



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

34th Annual Report

2017-18





34th Annual Report 2017 - 18

www.anjanicement.com

Anjani Portland Cement Limited

Board of Directors

Mr. A. Subramanian		Managing Director
Mrs. V. Valliammai		Chairperson
Mr. Gopal Perumal		Independent Director
Mr. V. Subramanian		Independent Director
Mrs. S.B. Nirmalatha		Non-Executive Director

Management Team

Mr. N. Venkata Raju		Sr. Vice President (Works)
Mr. Ch. Gandhi Raju		Sr. Vice President (Marketing)
Mr. M.L. Kumavat		Chief Financial Officer
Mr. M. Nagabhushana Rao		Vice President (Mechanical)
Mr. D.V. Subba Raju		Sr. General Manager (E & I)
Mrs. Anu Nair		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, Unit 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.

Table of Contents



Notice		5
Directors' Report		8
Corporate Governance Report		30
Independent Auditors' Report		39
Balance Sheet		44
Statement of Profit and Loss		45
Statement of Cash Flows		46
Notes on Accounts		49
Attendance Slip and Proxy Form		75

PERFORMANCE AT A GLANCE

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
PRODUCTION in MT's						
Cement	8,37,993	8,01,105	6,55,896	7,57,229	8,49,656	9,18,441
Capacity Utilisation (%)	72%	69%	57%	65%	73%	79%
SALES IN MT's						
Cement & Clinker	8,70,066	8,57,318	6,85,022	7,60,174	8,49,933	9,26,810
FINANCIAL HIGHLIGHTS	(₹ in Lakhs)					
Turnover (Gross)	33,285.78	32,590.46	30,435.56	31,943.84	36,009.71	37,359.38
Gross Profit	5,342.68	2,321.13	5,236.31	8,300.45	8,369.48	6,069.12
Finance Costs	3,445.68	3,538.06	2,779.87	1,584.06	944.44	625.42
Depreciation	1,433.79	1,490.91	1,059.37	2,312.21	1,705.57	1,875.36
Profit/(Loss) Before Tax	463.21	(2,707.84)	1,397.07	4,404.19	5,719.47	3,568.34
Provision for Taxation						
- Current Tax	1.14	106.22	-	928.93	1,247.12	763.20
- Deferred Tax	152.96	(879.23)	(274.19)	1,496.03	(15.73)	461.22
Net Profit/(Loss) After Tax	309.11	(1,934.84)	1,671.26	1,979.23	4,488.09	2,343.92
PAID - UP SHARE CAPITAL	1,838.96	1,838.96	1,838.96	1,838.96	2,528.57	2,528.57
RESERVES & SURPLUS	6,215.33	4,280.49	5,907.17	6,894.39	17,893.95	19,943.42
RATIOS						
PBDIT to Gross Sales (%)	16.28%	7.28%	17.33%	25.99%	23.26%	16.25%
PBT to Gross Sales (%)	1.41%	-8.49%	4.62%	13.79%	15.90%	9.55%
EPS (in Rupees)	1.68	(10.52)	9.09	9.87	18.60	9.31
Debt to Equity	2.60	2.38	2.47	1.58	0.37	0.18
Book Value per Share (in Rupees)	44	33	42	47	81	89
Dividend (%)	-	-	-	-	20	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 Fourth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Friday, September 7, 2018, at 10.00 a.m. at Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai - 400 019, Maharashtra 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, 2018, together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2017-18.
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.

SPECIAL BUSINESS

4. 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 and the relevant rules thereunder, a remuneration of ₹ 2,00,000 (Rupees Two Lakhs 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, 2019 as approved by the Board of Directors of the Company be and is hereby ratified.”

On Behalf of the Board of Directors

Anu Nair

Company Secretary

Membership No A30525

Date: August 8, 2018

Place: Chennai

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. 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 1, 2018 to Friday, September 7, 2018 (both days inclusive). The record date for determining entitlement to dividend for the year ended March 31, 2018 to be declared at the AGM shall be Friday, August 31, 2018.
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. 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.

7. In terms of provisions of Section 101 and 136 of the Companies Act, 2013 and Rules made thereunder, 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 2017-18 are being sent in the permitted mode.

8. 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 August 31, 2018. The remote e-voting facility will be available during the following voting period:

Commencement of e-voting :	From 9 a.m. (IST) on September 4, 2018
End of e-voting:	Upto 5 p.m. (IST) on September 6, 2018

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 Chairperson or any person authorized by her 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 the cut-off date (August 31, 2018). 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. Raghunath 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 4

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 ₹ 2,00,000/- (Rupees Two Lakhs only) plus applicable taxes and out of pocket expenses for the Financial year 2018-19.

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 2018-19 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 4 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.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.

Name	Dr. (Mrs) S.B. Nirmalatha
Date of Birth	16/08/1974
Date of Appointment	February 10, 2015
Qualifications	i. Master's Degree, M.L in Department of Legal Studies, University of Madras. ii Doctorate programme, PHD in the field of Intellectual Property Rights, University of Madras.
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.
Directorships held in other companies	Nil
Memberships/Chairmanships of Committees of other companies	Nil
Number of Shares held in the Company	Nil

Directors' Report

Your Directors take pleasure in presenting the Thirty Fourth Annual Report and the Audited Accounts of the Company for the year ended March 31, 2018.

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

(₹ in Lakhs)

	Current Year Ended 31/03/2018	Previous Year Ended 31/03/2017
Revenue from Operations (Gross)	37,359	36,010
Profit before Interest, Depreciation	6,068	8,369
Less: Interest	625	944
Less: Depreciation	1,875	1,706
Profit/(Loss) Before Tax	3,568	5,719
Provision for Taxation including deferred Tax	1,224	1,231
Profit/(Loss) After Tax	2,344	4,488
<u>Appropriations</u>		
Debenture Redemption Reserve	0.00	500
Dividend	252.86	252.86
Dividend Distribution Tax	51.48	51.48

DIVIDEND

Your Directors have recommended a final dividend of ₹ 2/- per equity share for the financial year 2017-18. The 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 dividend will absorb an amount of ₹ 609.66 lakhs, including Dividend Distribution Tax of ₹ 103.95 lakhs.

PERFORMANCE OF THE COMPANY

	PRODUCTION in M.T	SALES in M.T
Cement	9,18,441	9,26,810

OPERATIONS

This is covered under the topic Management Discussion and Analysis.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

In 2017 the world economy has shown a growth of over 3.5%, a very promising growth trajectory. However in the long term any positive growth will have to be substantiated with suitable trade and investment policies. The Indian scenario has also been promising and almost in line with the growth of the world economy. With the effects of the GST and demonetization being wiped away slowly the Indian economy with a GDP growth of 6.3 percent has signaled a turnaround for the Country.

Opportunities, Threats, Risks, Concerns and Outlook

Budget 2018-19 has announced a setting up of affordable housing fund of ₹ 25,000 crores under the National Housing Bank. This will be utilized to provide relief on interest rates for housing schemes. Under Prime Minister Awas Scheme Rural, 51 lakhs houses in year 2017-18 and 51 lakh houses during 2018-19 work to be constructed exclusively in rural areas. In urban areas the assistance has been sanctioned to construct 37 lakh houses. The keen interest of the Government in infrastructure development along with the above signals a definite turnaround in the fortunes of the Cement Industry.

However having said this, with the additional capacities that have come up in various states, both greenfield and brownfield, have created a scenario of extreme competition in the Cement Industry. The excess supply situation thus created would further adversely impact the price realisation. The ever increasing cost of pet coke and coal has also added to the stifling scenario in the Cement Industry. Without substantial increase in demand in the last few years, the Cement industry has been facing a twin fold blow, by not being able to absorb its fixed cost completely due to lower capacity utilizations and dealing with reducing price realization.