



Anjani Portland Cement Limited

35th Annual Report

2018-19





35th Annual Report 2018 - 19

www.anjanicement.com

Anjani Portland Cement Limited

Board of Directors

Mr. A. Subramanian		Managing Director
Mrs. V. Valliammai		Chairperson, Independent Director
Mr. RM. Palaniappan		Independent Director (w.e.f. May 16, 2019)
Mr. V. Palaniappan		Non-Executive Director (w.e.f. May 16, 2019)
Dr. (Mrs.) S.B Nirmalatha		Non-Executive Director

Management Team

Mr. N. Venkata Raju		Joint 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		Assistant Vice President (E & I)
Mrs. Anu Nair		Company Secretary

Registered Office

A-610, Kanakia Wall Street,
Chakala Junction,
Andheri-Kurla Road,
Andheri (East),
Mumbai – 400093

Corporate Office

#6-3-553, Unit Nos. E3 & E4,
4th Floor, Quena Square,
Off Taj Deccan Road, Erramanzil,
Hyderabad – 500082

Statutory Auditors

Ramanatham & Rao
Chartered Accountants,
P.B.No.2102, Flat No.302,
Kala Mansion, Sarojini Devi Road,
TS. Secunderabad – 500003

Cost Auditors

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

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– 500482

Registrars & Share Transfer Agents

Karvy Fintech 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.

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PERFORMANCE AT A GLANCE

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
PRODUCTION in MT's						
Cement	8,01,105	6,55,896	7,57,229	8,49,656	9,18,441	9,88,030
Capacity Utilisation (%)	69%	57%	65%	73%	79%	85%
SALES IN MT's						
Cement & Clinker	8,57,318	6,85,022	7,60,174	8,49,933	9,26,810	11,69,878*

*Including 1,77,565 MT of Traded Cement

FINANCIAL HIGHLIGHTS	(₹ in Lakhs)					
Turnover (Gross)	32,590	30,436	31,944	36,010	37,359	43,747
Gross Profit	2,321	5,236	8,300	8,369	6,068	5,750
Finance Costs	3,538	2,780	1,584	944	625	172
Depreciation	1,491	1,059	2,312	1,706	1,875	1,913
Profit/(Loss) Before Tax	(2,708)	1,397	4,404	5,719	3,568	3,665
Provision for Taxation						
- Current Tax	106	-	929	1,247	763	1,419
- Deferred Tax	(879)	(274)	1,496	(16)	461	(70)
Net Profit/(Loss) After Tax	(1,935)	1,671	1,979	4,488	2,344	2,316
PAID - UP SHARE CAPITAL	1,839	1,839	1,839	2,529	2,529	2,529
RESERVES & SURPLUS	4,280	5,907	6,894	17,894	19,944	21,636
RATIOS						
PBDIT to Gross Sales	7.28%	17.33%	25.99%	23.26%	16.25%	13.14%
(%) PBTto Gross Sales	-8.49%	4.62%	13.79%	15.90%	9.55%	8.38%
(%) EPS (in Rupees)	(10.52)	9.09	9.87	18.60	9.27	9.16
Debt to Equity	2.38	2.47	1.58	0.37	0.18	0
Book Value per Share (in Rupees)	33	42	47	81	89	96
Dividend (%)	-	-	-	20	20	25

ANJANI PORTLAND CEMENT LIMITED



CIN:L26942MH1983PLC265166

Regd Office : A-610, Kanakia Wall Street, Chakala Junction, Andheri-Kurla Road,
Andheri (East), Mumbai 400093 Tel. 022 62396051

email id: secretarial@anjanicement.com, website: www.anjanicement.com

Notice

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Wednesday, August 28, 2019, at 10.00 a.m. at Hotel Kohinoor Continental, Ruby Hall, Andheri-Kurla Road, J B Nagar, Andheri East, Mumbai, Maharashtra 400059 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, 2019, together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2018-19.
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. Re-appointment of Statutory Auditors and fixing their remuneration.

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 of the Companies Act, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, M/s Ramanatham & Rao (Firm Registration Number No-S2934) be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of this meeting until the conclusion of the 40th Annual General Meeting at such remuneration as may be fixed by the Board of Directors in consultation with the Statutory Auditors."

SPECIAL BUSINESS

5. Ratification of Remuneration payable to Cost Auditor.

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, 2020 as approved by the Board of Directors of the Company be and is hereby ratified."

6. Appointment of Mr. RM. Palaniappan as Independent Director.

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

"RESOLVED THAT, pursuant to recommendation of the Nomination and Remuneration Committee, as approved by the Board of Directors of the Company and subject to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Mr. RM. Palaniappan (DIN : 00143198), who was appointed as an Additional Director, in an Independent capacity, of the Company with effect from May 16, 2019 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from May 16, 2019."

7. Appointment of Mr. V. Palaniappan as Non-Executive Director.

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

"RESOLVED THAT, pursuant to recommendation of the Nomination and Remuneration Committee, as approved by the Board of Directors of the Company and subject to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, Mr. V. Palaniappan (DIN : 00645994), who was appointed as an Additional Director, in a Non-Executive capacity, of the Company with effect from May 16, 2019 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Non-Executive Director of the Company liable to retire by rotation."

8. Approval for Material Related Party Transactions.

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

"RESOLVED THAT, pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the relevant rules thereunder and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the approval of shareholders be and is hereby accorded to the Board of Directors of the company to enter into a Material Purchase and Sale Agreement with Chettinad Cement Corporation (P) Limited ("CCCPL"), a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for purchase and sale of materials and services.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to execute such other agreements, deeds and documents and amend, modify or supplement the Material Purchase and Sale Agreement, as they deem appropriate to give effect to the transactions contemplated in the Material Purchase and Sale Agreement.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution and also to delegate all or any of the above powers to the Managing Director of the Company."

On Behalf of the Board of Directors

Anu Nair

Company Secretary

Membership No A30525

Date: July 29, 2019

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 Thursday, August 22, 2019 to Wednesday, August 28, 2019 (both days inclusive). The record date for determining entitlement to dividend for the year ended March 31, 2019 to be declared at the AGM shall be Wednesday, August 21, 2019.
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 Fintech 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, 2012 will 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 Fintech 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 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 2018-19 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 August 21, 2019. The remote e-voting facility will be available during the following voting period:

Commencement of e-voting :	From 9 a.m. (IST) on August 25, 2019
End of e-voting:	Upto 5 p.m. (IST) on August 27, 2019

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. Mr. A.Sekar, Practising Company Secretary (CP No 2450) 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.anjaniment.com and on the website of Karvy Fintech 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 Fintech 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 Fintech 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 (August 21, 2019). 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 Fintech 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 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 ₹2,00,000/- (Rupees Two Lakhs only) plus applicable taxes and out of pocket expenses for the Financial year 2019-20.

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 2019-20 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 and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in this Resolution.

Item No 6

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, the Board of Directors had appointed Mr. RM. Palaniappan as an Additional Director, in an Independent capacity, of the Company with effect from May 16, 2019.

Mr. RM. Palaniappan aged about 50 years is Commerce graduate from Bharathidasan University, Tamil Nadu, and has over 25 years of experience in the field of Accounting, Administration and Corporate Affairs. With his vast and varied experience in Management, the Nomination and Remuneration Committee was of the opinion that he would be a value addition on to the Board of the Company.

In terms of provisions of Section 161(1) of the Act, Mr. RM. Palaniappan would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. RM. Palaniappan as Director of the Company. Mr. RM. Palaniappan 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.

Further he has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act.

The Board recommends the Ordinary Resolution set out at item number 6 for approval by shareholders.

Except for Mr. RM. Palaniappan and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in this Resolution.

Item No 7

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, the Board of Directors had appointed Mr.V.Palaniappan as an Additional Director, in a Non-Executive capacity of the Company with effect from May 16, 2019.

Mr.V.Palaniappan aged about 45 years is Masters in the Commerce from the Annamalai University, Tamil Nadu and has over 25 years of experience in the arena of Accounts and Finance. He is currently working for the holding Company, Chettinad Cement Corporation Private Limited.

In terms of provisions of Section 161(1) of the act, Mr.V.Palaniappan would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. V. Palaniappan as a Director of the Company. Mr. V. Palaniappan 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 recommends the Ordinary Resolution set out at item number 7 for approval by shareholders.

Except for Mr. V. Palaniappan and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in this Resolution.

Item No 8

Shareholders had via Postal Ballot on July 11, 2018, approved the Material Purchase Agreement to enable the Company to procure Cement and Clinker from the Plants of CCCPL which is in close proximity to the markets of your Company to benefit from economical advantages. However to achieve greater economies of scale it is proposed that the Company enters into a Material Purchase and Sale Agreement which will enable your Company to purchase and sell materials and services from/to Chettinad Cement Corporation Private Limited(CCCPL) as may be required in Cement Production business.

Although due to the varying demand-supply conditions it is difficult to determine the revenue/volume predictions for this venture, the transaction with CCCPL is expected to exceed 10% of the turnover of the Company for the last financial year and hence would get classified as a Material Related party transaction within the meaning of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations").

Pursuant to Section 188 of Companies Act, 2013, prior approval of Members through ordinary resolution is required for related party transactions (other than those on arm's length basis and in the ordinary course of business) involving sale, purchase or supply of any goods or materials or services in excess of the prescribed limits. Transaction with CCCPL will be in the regular course of business and at arm's length, however as an abundant caution the approval of the members of the Company is also sought under Section 188 of the Companies Act, 2013.

Further as per Regulation 23 of the LODR Regulations approval of Members through ordinary resolution is required for all material related party transactions.

The Board of Directors of both the Companies would mutually decide on suitable supply and pricing mechanism that would provide the best economic advantage to their respective entities.

Approval of shareholders of the Company is being sought under the provisions of Section 188 of the Companies Act, 2013 and Regulation 23(4) of the LODR Regulations, for the transactions of the Company with CCCPL.

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

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in this Resolution.

The Promoter CCCPL is interested in passing of this resolution.