | 16/08/1974 | 24/01/1975 |
| Date of Appointment | February 10, 2015 | May 25, 2017 |
| Qualifications | Master's Degree, M.L in Department of Legal studies, University of Madras, Doctorate programme, PHD in the field of Intellectual property Rights in the University of Madras | Chartered Accountant |
| Expertise in Specific Functional Area | A Lawyer practicing with the High Court in Chennai. She specializes in Intellectual Property and Corporate matters including Trademarks, and Copyright | She is a member of the Institute of Chartered Accountants of India and holds a Bachelor's degree in Commerce with an experience of over 15 years. Her core areas of expertise include debt financing and project management. She is currently serving as the Chief Financial Officer at Chettinad Super Specialty Hospital. |
| Directorships held in other companies | Nil | Nil |
| Memberships/Chairmanships of Committees of other companies | Nil | Nil |
| Number of Shares held in the Company | Nil | Nil |

Directors' Report

Your Directors take pleasure in presenting the Thirty Third Annual Report and the Audited Accounts of the Company for the year ended March 31, 2017.

• FINANCIAL RESULTS:

(₹ in Lakhs)

| | Current Year Ended 31/03/2017 | Previous Year Ended 31/03/2016 |
|---|-------------------------------------|--------------------------------------|
| Revenue from Operations(Gross) | 36,010 | 31,944 |
| Profit before Interest, Depreciation | 8,369 | 8,300 |
| Less: Interest | 944 | 1,584 |
| Less: Depreciation | 1,706 | 2,312 |
| Profit/(Loss) Before ax | 5,719 | 4,404 |
| Provision for Taxation including deferred Tax | 1,231 | 2,425 |
| Profit/(Loss)after Taxation | 4,488 | 1,979 |
| Appropriations | | |
| Debenture Redemption Reserve | 500 | 500 |
| Dividend | 252.86 | --- |
| Dividend Distribution Tax | 51.48 | --- |

• INDIAN ACCOUNTING STANDARDS

The Company has adopted Indian Accounting Standards (Ind AS) as per the notification issued by the Ministry of Corporate Affairs .The Company has published financials using Ind AS for the year ended March 31, 2017 along with the comparable figures as on March 31, 2016 and opening Statement of Assets and Liabilities as on April 1, 2015.

• DIVIDEND

Your Directors have recommended a final dividend of ₹1/- per equity share for FY 2016-17. The Interim Dividend of ₹1/- per equity share was paid in the month of September, 2016. The Final Dividend subject to the approval of the shareholders at the ensuing AGM, will be paid within the time stipulated as per the Companies Act, 2013 . The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹ 2/- per equity share and will absorb ₹ 608.67 lakhs, including Dividend Distribution Tax of ₹ 102.95 lakhs.

• PERFORMANCE OF THE COMPANY

| | PRODUCTION in M.T | SALES in M.T |
|--------|-------------------|--------------|
| Cement | 8,49,656 | 8,49,933 |

OPERATIONS

This is covered under the topic Management Discussion and Analysis.

• MANAGEMENT DISCUSSION AND ANALYSIS

• Economy and Developments

In 2016-17 the world economy showed a very moderate increase. The global economy for a long time has been bearing the brunt of the sluggish pace in global investment and adding to the woes have been the diminishing growth of world trade. For the April 2016-March 2017 period, the Indian economy advanced 7.1 percent, in line with the estimate but below 8 percent in the previous year. However as compared to the world economy the Indian economy has shown a positive trend.

The demonetization move by the Government in December 2016 had a short term adverse impact on the Indian economy. For the first time in over a decade the production volume in the Industry showed a decline. However the Cement Industry was quickly able to recover from this disturbance and was probably one of the sectors to show the quickest recoveries.

• Opportunities, Threats, Risks, Concerns and Outlook

The Union Budget 2017-18 has been considered as a very optimistic budget especially for the infrastructure sector. With the PM Awaas Yojana, there will be one crore houses to be made for the homeless, the allocation for the same has increased from ₹ 15,000 crore to ₹ 23,000 crore.