Anjani Portland Cement Limited

(Subsidiary of Chettinad Cement Corporation Limited)

31st Annual Report

2014-15



today, tomorrow and forever...

ANJANI CEMENT

31st Annual Report 2014 - 15

www.anjanicement.com

Anjani Portland Cement Limited

Board of Directors

Mr. A. Subramanian	I	Managing Director (from 19.01.2015)
Mrs. Geetha Muthiah	I	Managing Director (upto 20.12.2014)
Mr. K.V. Vishnu Raju	I	Director
Mr. P.V.R.L. Narasimha Raju	I	Director
Mr. B. Ramesh	I	Director (upto 15.04.2015)
Mr. P. Gopal	I	Director
Mr. V. Subramanian	I	Director
Dr. (Mrs.) S.B. Nirmalatha	I	Additional Director (from 10.02.2015)

Management Team

Mr. N. Venkata Raju	I	Vice President (Works)
Mr. Ch. Gandhi Raju	I	Sr. Vice President (Marketing)
Mr. M.L. Kumavat	I	Chief Financial Officer
Mr. P. Ganapathi Raju	I	Asst. Vice President (Q.A)
Mr. M. Nagabhushana Rao	I	Asst. Vice President (Mechanical)
Mr. K.V. Gopala Raju	I	Sr. General Manager (Purchase)
Mr. D.V. Subba Raju	I	General Manager (E & I)
Mr. K. Mohan Raju	I	General Manager (Projects)
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 – 400051,
Maharashtra

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 (Village)
Mellacheruvu (Mandalam)
Nalgonda (District),
Telangana – 508 246

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
State Bank of Hyderabad

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

	2010-11	2011-12	2012-13	2013-14	2014-15
PRODUCTION in MT's					
Cement	6,51,278	7,89,174	8,37,993	8,01,105	6,55,896
Capacity Utilisation (%)	56%	68%	72%	69%	57%
SALES IN MT's					
Cement & Clinker	6,38,449	8,14,740	8,70,066	8,57,318	6,85,022
FINANCIAL HIGHLIGHTS	(₹ in Lakhs)				
Turnover (Gross) including Other Income	22,893.70	8,440.53	3,285.78	32,590.46	30,435.56
Gross Profit	3,994.40	6,945.73	5,342.68	2,321.13	5,236.31
Finance Costs	2,590.14	3,376.83	3,445.68	3,538.06	2,779.87
Depreciation	1,274.78	1,383.27	1,433.79	1,490.91	1,059.37
Profit/(Loss) Before Tax	129.48	2,185.63	463.21	(2,707.84)	1,397.07
Provision for Taxation					
- Current Tax	37.91	365.19	1.14	106.22	-
- Deferred Tax	33.96	239.99	152.96	(879.23)	(274.19)
Net Profit/(Loss) After Tax	57.61	1,580.45	309.11	(1,934.84)	1,671.26
PAID - UP SHARE CAPITAL	1,838.96	1,838.96	1,838.96	1,838.96	1,838.96
RESERVES & SURPLUS	4,582.25	5,906.22	6,215.33	4,280.49	5,907.17
RATIOS					
PBDIT to Gross Sales (%)	17.85%	18.45%	16.28%	7.28%	17.33%
PBT to Gross Sales (%)	0.58%	5.81%	1.41%	-8.49%	4.62%
EPS (in Rupees)	0.31	8.59	1.68	(10.52)	9.09
Debt to Equity	3.40	2.66	2.60	2.38	2.47
Book Value per Share (in Rupees)	35	42	44	33	42
Dividend (%)	8	12	-	-	-

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

Notice

Notice is hereby given that the Thirty First Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Wednesday, the 9th day of September, 2015, at 3.30 p.m. at 20, Down Town, 2nd Floor (Above Eros Cinema), South – West Wing, Cambata Building, 42, M. Karve Road, Churchgate, Mumbai 400020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Statement for the year ended 31st March 2015, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. K.V. Vishnu Raju, (DIN 00480361) who retires by rotation and being eligible, seeks re-appointment.

3. To appoint a Director in place of Mr. P.V.R.L. Narasimha Raju, (DIN 00480511) who retires by rotation and being eligible seeks 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 M/s Ramanatham & Rao, Chartered Accountants (Firm Registration Number (S-2934) be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of the Thirty First Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of ₹ 4,00,000 (Rupees Four Lakh only) plus applicable taxes, if any, besides reimbursement of out of pocket expenses."

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 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. A. Subramanian, (DIN: 06693209) who was appointed as an Additional Director and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director on the Board of Directors of the Company.

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 ,Schedule V and other applicable provisions (including any Statutory modifications or any enactments thereof for the time being in force) of the Companies Act, 2013 ,the consent of the members of the Company be and is hereby accorded to the appointment of Mr. A. Subramanian, (DIN: 06693209), as the Managing Director of the Company for a period of Five years with effect from the 19th January, 2015 subject to the provisions of the Articles of Association of the Company and control, superintendence and direction of the Board of Directors of the Company, who are hereby authorized to delegate to him such further powers of substantial management of the Company as they may deem fit."

   "**RESOLVED FURTHER THAT**, Mr. A. Subramanian, Managing Director be paid a remuneration of ₹ 4,00,000/- (Rupees Four Lakhs only) per month (with effect from 5th August 2015) which shall not exceed 5 % of the net profits of the company for each year during the tenure of his office.

   RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year, the Board of Directors of the company be and are hereby authorized to sanction such minimum monthly remuneration payable to Mr. A. Subramanian, such that the minimum remuneration paid to Mr. A. Subramanian shall not exceed the maximum limits prescribed under sub-section II (A) of Section II of Part II of Schedule V of the Companies Act, 2013, based on the Effective Capital of the Company"

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, 161(1) 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), Clause 49 of the Listing Agreement and the Articles of Association of the Company Dr. (Mrs.) S.B. Nirmalatha (DIN 03092392) who was appointed as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has received a notice under Section 160 of the Companies Act 2013, be and is hereby appointed as a Director of the Company who is liable to retire by rotation.

8. 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 Service Tax and out of pocket expenses, payable to M/s Narasimha Murthy & Co., (Firm Registration Number 000042) Cost Auditors for audit of cost records of the company for the year ending 31st March 2016 as approved by the Board of Directors of the Company be and is hereby ratified."

On Behalf of the Board of Directors

Date: 5th August 2015
Place: Chennai

Anu Nair
Company Secretary

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. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/reappointment as directors are also annexed.

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 Thursday, 03.09.2015 to Wednesday, 09.09.2015 (both days inclusive).

4. Information relating to Directors proposed to be appointed at this meeting, as required under Clause 49 of the Listing Agreement with Stock Exchange is annexed to the Notice.

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 above Registrars.

6. As per Section 205A(5) and Section 205(C)of the Companies Act, 1956, the unclaimed dividend amounts out of the Dividend declared for the financial year ended 31st March 2008 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. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The company would not entertain any request from such members for change / deletion of such Bank details. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the concerned shareholders

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 with 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 2014-15 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 Clause 35B of the Listing Agreement, 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 2nd September, 2015. 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, 2015
End of e-voting :	Upto 5 p.m. (IST) on September 8, 2015

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 secure manner is given in the remote e-voting Form annexed to this Report and forms an integral part of this Notice. Ms.Ragini Chokshi, Practising Company Secretary (CP No 1436) of M/S Ragini Chokshi & Co (Membership No. FCS No 2390) 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 other persons authorised by him in writing on or within a period of 3 days from the conclusion of the Annual General Meeting. The results declared along with the consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company i.e. www.anjanicement.com and on the website of Karvy Computershare Pvt. Ltd. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.

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 (2nd September 2015). 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.

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. R. Chandrashekhar on (040) 67161602

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 &6

Mr. A. Subramanian was appointed as an Additional Director of the Company by the Board at its Meeting held on 19th January, 2015. In terms of Section 161 of the Companies Act, 2013, he would hold office till the date of the ensuing AGM and is eligible for re-appointment. Notice under Section 160 of the Companies Act 2013, along with the requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. A. Subramanian as a Director of the Company.

Mr. A. Subramanian is not disqualified from being appointed as a director in terms of Section 164(2) of the Act and has given his consent to act as a Director.

The Board of Directors of the company at its meeting held on 19th January, 2015, has subject to the approval of members, appointed Mr. A. Subramanian as Managing Director, for a period of 5 years (commencing from 19th January 2015 to 18th January 2020)

The Board of Directors at their meeting held on the 5th of August 2015 has subject to approval of members, recommended that Mr. A. Subramanian be paid remuneration by way of Salary of ₹ 4,00,000/- (Rupees Four Lakhs only) for each year during the tenure of his office,which shall not exceed 5 % of the net profits of the company for the remaining tenure of his office.

However in the event of loss or inadequacy of profits, in any financial year the remuneration paid to him shall not exceed the maximum limits prescribed under sub-section II (A) of Section II of Part II of Schedule V of the Companies Act, 2013, based on the Effective Capital of the Company

The Board commends the Ordinary Resolution set out at number 5 & 6 for approval by shareholders.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Mr. A. Subramanian is concerned or interested in the passing of this resolution.

Item No 7

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company,, the Board of Directors have appointed Dr. (Mrs.) S.B. Nirmalatha as an additional Director of the company with effect from February 10, 2015.

In terms of provisions of Section 161(1) of the act, Dr. (Mrs.) S.B. Nirmalatha would hold office upto the date of the ensuing Annual General Meeting.

The company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. (Mrs.) S.B. Nirmalatha for the office of Director of the company.

Dr. (Mrs.) S.B. Nirmalatha is not disqualified from being appointed as a director in terms of Section 164(2) of the Act and has given her consent to act as a Director.

The Board commends the Ordinary Resolution set out at number 7 for approval by shareholders.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Dr. (Mrs.) S.B. Nirmalatha is concerned or interested in the passing of this resolution.

Item No 8

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 28th May 2015 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 Service Tax and out of pocket expenses for the Financial year 2015-16.

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 2015-16 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board commends the Ordinary Resolution set out at number 8 for approval by shareholders.

None of the Directors or 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	Mr. A. Subramanian	Dr. (Mrs) S.B. Nirmalatha	Mr. K.V. Vishnu Raju	Mr. P.V.R.L. Narasimha Raju
Date of Birth	01/10/1948	16/08/1974	31/01/1964	13/01/1964
Date of Appointment	19th January, 2015	10th February, 2015	23rd August 1999	23rd August 1999
Qualifications	Postgraduate in commerce	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	M.S	B.Com
Expertise in Specific Functional Area	Over 40 years of experience in Cement Industry with his core competencies being finance, accounts, costing, materials management, project accounting and Logistics. Retired as Joint President (Finance and Administration) of Chettinad Cement Corporation Limited in 2012.	A Lawyer practicing with the High Court in Chennai. She specializes in Intellectual Property and Corporate matters including Trademarks, and Copyright.	Over two decades of experience in the cement industry	Over two decades of experience in the cement industry
Directorships held in other public companies	Nil	Nil	• Hitech Print Systems Ltd. • Anjani Vishnu Holdings Limited • Anjani Cement (Karnatak) Ltd. • Anjani Foods Limited • Anjani Tiles Limited	• Hitech Print Systems Ltd. • Vennar Ceramics Ltd. • Anjani Vishnu Holdings Limited • Anjani Foods Ltd. • Anjani Cement (Karnatak) Ltd.
Memberships/Chairmanships of Committees of other companies	Nil	Nil	Audit Committee, Member • Anjani Foods Ltd.	Member - Audit Committee and Nomination and Remuneration Committee • Anjani Foods Ltd.
Number of Shares held in the Company	Nil	Nil	2,67,246	NIL