ISO 9001 : 2015, ISO 14001 : 2015 and
BS OHSAS 18001 : 2007 Company
Award of Excellence in CSR by FAPCCI
CIN : L26942MH1983PLC265166
Anjani Portland Cement Ltd
(A Subsidiary of Chettinad Cement Corporation Pvt. Ltd.)

07.09.2018

To,

The Corporate Relationship Department
BSE Limited
Phiroze Jeejebhoy Towers
Dalal Street
Mumbai 400001

Scrip Code:518091

National Stock Exchange of India Ltd (NSE),
Listing & Corporate Communications Dept.,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400051

Scrip Symbol :APCL

Dear Sirs,

Sub: Compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements),Regulations 2015.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company as approved and adopted at the 34th Annual General Meeting (AGM) of the Company held on Friday, September 07, 2018 at 10.00 A.M. at Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai, Maharashtra-400019.

Thanking you,

Yours faithfully,

For Anjani Portland Cement Ltd.,

Anjani Portland Cement Limited

Anu Nair
Compliance Office and Company Secretary
(M.No.30525)

Corporate Office : # 6-3-553, Unit No.: E3 & E4,
4th Floor, Quena Square, Off Taj Deccan Road,
Erramanzil, Hyderabad - 500 082. Telangana.
T : +91 40 2335 3096 / 3106, F : +91 40 2335 3093
E : info@anjanicement.com

Works : Chintalapalem Village & Mandal,
Suryapet Dist. - 508 246. Telangana.
T : +91 08683 230 158,
+91 08683 230 166, 230 168
F : +91 08683 230 024

Regd. Office : 306A, The Capital, 3rd Floor, Plot No. C-70, G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051, Maharashtra, India. T: +91 22 40239909
Email: secretarial@anjanicement.com, www.anjanicement.com

Anjani Portland Cement Limited

(Subsidiary of Chettinad Cement Corporation Private Limited)

34th Annual Report

2017-18

ANJANI
CEMENT

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.anjanicement.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.

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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.anjanicement.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
Appropriations		
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.

Segment wise or Product Performance

The Company 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.

Reportable Segment	Product/ Services
Cement	Manufacturing and trading of cement
Power plant	Generation of power

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	Cement	Power	Total	Cement	Power	Total
Segment Revenue	37,359	4,976	42,335	36,010	961	36,971
Less : Inter Segment Revenue		(4,976)	(4,976)		(961)	(961)
Total Revenue from Operations	37,359	-	37,359	36,010	-	36,010
Segment Result (Profit Before Tax and Interest) from each Segment	3,069	1,124	4,193	6,663	-	6,663
Less : Interest			(625)			(944)
Total Profit Before Tax			3,568			5,719
Capital Employed (Segment Assets - Segment Liabilities)	As at March 31, 2018			As at March 31, 2017		
Segment Assets	27,787	8,185	35,972	27,863	8,054	35,917
Segment Liabilities	13,389	110	13,499	14,796	698	15,494

Internal Control System and their adequacy

The Company has got an adequate system of internal control in place commensurate with the size of its operation and is properly designed to protect and safeguard the assets of the Company. There is a proper system for recording all transactions which ensures that every transaction is properly authorized and executed according to norms.

The Company has also appointed M/s M. Bhaskara Rao & Co., Chartered Accountants as Internal Auditors to conduct the Systems and Compliance Audit of the Company.

Financial Performance in comparison to Operational Performance

In the Financial year 2017-18, the Company's production level touched 9.18 lakh tons, which reflects a growth of 8.10% year on year.

The volume of Cement sales was at 9.27 lakh tons recording a growth of 9.05%. This was mainly because of significant efforts made by the Company in Andhra Pradesh and Telangana cement market.

Even in the face of a reduction in sales realization, cement sales revenue grew 3.75% to ₹37,359 lakhs, mainly on account of increased sale volumes. Though the Company rationalized its finance costs during the year by repaying its first installment of NCD (which became due for repayment during the year) through internal accrual and efficient utilization of working capital limits, decrease in cement price realization coupled with steep hike in coal prices lowered the PBT of the Company by 37.61%.

Material Development in Human Resources/Industrial Relations front, including number of people employed

The Industrial relation during the current year has been cordial and contributed to mutual development. The number of personnel in direct employment of the Company are 276.

Captive Power Plant

The Gross power generation from the 16MW Captive Thermal Power Plant during the year under review was 821.29 lakh units as against 184.88 lakh units in the previous year, with an auxiliary consumption of 68.87 lakh units as against 16.30 lakh units in the previous year. The Net generation for the current year was 752.42 lakh units as against 168.58 lakh units last year.

INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS

M/s M. Bhaskara Rao & Co., Chartered Accountants, conduct the Internal Audit for your Company. Along with the Company's self-assessment procedures the Internal auditors on a regular basis check on the internal financial controls developed to ensure that they are working effectively and give the Management opinions in case of improvements required.

FIXED DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as required under the Listing Regulations is provided as Annexure VI and forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at their meeting held on May 25, 2017 appointed Mrs. V. Valliammai, as an Additional Director in an Independent position. The appointment was approved by the shareholders at the Thirty Third Annual General meeting held on September 8, 2017.

All the Independent Directors have given their declarations stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations.

The Nomination and Remuneration policy enumerates the policy on Directors Appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. The policy is given as Annexure I forming part of this Report. The policy is also available on the Company's website, www.anjanicement.com.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company.

AUDITORS

a) Statutory Auditors: Your Company at its Thirty Second Annual General Meeting held on September 9,2016 had appointed M/s Ramanatham & Rao, Chartered Accountants (Firm Registration Number S-2934) as Statutory Auditors of the Company up to the conclusion of the Thirty Fifth Annual General Meeting at a remuneration as may be fixed by the Board of Directors and Audit Committee in consultation with the Auditors thereof.

b) Secretarial Auditor: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by Mrs. Shailashri Bhaskar, Practising Company Secretary.

c) Cost Auditor: In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad, as Cost Auditor of the Company for conducting the Cost Audit for the Financial Year 2018-19, on a remuneration as mentioned in the Notice of 34th Annual General Meeting. A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 34th Annual General Meeting and the same is recommended for your consideration and ratification.

The Auditor's report and Secretarial Audit Report do not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is annexed as Annexure V and is a part of this report.

AUDIT COMMITTEE RECOMMENDATION

During the year, all recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review your Company has fulfilled its obligation towards Corporate Social Responsibility by spending a sum of ₹ 76,80,483 during the year. The report on CSR activities as required under Section 135 of the Companies Act, 2013 is given as Annexure II, forming part of this Report. The CSR policy is available on the Company's website, www.anjanicement.com.

RISK MANAGEMENT POLICY

The management of the Company is spearheaded by a Whole Time Managing Director and risk assessment and mitigation forms a concurrent part of the management procedures. Periodical reviews of various operational, marketing and legal parameters affecting the Company is conducted and risk management and mitigating procedures are adopted on a continuous basis.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE.

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act 2013 and the rules framed there under. The details of the Policy are uploaded on the website of the Company www.anjanicement.com.

No complaint was filed during the financial year 2017-18.

DEBENTURE REDEMPTION

Your Company had in November, 2014, allotted 600 Rated, Taxable, Secured, Guaranteed, Listed Redeemable Non-Convertible Debentures of the Face Value of ₹ 10,00,000 each (Rupees Ten Lakhs Only) for a total size of ₹ 60 crores (Rupees Sixty Crores Only), structured in form of two different series of ₹ 30 crore (Thirty crore only) each on a Private Placement basis.

Pursuant to the Information memorandum 300 debentures were redeemed on November 14, 2017, subsequently the remaining 300 debentures were redeemed on April 13, 2018. The Company now has no outstanding debentures as on the date of this report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed as Annexure IV in the prescribed form MGT-9 and forms part of this Report.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met five times during the Financial Year 2017-18. The details of Board Meetings are provided in the Corporate Governance Report. The intervening gap between two meetings of the board is within the stipulated time frame prescribed in the Companies Act, 2013 and SEBI (LODR) Regulations.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2017-18.

TRANSACTIONS WITH RELATED PARTIES

The Company has not entered into contract / arrangements with related parties pursuant to provisions of Section 188 (1) of the Act read with Section 134(h) of the Act, in the financial year 2017-18.

MATERIAL CHANGES AND COMMITMENTS,IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company, is as follows:-

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Directors	Ratio to Median Remuneration
Non-Executive Directors	
Mrs. V. Valliammai	-
Mr. P. Gopal	-
Mr. V. Subramanian	-
Dr. (Mrs.) S.B. Nirmalatha	-
Executive Directors	
Mr. A. Subramanian	13.01 times

The median remuneration of the employees of the Company for the financial year 2017-18 is ₹ 3.69 lakhs.

The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial year:

Name of Person	Percentage Increase in Remuneration
Non-Executive Directors	
Mrs. V. Valliammai	-
Mr. P. Gopal	-
Mr. V. Subramanian	-
Dr. (Mrs.) S. B. Nirmalatha	-
Executive Directors	
Mr. A. Subramanian	-
CFO and CS	
Mr. M.L. Kumavat	18
Mrs. Anu Nair	18

The percentage increase in the median remuneration of employees in the Financial year 2017-18 is 16.53%.

The number of permanent employees on the rolls of Company: 276.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

On an average, salaries of employees increased by 13.52%.

There has been no change in the managerial remuneration for the year under consideration.

Statement containing Particulars of Employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement containing Particulars of Employees, which is available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays), upto the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at the Registered Office of the Company.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN THE FUTURE

There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

BOARD EVALUATION

The Nomination and Remuneration Committee set out the parameters based on which Board carried out an annual evaluation of the performance of the Board, Committees and Individual Directors. Some of the parameters for the same were effective communication, adequacy of knowledge, investment of time etc. The Board as a group discussed, evaluated and graded themselves on the parameters provided. The performance of the Board, Committees and Individual Directors was found to be satisfactory and was found helping the Company in improving its performance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under 134 (3)(m) of the Companies Act, 2013 and the Rules prescribed thereunder are set out in Annexure III to this report.

SUBSIDIARY COMPANIES

Your Company has no subsidiaries within the meaning of Section 2(6) of the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same.

b. Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period.

c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. The annual accounts have been prepared on a going concern basis.

e. Appropriate Internal Financial Controls have been laid down and followed and such internal financial controls are adequate and operating effectively.

f. Proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

CAUTIONARY STATEMENT

Statements made in this report, including those stated under the caption "Management Discussion and Analysis" describing the Company's objectives, expectations or projections may constitute "forward looking statements" within the meaning of applicable securities laws and regulations.

Important factors that could influence Company's operations include global and domestic supply and demand conditions affecting the selling price of finished goods, availability of inputs and their prices, changes in government regulations, tax laws, economic developments within the country and outside and other factors such as litigations and Industrial relations.

The Company assumes no responsibilities in respect of the forward looking statements which may undergo changes in the future on the basis of subsequent developments, information or events.

ACKNOWLEDGEMENT

The Board of Directors wish to thank all the shareholders, statutory bodies and departments of the State and Central Government and Bankers, Suppliers, Customers and all employees for their valuable support to the Company.

On Behalf of the Board of Directors

	A. Subramanian	Mrs.V. Valliammai
Place: Chennai	Managing Director	Director
Date: August 8, 2018	(DIN: 06693209)	(DIN: 01197421)

Annexure I

NOMINATION AND REMUNERATION POLICY

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Committee consists of two non-executive Independent Directors and one non-executive Director as Members, with an Independent Director being the Chairman. This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OBJECTIVE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

DEFINITIONS

1. **"Board"** means Board of Directors of the Company.
2. **"Company"** means "Anjani Portland Cement Limited."
3. **"Employees' Stock Option"** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
4. **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.
5. **"Key Managerial Personnel"** (KMP) means
   (i) Chief Executive Officer or the Managing Director or the Manager,
   (ii) Company Secretary,
   (iii) Whole-time Director,
   (iv) Chief Financial Officer and
   (v) Such other officer as may be prescribed.
6. **"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
7. **"Policy or This Policy"** means, "Nomination and Remuneration Policy."
8. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
9. **"Senior Management"** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) Formulate criteria for evaluation of Independent Directors and the Board.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of every Director's performance.

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h) To devise a policy on Board diversity. (Annexure)

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

j) To ensure orderly succession for appointment to the Board of Directors and Senior Management

k) To perform such other functions as may be necessary or appropriate for the performance of its duties.

MEMBERSHIP

a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

a) Chairman of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• **Appointment criteria and qualifications**:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- The vacancy at Senior Management i.e. all members of management one level below the executive directors, including all functional heads (CEO/CFO/CS/General Manager) shall be filled up by the Managing Director in line with the internal policy adopted by the management, keeping in view the organisation's mission, vision, values, goals and objectives.

- The Committee shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that appointment of the person who has attained the age of seventy years may be made with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• **Term / Tenure**:

a) **Managing Director/Whole-time Director/Manager (Managerial Person)**:

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director**:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- **Removal:**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

  If a Director slot/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described for appointment above.

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

   Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

   Provisions for excess remuneration:

   If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

1. **Remuneration / Commission:**

   The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. **Sitting Fees:**

   The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Limit of Remuneration /Commission:**

   Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. **Stock Options:**

   An Independent Director shall not be entitled to any stock option of the Company.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

POLICY ON BOARD DIVERSITY

(Annexure to Nomination and Remuneration Policy)

1. **Purpose:**

1.1. This Policy on Board Diversity (the "Policy") sets out the Company's approach for ensuring diversity in the composition of its Board of Directors (the **"Board"**) and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

2. **Scope:**

2.1. The Policy applies to the Board of Anjani Portland Cement Limited (the "Company").

3. **Policy Statement:**

3.1. The Company aims to enhance the effectiveness of the Board by diversifying its composition, so as to aid better and improved decision making. In order to ensure that the Company's board has appropriate balance in skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company may consider a number of factors, including but not limited to skills, industry experience, background etc. and even race or gender.

3.2. The Policy shall conform to the following two principles for achieving diversity on the Board:

3.2.1. Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence;

3.2.2. For embracing diversity and inclusiveness, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

3.3. In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

3.3.1. Gender-The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months.

3.3.2. Backgrounds - The Company shall promote having a boardroom comprising of people from different backgrounds (professional, ethnic etc.), so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business.

3.3.3. Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.

3.3.4. Educational qualification - The Directors of the Company shall ideally have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

4. **Review of the Policy:**

The Nomination and Remuneration Committee shall review the policy from time to time and ensure that it is in the best interests of the Company.

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs:

   The CSR policy of the Company is focused on fostering social well-being. Through our CSR initiative, we strive to attain the same. The Company as per its CSR policy may carry out any project, program or activity in the areas specified under Schedule VII of the Act as on date, or as may be specified from time to time.

   The CSR policy is available on the website of the Company i.e. www.anjanicement.com.

2. The composition of the CSR committee:

Mr. A. Subramanian	Non-Independent, Executive	Chairperson
Mr. V. Subramanian	Independent, Non-Executive	Member
Dr. (Mrs) S.B. Nirmalatha	Non-Independent, Non-Executive	Member

3. Average Net profit of the Company for the last 3 years - ₹ 38,40,24,164
4. Prescribed CSR expenditure (2% of the amount mentioned in item no. 3 above): ₹ 76,80,483.
5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year- ₹ 76,80,483.
- Amount unspent if any –Nil
- Manner in which the amount spent during the financial year is detailed as below,

Sr. No	CSR Project/ activity identified	Sector in which the project is covered	Location	Amount outlay (budget) (₹)	Amount spent on the project		Cumulative expenditure (₹)	Amount spent Direct or through implementing agency
					Direct (₹)	Overhead (₹)		
1.	Smt. Sita Memorial School	Promoting Education	Suryapet, Telanagana	14,86,139	14,86,139	-	14,86,139	Direct
2.	Toilet Blocks in Government School's	Rural Development Project	Siricilla, Suryapet, Telangana	8,00,000	8,00,000	-	8,00,000	Amount contributed to District Collector
3.	Building of "pakka road"	Rural Development Project	Suryapet, Telanagana	15,54,110	15,54,110	-	15,54,110	Direct
4.	Donation to The Gandhi Nagar Education Society	Promoting Education	Chennai, Tamil Nadu	38,40,234	38,40,234	-	38,40,234	Amount contributed to 'The Gandhi Nagar Education Society'

CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

	Mr. A. Subramanian	Mr.V. Subramanian	Dr.(Mrs) S.B. Nirmalatha
	Managing Director CSR committee Chairman (DIN : 06693209)	CSR committee Member (DIN 06693099)	CSR committee Member (DIN 03092392)
Date: August 8, 2018			

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

I. The steps taken and impact on conservation of energy;

Various improvement steps were taken, which have resulted reduction in power consumption per ton of cement from 90.12 KWH/T to 88.87 KWH/T. These are as below:

- Reduced the compressor air leakage in the plant
- Reduced false air across preheater line-2
- Removed damper and avoided damper loss in Raw Mill-3 CA Fan operating with VFD
- Used transvector nozzle in air hose and reduce compressed air consumption for cleaning applications
- Reduced high pressure drop in Raw meal silo top bag filter and install VFD
- Reduced high Pressure drop in Packer 3 Bag Filter fan and install VFD
- Replaced existing lights with LED Lamps in the plant
- Reduced high pressure drop in Line-1 Cooler fan-3 & 4 by Installing VFD
- Reduced high pressure drop in Line-2 Cooler fan-5 by Installing VFD

II. The steps taken by the company for utilizing alternate sources of energy;

Alternate fuels like industrial waste were used in place of indigenous/imported coal to substitute coal to an extent 11.02% of thermal energy requirement in the plant

III. The capital investment on energy conservation equipment's

- 5 VFDs installed for Cooler fans 3, 4 & 5, Packing plant-2 & Rawmill-2 – ₹ 16 lakhs.
- LED lights installed for Line-1 & 2 plant- ₹ 4 lakhs

B. Technology Absorption:

I. The efforts made towards technology absorption.

- AFR pumping to line-1 kiln from kiln- 2 station.
- Bag filter erected at line-1 DPC discharge chute
- Separate hopper system provided for storage of AFR to feed kiln-2 P.C
- For line-2 Cooler ESP up gradation with addition of two fields to emission level 50mg/Nm^3 to below 30mg/Nm^3

II. The benefits derived like product improvement, cost reduction, product development or import substitution;

To reduce cost the following steps were implemented:

- Consuming of Alternative Raw Material at Zero Cost.
- Consuming of Alternative Fuel sat Zero cost in place of coal/imported coal.
- Consuming of Fly Ash in finished product.
- Consuming of Granulated slag in finished Product

III. There has been no technology imported during the last three years reckoned from the beginning of the financial year.

IV. Foreign Exchange Earnings and outgo;

- Foreign Exchange Earnings - Nil
- Foreign Exchange outgo - 34,156 Euros for spares

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2018

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

1) CIN: L26942MH1983PLC265166
2) Registration Date : 17/12/1983
3) Name of the Company : Anjani Portland Cement Limited
4) Category/Sub-Category of the Company: Public Limited Company
5) Address of the Registered Office and contact details:
   306 A, The Capital, 3rd Floor, Plot No. C-70,
   G-Block, Bandra Kurla Complex,
   Bandra (East), Mumbai – 400051
   email id: secretarial@anjanicement.com
   website:www.anjanicement.com
6) Whether Listed Company : Yes
7) Name, Address and Contact details of Registrar and Transfer Agent, if any
   Karvy Computershare Private Limited
   Karvy Selenium Tower B, Plot 31-32,
   Gachibowli, Financial District,
   Nanakramguda, Hyderabad – 500032
   Tel: +91 40 67161602
   email id: raghu.veedha@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	Manufacture of Cement	23941 & 23942	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Chettinad Cement Corporation Private Limited	U93090TN1962PTC004947	Holding Company	75	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i). Category-wise Share Holding

Category of Shareholder	No.of shares held at the beginning of the year 01/04/2017				No.of shares held at the end of the year 31/03/2018				% Change During The year
	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
(A) PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
(a) Individual/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Govt /State Govt(s)	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	18964270	0	18964270	75	18964270	0	18964270	75	0
(d) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e) Others	0	0	0	0	0	0	0	0	0
SUB-TOTAL A(1) :	18964270	0	18964270	75	18964270	0	18964270	75	0
(2) FOREIGN									
(a) Individuals (NRIs/Foreign)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e) Others	0	0	0	0	0	0	0	0	0
Sub-Total A(2):	0	0	0	0	0	0	0	0	0
Total A = A(1) + A(2)	18964270	0	18964270	75	18964270		18964270	75	0
(B) Public Shareholding									
(1) INSTITUTIONS									
(a) Mutual Funds/ UTI	0	34400	34400	0.14	0	27800	27800	0.11	-0.03
(b) Financial Institutions/Banks	0	7700	7700	0.03	162	5200	5362	0.02	-0.01
(c) Central Government/State Governments(s)	0	0	0	0	0	0	0	0	0
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e) Insurance Companies	0	0	0	0	0	0	0	0	0
(f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(i) Others	0	0	0	0	0	0	0	0	0
Sub-Total B(1)	0	42100	42100	0.17	162	33000	33162	0.13	-0.04
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	1152599	18300	1170899	4.63	1099977	18000	1117977	4.42	-0.21
(b) Individuals									
(i) Individuals holding nominal Share capital upto Rs. 1 Lakh	1523072	924810	2447882	9.68	1612957	549952	2162909	8.55	-1.13
(ii) Individuals holding nominal Share capital in excess of Rs. 1 Lakh	2550005	68010	2618015	10.35	2547379	68010	2615389	10.34	- -0.01
(c) Others									
CLEARING MEMBERS	11566	0	11566	0.05	9878	0	9878	0.04	-0.01
I E P F	0	0	0	0.00	358721	0	358721	1.42	1.42
NON RESIDENT INDIANS	19557	0	19557	0.08	19800	0	19800	0.08	0.00
NBFCs Registered with RBI	5400	0	5400	0.02	0	0	0	0	-0.02
NRI Non Repatriation	6007	0	6007	0.02	3590	0	3590	0.01	
(D) Qualified Foreign Investor	0	0	0		0	0	0	0	0.00
Sub-Total B(2):	5268206	1011120	6279326	24.83	5652302	635962	6288264	24.87	00.04
Total B = B(1) + B(2)	5268206	1053220	6321426	25.00	5652464	668962	6321426	25.00	0
Total (A + B)	24232476	1053220	25285696	100.0	24616734	668962	25285696	100	0
(C) Shares held by Custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group		0	0	0	0	0	0	0	0
(2) Public		0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C) :	24232476	1053220	25285696	100.00	24616734	668962	25285696	100	0

ii) Shareholding of Promoters

S. No.	Shareholders Name	Share holding at the beginning of the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			% change in share holding during the year
		No.of shares	% of total Shares of the Company	%of shares Pledged/ Encumbered to total shares	No.of shares	% of total Shares of the Company	%of shares Pledged/ Encumbered to total shares	
1	Chettinad Cement Corporation Pvt. Ltd.	18964270	75	0	18964270	75	0	0

iii) Changes in Promoters' Shareholding (Please specify, if there is no change): There has been no change in Promoters' Shareholding during the year.

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of share holder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of total Shares of the company	No.of shares	% of total Shares of the company
1	SUBRAMANIAN P	1456473	5.76		
	Transactions (Sale/Purchase) from 01.04.2017				
	07/04/2017 (sale of shares)	-8473	0.03		
	14/04/2017 (sale of shares)	-2000	0.01		
	01/09/2017 (sale of shares)	-10430	0.04		
	At the end of the year			1435570	5.68
2	BHAVNA GOVINDBHAI DESAI	399000	1.58		
	Transactions (Sale/Purchase) from 01.04.2017				
	02/06/2017(Purchase/Transfer of Shares)	102000	0.40		
	At the end of the year			501000	1.98
3	PRATIBHUTI VINIHIT LTD	440000	1.74		
	Transactions (Sale/Purchase) from 01.04.2017	0	0		
	At the end of the year			440000	1.74
4	VENKATA VISHNU RAJU RAJ KALIDINDI	367463	1.45		
	Transactions (Sale/Purchase) from 01.04.2017				
	27/10/2017 (Sale of shares) from 01.04.2017	-3000	0.01		
	At the end of the year			364463	1.44
5	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	0			
	Transactions (Sale/Purchase) from 01.04.2017	358721	1.42		
	At the end of the year			358721	1.42
6	BREEZE ENTERPRISES PVT. LTD.,	153986	0.61		
	Transactions (Sale/Purchase) from 01.04.2017	0			
	At the end of the year			153986	0.61
7	APOGEE CLEARING AND FORWARDING PVT LTD.	99676	0.39		
	Transactions (Sale/Purchase) from 01.04.2017				
	15/09/2017 (Sale of shares)	-1900	0.01		
	22/09/2017 (Sale of shares)	-1184	0.00		
	At the end of the year			96592	0.38
8	GREEN VALLEY MINERALS AND METALS PVT. LTD.	71802	0.28		
	Transactions (Sale/Purchase) from 01.04.2017				
	07/04/2017 (sale of shares)	-1000	0.00		
	14/04/2017 (sale of shares)	-65	0.00		
	23/06/2017 (sale of shares)	-214	0.00		
	15/09/2017 (sale of shares)	-185	0.00		
	At the end of the year			70338	0.28
9	FUTURISTIC HANDLING SERVICES	48409	0.19		
	Transactions (Sale/Purchase) from 01.04.2017	0	0		
	At the end of the year			48409	0.19
10	BULL INVESTMENTS MADRAS PVT. LTD.,	52500	0.21		
	Transactions (Sale/Purchase) from 01.04.2017				
	02/06/2017 (purchase of shares)	2000	0.01		
	07/07/2017 (sale of shares)	-2751	0.01		

Sl. No.	Name of share holder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of total Shares of the company	No.of shares	% of total Shares of the company
	14/07/2017 (sale of shares)	-2000	0.01		
	21/07/2017 (sale of shares)	-3000	0.01		
	24/11/2017 (sale of shares)	-749	0.00		
	At the end of the year			46000	0.18

None of the Directors/Key Managerial Personnel of the Company held any equity shares of the Company either at the beginning of the year i.e. April 1, 2017 or at the end of the year i.e., March 31, 2018 or deal in the Equity Shares of the Company during financial year 2017-18.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment as on 31.03.2018.

(₹ in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6000.00	0	0	6000.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	225.88	0	0	225.88
Total (i+ii+iii)	**6225.88**	**0**		**6225.88**
Change in Indebtedness during the financial year Addition	0	0	0	0
Reduction	3112.49	0	0	3112.49
Net Change	**(3112.49)**	**0**	**0**	**(3112.49)**
Indebtedness at the end of the financial year				
i). Principal Amount	3000.00	0	0	3000.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	113.39	0	0	113.39
Total (i+ii+iii)	**3113.39**	**0**	**0**	**3113.39**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2017-18.

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. A. Subramanian (M.D)
1	Gross Salary (a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites under Section 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	48.00
2	Stock option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - Others, specify….	NIL
5	Others, please specify	NIL
	Total	48.00
	Ceiling as per the Act	5% of net profit of the Company

B. Remuneration to other directors: for the year 2017-18.

(₹ In Lakhs)

Particulars	Mr. V. Subramanian	Mr. P. Gopal	Dr. (Mrs.) S.B Nirmalatha	Mrs.V. Valliammai	Total
1. Independent Directors					
- Fee for attending board/ committee meetings	0.20	0.25	---	0.20	0.65
- Commission	---	---	---	---	---
- Others, please specify	---	---	---	---	---
Total (1)	0.20	0.25	---	0.20	0.65
2. Other Non-Executive Directors					
- Fee for attending board/ committee meetings	---	---	0.20	---	0.20
- Commission	---	---	---	---	---
- Others, please specify	---	---	---	---	---
Total (2)	---	---	0.20	---	0.20
Total = (1+2)	0.20	0.25	0.20	0.20	0.85

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD for the year 2017-18.

(₹ In Lakhs)

Particulars of Remuneration	Key Managerial Personnel			
	CEO	CFO	Company Secretary	Total
1. Gross Salary				
(a) Salary as per provisions contained In Section 17(1) of the Income Tax Act, 1961	---	50.28	9.03	59.31
(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	---	---	---	---
(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	---	---	---	---
2. Stock Option	---	---	---	---
3. Sweat Equity	---	---	---	---
4. Commission - as % of profit - others, specify	---	---	---	---
5. Others, please specify retirements	---	4.56	0.82	5.38
Total	---	54.84	9.85	64.69

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

There were no penalties, punishments or compounding of offences during the year ended March 31, 2018.

Form No: MR - 3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014]

To
The Members
Anjani Portland Cement Ltd
306A, The Capital, 3rd Floor
Plot No C 70, G block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Anjani Portland Cement Ltd, (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, I hereby report that in my opinion the Company has during the period covering April 1, 2017 to March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period April 1, 2017 to March 31, 2018 according to the provision of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 an the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not applicable as there was no Foreign Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;

   (f) The Securities and Exchange Board of India (Employees Share Based Benefits) Regulations, 2014 - Not Applicable;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable;

   (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(j) The Prevention of Food Adulteration Act, 1954 and Rules made thereunder;

(k) Legal Metrology Act, 2009 & Legal Metrology (Packaged Commodities) Rules, 2011 read with Amendment Rules, 2017;

(l) The Environment (Protection) Act, 1986 and Rules thereunder;

(m) The Water (Prevention & Control Of Pollution) Act, 1974 read with the Rules;

(n) The Air (Prevention & Control of Pollution) Act,1981 read with the Rules;

(o) The Factories Act, 1948 and Rules thereunder;

(p) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

(q) The Inter State Migrant Workmen Act, 1979 and The Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Central Rules, 1980 read with the Telangana Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Rules, 1982;

(r) All other Labour, Employee and Industrial Laws to the extent applicable to the Company; and

(s) The Mines Act, 1952 and rules thereunder

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards Issued by The Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There are adequate systems and processes in the Company, including a Compliance Management System commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, The same has been reviewed as part of the Audit.

I further report that during the audit period, the company has not undertaken any action having a major bearing on the company's affairs in pursuance of the above referred laws.

Sd/-

SHAILASHRI BHASKAR
COMPANY SECRETARY
FCS5778 CP 5092

Place : Mumbai
Date : July 16, 2018

This report is to be read with Annexure A and Annexure B which forms an integral part of this report.

Annexure A

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

SHAILASHRI BHASKAR
COMPANY SECRETARY
FCS5778 CP 5092

Place : Mumbai
Date : July 16, 2018

Annexure B

Other Observations

1. As per SS 1.3.7 notes relating to Unpublished Price Sensitive Information can be given at a shorter period of time, subject to the consent of the majority of the directors, which shall include one Independent Director. This has not been taken up in any of the Board Meetings during FY 2017-18 and it is suggested that the same be taken up in the Board Meeting during Financial Year 2018-19.
2. Although all the compliances made during the quarter are placed before the Board and the status of compliance is noted as one item in the Minutes Book, it is suggested that the statement giving the number of investor complaints pending at the beginning of the quarter, received during the quarter, resolved during the quarter and remaining unresolved at the end of the quarter be specifically and separately placed at the Board Meeting on a quarterly basis, as it is specifically mentioned in Regulation 13(4) of the SEBI (LODR) Regulations, 2015

Sd/-

SHAILASHRI BHASKAR
COMPANY SECRETARY
FCS5778 CP 5092

Place : Mumbai
Date : July 16, 2018

CORPORATE GOVERNANCE REPORT

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out as below.

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance aims at ethical corporate behavior and a management policy aimed at meeting its commitment and assuring optimum tangible and intangible returns to all its stakeholders including the social and economic environment in which your company evolves. The Company always strives to achieve optimum performance at all levels by adhering to most ethical corporate governance practices.

2. The Board of Directors

As on March 31, 2018 the Board comprised of 5 members, consisting three Independent and Non-Executive Directors, one Non-Independent and Non-Executive Director and one Executive Director.

Composition of the Board and directorships held as on March 31, 2018.

Sr. No.	Name of the Director	Category
1.	Mrs. V. Valliammai	Independent and Non-Executive, Chairperson
2.	Mr. A. Subramanian	Executive, Managing Director
3.	Mr. V. Subramanian	Independent and Non-Executive
4.	Mr. P. Gopal	Independent and Non-Executive
5.	Dr. (Mrs) S.B. Nirmalatha	Non-Independent and Non-Executive

3. Board Procedure

Board Meetings

The details about performance of the Company, financial position, statutory compliances, quarterly results, market environment and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information substantially complies with the requirements of the code of Corporate Governance with regard to the information to be placed before the Board of Directors.

During the financial year 2017-2018, five meetings of the Board of Directors were held on May 25, 2017, August 9, 2017, November 9, 2017, February 12, 2018 and March, 22 2018. The Board passed one Circular resolution during the year under review.

The Board members are not related to each other. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which they are Directors. Non-Executive Directors are not entitled for any remuneration other than the sitting fees. None of the Directors hold any shares in the Company.

Familiarization Programme: The Company has conducted familiarization programme during the year for Independent Directors so as to assist them in performing their role as Independent Directors. Details of the Programme is available in the investor section on the Company's website at www.anjanicement.com.

The details of attendance of each Director of the Board and last AGM held during the financial year 2017-2018 and details of number of outside directorships and committee positions held by each of the Directors in other public companies are given below.

Name	Category	Attendance		No. of Directorships held in other public companies	Positions held in the Committees of other public companies	
		Board Meetings	Last AGM		Member	Chairman
Mrs. V. Valliammai	Independent, Non-Executive	4	Yes	---	---	---
Mr. A. Subramanian	Non-Independent, Executive	5	Yes	---	---	---
Mr. V. Subramanian	Independent, Non-Executive	4	No	---	---	---

Name	Category	Attendance		No. of Directorships held in other public companies	Positions held in the Committees of other public companies	
		Board Meetings	Last AGM		Member	Chairman
Mr. P. Gopal	Independent, Non-Executive	5	Yes	---	---	---
Dr (Mrs). S.B. Nirmalatha	Non-Independent, Non-Executive	4	No.	---	---	---

*Mr. V. Subramanian resigned as Chairman of the Board with effect from August 9, 2017.

Mrs. V. Valliammai was appointed as Additional Director with effect from May 25, 2017 and elected as Chairperson of the Board with effect from August 9, 2017.

4. Board Committees

As on March 31, 2018 the Board has six committees, the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee, Debenture Issue Committee and Rights Issue Committee.

4.1. Audit Committee

(A) Our Audit Committee comprised of 3 directors as on March 31, 2018.

Mr. V. Subramanian*	Independent, Non-Executive	Chairman
Mr. P. Gopal	Independent, Non-Executive	Member
Mr. A. Subramanian	Executive, Managing Director	Member
Mrs. V. Valliammai**	Independent, Non-Executive	Chairperson

* Mr. V. Subramanian stepped down from the Chairmanship and membership of the Audit Committee on August 9, 2017.

**Mr. V. Valliammai was appointed as Chairperson of the Audit Committee from August 9, 2017.

Mrs. Anu Nair, Company Secretary acts as the secretary to the Committee.

(B) Terms of Reference

The Audit Committee shall have the following Scope and Responsibilities:

a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are true and fair, sufficient and credible.

b) Recommendation for appointment, remuneration and terms of appointment of auditors of company.

c) Reviewing with management, the quarterly financial results before submission to the board for approval.

d) Reviewing with the management, the annual financial statements before submission to the board for approval.

e) Reviewing with the management, performance of Statutory and Internal Auditors, the adequacy of internal control systems.

f) Reviewing the adequacy of internal audit function including reporting structure, coverage and frequency of internal audit.

g) Discussion with internal auditors regarding any significant findings and follow up thereon.

h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.

i) To review the Risk Assessment and Management measures.

j) Reviewing of Financial Statements.

k) Reviewing of Management Discussion and Analysis of Financial condition and Results of Operations.

l) Reviewing of statements of significant related party transactions.

m) Reviewing of Internal Audit Reports relating to Internal Control Weaknesses.

n) Any other items considered appropriate or necessary to have effective overview of financial reporting.

(C) Meetings and Attendance:

During the financial year 2017-18, four meetings of the Audit Committee were held on

May 25, 2017, August 9, 2017, November 9, 2017 and February 12, 2018. The details are as given below:

Name	Meetings held during FY 2017-18	Meetings Attended
Mrs. V. Valliammai	4	3
Mr. P. Gopal	4	4
Mr. A. Subramanian	4	4
Mr. V. Subramanian	4	2

On August 9, 2017, Mr. V. Subramanian, expressed his desire to step down from the Chairmanship and Membership of the Committee, thereafter, Mrs. V. Valliammai was co-opted to the Committee and unanimously elected to be the Chairperson of the Committee.

4.2 Nomination and Remuneration Committee (NRC)

(A). The Nomination and Remuneration Committee comprised of 3 directors as on March 31, 2018.

Mr. P. Gopal	Independent, Non-Executive	Chairman
Dr. (Mrs) S.B. Nirmalatha	Non-Independent, Non-Executive	Member
Mr. V. Subramanian	Independent, Non-Executive	Member

(B). Terms of Reference

a) Formulate criteria for determining qualifications, positive attributes and independence of a Director.

b) Formulate criteria for evaluation of Independent Directors and the Board.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) Recommend to the Board on evaluation, appointment and reappointment of Directors/ continuation on the terms of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;

e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors about their appointment and removal;

f) Recommend to the Board on the policy relating to remuneration payable to Directors, KMPs and other employees;

g) Ensure the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h) Devising a policy on Board diversity.

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification amendment or modification, as may be applicable.

j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

(C). Meetings and Attendance

During the financial year 2017-18, one meeting of the Nomination and Remuneration Committee was held on May 1, 2017. The details are as given below:

Name	Meetings held during FY 2017-18	Meetings Attended
Mr. V. Subramanian	1	1
Mr. P. Gopal	1	1
Dr. (Mrs.) S.B. Nirmalatha	1	1

The Nomination and Remuneration policy of the Company is available in the investor section on the company's website at www.anjanicement.com

Performance evaluation criteria for Independent Directors:

The Company has laid down evaluation criteria separately for Independent Directors. The Criteria for evaluation of Directors includes parameters such as attendance, maintaining effective relationship with fellow Board members, providing quality and valuable contribution during meetings, successfully bringing their knowledge and experience for the benefit of the company. Based on such criteria, the evaluation is done in a structured manner through consultation and discussion.

4.3. Stakeholders Relationship Committee (SRC)

(A) Our Stakeholders Relationship Committee comprised of 3 directors as on March 31, 2018

Mr. P. Gopal	Independent, Non-Executive	Chairman
Mr. A. Subramanian	Executive, Managing Director	Member
Mr. V. Subramanian	Independent, non-Executive	Member

(B). Meetings and Attendance

During the financial year 2017-18, four meetings of the Stakeholders Relationship Committee were held on May 25, 2017, August 09, 2017, November 09, 2017 and February 12, 2018. The details are as given below:

Name	Meetings held during FY 2017-18	Meetings Attended
Mr. P. Gopal	4	4
Mr. A. Subramanian	4	4
Mr. V. Subramanian	4	4

Ms. Anu Nair, Company Secretary of the Company is the Compliance Officer.

Details of complaints/grievances/requests etc., received and resolved during the Financial Year 2017-18 are as below

Opening Balance	Received during the year 2017-18	Resolved during the Year 2017-18	Closing Balance
Nil	61	61	Nil

4.4 Corporate Social Responsibility Committee

(A). Our Corporate Social Responsibility Committee comprised of 3 directors as on March 31, 2018.

Mr. A. Subramanian	Executive, Managing Director	Chairman
Mr.V. Subramanian	Independent, Non-Executive	Member
Dr(Mrs) S.B. Nirmalatha	Non-Independent, Non-Executive	Member

Corporate Social Responsibility (CSR) Committee met two times on August 9, 2017 and February 12, 2018 during the year which was attended by all the members.

The Corporate Social Responsibility policy is available in the investor section on the Company's website at www.anjanicement.com

4.5 Other Committees

The Debenture Issue Committee (Members – Mr. A. Subramanian and Mr. V. Subramanian) and the Right Issue Committee (Members – Mr. A. Subramanian and Mr. V. Subramanian) did not meet during the year under consideration

5. Remuneration of Directors

The Non-Executive Directors are paid sitting fees for meetings of the Board and Committees of Directors. There is no other pecuniary relationship or transaction of the non-executive directors with the Company. The Company pays remuneration to its Managing Director, by way of salary. Salary is paid within the range as approved by the shareholders. Details of the same have been disclosed as an annexure to the "Directors Report".

6. General Body Meetings

Year	Location	Date	Time
2014 -2015	20, Down Town, 2nd Floor, South-West Wing, Cambata Building, 42, M. Karve Road, Church Gate, Mumbai – 400020	9th September, 2015	3.30 P.M.

Year	Location	Date	Time
2015 -2016	Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai – 400019	9th September,2016	10.00 A.M.
2016 -2017	Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai – 400019	8th September,2017	10.00 A.M.

Special Resolution was passed for the financial year 2015-16 – Approval under Section 186 of the Companies Act, 2013. There were no special resolutions passed in the financial years 2014-15 & 2016-17.

No resolution was passed through Postal Ballot during the Financial Year 2017-18.

7. **Disclosures**

Disclosure regarding materially significant related party transactions:

There were no materially significant related party transactions that had potential conflict with the interest of the Company. The Company has adopted a Related party transaction policy and it is available on its website www.anjanicement.com

Disclosure of non-compliance by the Company:

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the year.

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. The Vigil Mechanism Policy/Whistle Blower Policy is available on the portal of the Company, www.anjanicement.com and the Company confirms that no personnel has been denied access to the Audit Committee.

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following discretionary requirements as specified in part E of Schedule II of Corporate Governance have been adopted by the Company.

- The Company has moved towards a regime of financial statements with unmodified audit opinion.
- The Company has separate parts of Chairperson and Managing Director.
- The internal auditor is free to report directly to the Audit committee.

Disclosure on commodity price risks and commodity hedging activities – Not applicable.

Policy for determining Material Subsidiary-Not applicable

8. **Managing Director Certification**

The Managing Director of the Company have given a certificate to the Board of Directors as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, for the year ended March 31, 2018.

9. **Means of Communication**

The Company's website, serves to inform the shareholders, by giving complete financial details, Shareholding Patters, information relating to Stock Exchange, Registrar & Share Transfer Agents, and list of shareholders who have not claimed their dividend during the last four years to comply with MCA Guidelines.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, and the Company's website. The Company also informs the Stock Exchange in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

The results of the Company are published in the newspapers Business Standard (English) and in Nav Shakthi (Marathi), they are also displayed on the official website of the Company (www.anjanicement.com) under Investor section.

10. General Shareholder Information:

This Annual Report includes yearly financial statement, key financial data and a section on Shareholder information giving required information.

a. Annual General Meeting

The Thirty Fourth Annual General Meeting ("the AGM") of the Company will be held on Friday, September 7, 2018 at 10.00 A.M at Mysore Association Hall, 393, Bhaudaji Road, Matunga East, Mumbai, Maharashtra – 400019.

b. Financial Year

1st April 2017 to 31st March 2018

c. Dates of Book Closure

The Register of Members and share transfer will remain closed from Saturday, September 1, 2018 to Friday, September 7, 2018 (both days inclusive).

d. Dividend Payment date

The Board of Directors have recommended, a final dividend of ₹ 2/- per equity share of face value of ₹ 10/- each, for the Financial Year ended March 31, 2018 which is payable on obtaining the Shareholders' approval at the Thirty Fourth Annual General Meeting. The final dividend, if approved, shall be paid within the time prescribed in the Companies Act, 2013.

e. Listing on Stock Exchange

The Company's equity shares are listed on the following Stock Exchanges as on March 31, 2018:

(i) BSE Limited (Bombay Stock Exchange), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 -(Scrip Code 518091, Scrip Name APCL) &

(ii) National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.- (Scrip Code: APCL).

Listing fees for the Financial Year 2018-19 has been paid to both NSE and BSE Limited within the stipulated time.

f. Registrar and Share Transfer Agents

M/s. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot No.31-32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad-500032.

g. Share Transfer System

The Stakeholders Relationship Committee attends to share transfer formalities. Demat requests are normally confirmed within an average period of 10 days, from the date of receipt, subject to the documents being valid and complete in all respects.

h. Shareholder Statistics and Distribution of Shareholdings as on March 31, 2018 were as follows

Category (No. of shares)	No. of Shareholders		No. of Shares		% to Total Equity	
	Physical	Demat	Physical	Demat	Physical	Demat
	(A)	(B)	(A)	(B)	(A)	(B)
1 - 500	2554	4245	398090	543557	1.57	2.15
501 - 1000	65	330	52862	255028	0.21	1.01
1001 - 2000	15	189	22700	284815	0.09	1.13
2001 - 3000	8	54	21100	140722	0.18	0.56
3001 - 4000	2	23	6700	81825	0.03	0.32
4001 - 5000	4	29	19400	130728	0.08	0.52
5001 - 10000	4	46	35400	325253	0.14	1.28
10001 & above	6	34	112710	22854806	0.45	90.38
Total	2658	4950	668962	24616734	2.65	97.35
Grand Total (A+B)	7608		25285696		100	

Category	Number of shares held	As a percentage of total number of shares
Promoter and Promoter group	1,89,64,270	75.00
Resident Individuals	46,68,777	18.46
Bodies Corporate	11,17,977	4.42
IEPF	3,58,721	1.42
HUF	1,09,521	0.43
Mutual Fund	27,800	0.11
Non Resident Indians	19,800	0.08
Clearing Members	9,878	0.04
Banks	5,362	0.02
Non Resident Indian Non Repatriable	3,590	0.02
Total	2,52,85,696	100.00

i. The monthly high and low share quotations of your company during the Financial Year 2017-18 as traded on the BSE Limited and NSE of India Limited are given below:

S.No	Month	BSE Limited (Mumbai)		NSE of India Limited	
		High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
1	April, 2017	269.75	228.00	275.35	240.80
2	May, 2017	256.70	215.50	255.8	213.00
3	June, 2017	243.00	215.05	240.80	212.15
4	July, 2017	255.00	216.00	256.00	216.00
5	August, 2017	294.00	192.00	296.80	191.00
6	September, 2017	283.80	225.05	285.00	230.50
7	October, 2017	285.90	239.15	287.00	240.00
8	November, 2017	279.00	231.05	279.50	230.00
9	December, 2017	248.00	227.00	246.85	228.00
10	January, 2018	269.00	212.00	274.00	225.05
11	February, 2018	230.60	188.00	243.95	188.00
12	March, 2018	196.00	167.50	196.00	165.00

j. Performance in comparison to broad based indices

The performance of the Company's scrip on the BSE as compared to the Sensex is as under

	01 April, 2017	31 March, 2018	% Change
Company Share Price (closing)	227.00	170.00	-25.11
SENSEX (closing)	29620.50	32968.68	11.30

The performance of the Company's scrip on the NSE as compared to the NSE Nifty is as under

	10 April, 2017	31 March, 2018	% Change
Company Share Price (closing)	259.20	172.45	-33.47
NSE Nifty (closing)	9181.45	10113.70	10.16

*The shares of the Company were listed on the NSE on April 10, 2017.

k. Dematerialisation of Shares

Trading in Company's shares is permitted only in dematerialized form for all investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its share holders. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Over 97% of the Company's shares are now held in electronic form.

The ISIN of Dematerialized shares of the Company is : "INE071F01012"

The ISIN of Dematerialized NCD's of the Company : Series B - "INE071F07027"

l. Address for Correspondence

The Company Secretary
Anjani Portland Cement Limited
306-A, The Capital, 3rd Floor, Plot No. C-70, G Block,
Bandra Kurla Complex, Bandra East, Mumbai – 400051
Phone No. 022-40239909
Email id : secretarial@anjanicement.com

Any requests for transactions such as transfers, dematerialization of shares, change of Address, nomination facilities, may please be taken up with the Registrar & Share Transfer Agents of the Company

M/s. Karvy Computershare (Pvt) Ltd.,
Karvy Selenium Tower B,
Plot No.31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500032
Phone No(s) : 040-67161605

m. Unclaimed Dividend

The following table shows the details of Dividend relating to financial years 2010-2011 to 2016-17 and the due dates on which the unclaimed/ un-encashed dividend amounts with respect to the same have to be remitted into IEPF. Members who have not yet encashed their dividend warrant(s) pertaining to the Dividend for the financial year 2010-2011 and onwards are requested to make their claims without any delay to M/s. Karvy Computershare Pvt. Ltd.,

Financial Year	Date of Declaration	Dividend (%)	Due date of Transfer to IEPF
2010-11	23-09-2011	8	27-10-2018
2011-12	25-07-2012	12	28-08-2019
2016-17 (Interim)	14-09-2016	10	19-10-2023
2016-17 (Final)	08-09-2017	10	12-10-2024

No Claim shall lie against the company or the IEPF for the amounts so transferred prior to March 31, 2018, nor shall any payment be made in respect of such claims. Members who have not encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2010-11 and onwards are requested to make their claim without any delay to Karvy Computershare Private Limited.

Further pursuant to the applicable provisions of the Companies Act,2013 and the Investor Education and Protection Fund Authority(Accounting,Audit,Transfer and Refund)Rules,2016 the shares on which dividends have not been claimed for seven consecutive years have been transferred to the IEPF authority during the financial year 2017-18

n. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and like impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

o. Plant Location

Chintalapalem Village & Mandal, Suryapet Dist, Telangana State - 508246

Declaration on Code of Conduct

I, A. Subramanian, Managing Director of Anjani Portland Cement Ltd., hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2018 as envisaged in Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Chennai
Date : August 8, 2018

A. Subramanian
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of

Anjani Portland Cement Ltd.,

We have examined the compliance of conditions of Corporate Governance by Anjani Portland Cement Limited for the year ended 31st March, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations,2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement/ Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ramanatham & Rao
Chartered Accountants
Firm Regn.No.002934-S

Partner: C.Kameswara Rao
M.No. : 24363

Place : Chennai
Date : August 8, 2018

Independent Auditors' Report

To

The Members of Anjani Portland Cement Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Anjani Portland Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and statement of changes in equity for the period ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 effectively 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management and board of directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the financial position of the Company as at 31st March, 2018, and its financial performance (including other comprehensive income) and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we further report 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;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and statement of changes in equity dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) 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 Company has disclosed the impact of pending litigations on its financial position vide Note No. 36 to the financial statements;

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

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

C. Kameshwar Rao
Partner
Membership No.024363

Place : Chennai
Date : 25th May, 2018

Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors report to the members of the Company on the financial statements for the period ended on 31st March, 2018. We report that:

1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

1.2 According to the information and explanations given to us and the records of the company examined by us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.

1.3 According to the information and explanations given to us and on the basis of our examination of records of the company, the title deeds of immovable properties are held in the name of the company.

2.1 The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records were not material.

3 During the year the company has not granted any loans secured or unsecured to parties covered in the register maintained under section 189 of the Act. Hence paragraph 3(iii) of the order is not applicable to the company.

4 In our opinion and according to the information and explanations given to us, during the year company has not given any loans, made investments, given guarantees or security to parties covered under provisions of section 185 and 186 of the Companies Act, 2013. Hence, paragraph 3 (iv) of the order is not applicable.

5 During the year the company has not accepted any deposits nor any deposits outstanding as on balance sheet date where provisions of sections 73 to 76 or any other relevant provisions of the Act are applicable. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6 In our opinion and according to the information and explanations given to us, the Company has made and maintained accounts and records prescribed by the Central Government under sub-section (1) of section 148 of the Act.

7.1 According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, service tax, customs duty, excise duty, cess, goods and services tax and any other statutory dues as applicable with the appropriate authorities and there are no arrears of outstanding statutory dues as at year ended concerned for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us and records of the Company examined by us, particulars of income tax, sales tax, valued added tax, service tax, customs duty, excise duty or cess as at 31st March, 2018 which have not been deposited on account of any dispute pending, are as under:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	180.32	2006 to 2010	CESTAT, Bangalore remanded back to Commissioner, Hyderabad.
Customs Act, 1962	Customs Duty	89.91	July, Oct & Nov 2012	CESTAT, Bangalore
Customs Act, 1962	Customs Duty	16.88	Nov 2013 & Jan 2014	Commissioner of Customs (Appeals), Visakhapatnam
Customs Act, 1962	Customs Duty	9.16	Mar 2012	Commissioner of Customs (Appeals), Visakhapatnam
Income Tax Act, 1961	Income Tax	117.08	2013-14	Commissioner of Income Tax(Appeals),Hyderabad -1

8 According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

9 The company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

Term Loans are utilised for the purposes for which those were obtained other than amounts temporarily invested pending utilization of the funds for the intended use.

10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees was noticed or reported during the period.

11 Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

12 Company is not a Nidhi Company; hence paragraph 3 (xii) of the order is not applicable to the company.

13 According to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14 During the year company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence paragraph 3 (xiv) of the order is not applicable to the company.

15 To the best of our knowledge and belief and according to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with them, hence paragraph 3 clause (xv) of the order is not applicable to the company.

16 As per the information available and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

C. Kameshwar Rao
Partner
Membership No.024363

Place : Chennai
Date : 25th May, 2018

Annexure - B to the Auditors' Report

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 Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 Company's internal financial controls system over financial reporting.

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, the Company has, 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 31 March 2018, based on the internal control over financial reporting criteria established by the 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

Place : Chennai
Date : 25th May, 2018

Balance Sheet

All amounts in INR Lakhs unless otherwise stated

Particulars	Note No	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	2	25,885	26,100
Capital work in progress	3	325	625
Other intangible assets	2	6	9
Financial assets			
i. Other financial assets	4	165	260
Other non-current assets	5	251	220
Total non-current assets		**26,632**	**27,214**
Current Assets			
Inventories	6	3,129	3,396
Financial assets			
i. Trade receivables	7	2,358	1,754
ii. Cash and cash equivalents	8	1,066	632
iii. Loans	9	1	1
iv. Other financial assets	4	97	91
Other current assets	10	2,689	2,829
Total current assets		**9,340**	**8,703**
Total Assets		**35,972**	**35,917**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,529	2,529
Other equity	12	19,944	17,894
Total equity		**22,473**	**20,423**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	-	2,999
(ii) Other financial liabilities	14	1,364	1,102
Provisions	15	247	249
Deferred tax Liabilities (net)	16	2,112	1,648
Government grants	17	39	47
Total non-current liabilities		**3,762**	**6,045**
Current liabilities			
Financial liabilities			
i. Borrowings	18	576	720
ii. Trade payables	19	2,329	1,899
iii. Other financial liabilities	20	4,322	5,005
Provisions	15	78	19
Government grants	17	8	8
Other current liabilities	21	2,408	1,584
Current Tax Liabilities (Net)	21	16	214
Total current liabilities		**9,737**	**9,449**
Total liabilities		**13,499**	**15,494**
Total equity and liabilities		**35,972**	**35,917**
Significant Accounting Policies	1		

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 : 24363

Place: Chennai
Date : 25-05-2018

For and on behalf of the Board

A. Subramanian
Managing Director
(DIN 06693209)

V. Valliammai
Director
(DIN: 01197421)

P. Gopal
Director
(DIN 06630431)

S. B. Nirmalatha
Director
(DIN 03092392)

M. L. Kumavat
Chief Financial Officer

Anu Nair
Company Secretary
M. No. 30525

Statement of Profit and Loss

All amounts in INR Lakhs unless otherwise stated

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from operations	22	37,359	36,010
Other income	23	125	152
Total income		**37,484**	**36,162**
EXPENSES			
Cost of material consumed	24	3,912	3,453
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	25	(143)	(313)
Excise duty		1,354	5,041
Employee benefit expense	26	1,804	1,503
Depreciation and amortisation expense	27	1,875	1,706
Other expenses	28	24,489	18,109
Finance costs	29	625	944
Total expenses		**33,916**	**30,443**
Profit before tax		**3,568**	**5,719**
Tax expense	30		
Current tax		763	1,247
Deferred tax		461	(16)
Total tax expense		**1,224**	**1,231**
Profit for the year		**2,344**	**4,488**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		15	9
Income tax relating to these items		(5)	(3)
Other comprehensive income for the year, net of tax		**10**	**6**
Total comprehensive income for the year		**2,354**	**4,494**
Earnings per equity share (Face Value of Rs 10/- each) :			
Basic earnings per share in Rupees	39	9.31	18.60
Diluted earnings per share in Rupees		9.31	18.60
Significant Accounting Policies	1		

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
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Statement of Cash Flows

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	3,568	5,719
Adjustments for		
Depreciation and amortisation expense	1,875	1,706
Deferred revenue - Advance against Depreciation	-	0
(Gain)/loss on disposal of property, plant and equipment	-	(1)
Provisions Written Back	1	20
Amortisation of government grants	(8)	(8)
Amortisation of Interest on Rental Deposit	2	2
Interest Income on Rental Deposit	(2)	(2)
Finance costs	625	944
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(605)	(567)
(Increase)/Decrease in inventories	266	(1,495)
Increase in trade payables	430	1,226
(Increase) in other financial assets	95	(2)
(Increase)/decrease in other non-current assets	140	1,711
(Increase)/decrease in other current assets	(55)	(2,570)
Increase/(Decrease) in employee benefit obligations	72	(86)
Increase/(Decrease) in other current liabilities	1,058	(235)
Cash generated from operations	7,462	6,362
Income taxes paid	(907)	(1,114)
Net cash inflow from operating activities	**6,555**	**5,248**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,358)	(7,757)
Increase / (Decrease) in Capital Creditors	(555)	705
(Increase) / Decrease in Capital Advances	(31)	1,005
Proceeds from sale of property, plant and equipment	2	1
Repayment of loans by employees	-	3
Net cash inflow (outflow) from financing activities	**(1,942)**	**(6,043)**
Cash flows from financing activities		
Interest paid	(736)	(949)
Increase / (Decrease) in Cash Credit Utilisation	(144)	(1,748)
Proceeds From Rights Issue	-	7,499
Repayment of Borrowing (Net)	(3,000)	(3,380)
Inter Corporate Deposit Received / (Repaid)	-	(100)
Dividends paid to company's shareholders	(253)	(253)
Dividend Tax paid	(51)	(51)
Increase in Unpaid Dividend Account	8	7
Amount Transferred to Investor Education Protection Fund	(5)	(8)
Net cash inflow (outflow) from financing activities	**(4,181)**	**1,017**
Net increase (decrease) in cash and cash equivalents	432	222
Cash and cash equivalents at the beginning of the financial year	607	385
Cash and cash equivalents at end of the year	1,039	607
ADD :Balances in Statutory Restricted Accounts	27	25
Cash and Cash Equivalents (Note 8)	1,066	632

1) 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.

2) Amendment to Ind AS 7 (Statement of Cash Flows) w.e.f. 1st April, 2017

Particulars	Outstanding as at 1st April, 2017	Cash flows	Non-cash Changes	Outstanding as at 31st March, 2018
Long-term borrowings				
Debentures	6,000	(3,000)	-	3,000
Short-term borrowings				
From Bank	720	(144)		576
Total liabilities from financing activities	6,720	(3,144)		3,576

As Per our report of even date

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

C. Kameshwar Rao
Partner
Membership No : 24363

Place: Chennai
Date : 25-05-2018

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Anu Nair
Company Secretary
M. No. 30525

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, 2017		2,529
Changes in equity share capital during the year	11	-
Balance as at March 31, 2018		**2,529**

II) Other equity

Particulars	Reserves and surplus					
	Note No	General reserve	Debenture redemption reserve	Retained earnings	Securities Premium	Total
Balance as at April 1, 2017		500	1,500	9,084	6,810	17,894
Profit for the period	12	-	-	2,344	-	2,344
Other comprehensive income	12	-	-	10	-	10
Transactions with owners in their capacity as owners						
Dividends paid	33(b)	-	-	(304)	-	(304)
Balance as at March 31, 2018		**500**	**1,500**	**11,134**	**6,810**	**19,944**

As Per our report of even date

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

C. Kameshwar Rao
Partner
Membership No : 24363

Place: Chennai
Date : 25-05-2018

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Company Secretary
M. No. 30525

Notes to Accounts

Note - 1 Significant Accounting Policies

a) **Brief description of the Company**

Anjani Portland Cement Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at No: 306A, The Capital, 3rd Floor, Plot No.C-70, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Maharashtra.

The Company manufactures high quality premium cement. The Company has manufacturing plant located at Chintalapalem, Suryapeta District, Telengana.

b) **Basis of preparation**

The 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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

c) **Use of estimates**

The preparation of 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.

d) **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

e) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Goods and Service Tax (GST), Value Added Tax and Sales Tax.

i) **Sale of products:**

Revenue from sale of products is recognised when the risk and reward of ownership pass to the dealer/customer i.e. when the products are delivered to the dealer / customer or when delivered to the carrier, as the case may be, except in case of consignment sales where revenue is recognised only after the sale is made by the consignment agent.

ii) **Interest income:**

Interest income is recognised on time proportion basis, determined by the amount outstanding and the rate applicable.

f) **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 excise duty, value added tax and service tax, wherever 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.

g) Depreciation and amortization

i) Depreciation of fixed assets 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) 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.

iii) On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

iv) 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.

h) Intangible assets

Intangible assets, namely computer software are recorded at their acquisition cost and are amortised over 4 years from the date on which they are ready for intended use.

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 recognised 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.

j) 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.

i) 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.

k) 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.

l) **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.

m) **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 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) <u>Gratuity obligation:</u>

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.

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

n) **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 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 recognised for unclaimed tax credits that are carried forward as deferred tax assets.

o) **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 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 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.

p) **Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

q) **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 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 recongised in statement of profit or loss by deducting it from the the related expense.

r) **Segment reporting**

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

s) **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.

t) **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.

u) **Trade payables**

These amounts represent liabilities for goods and services provided to the Company 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.

v) **Investments and Other financial assets**

i) Classification

The Company 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.

ii) Measurement

<u>Amortised Cost:</u>

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 company 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 32 details how the company determines whether there has been a 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 recognised from initial recognition of the receivables.

iv) Derecognition of financial assets:

A financial asset is derecognised 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 recognised to the extent of continuing involvement in the financial asset.

w) 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.

x) Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

i) Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

ii) Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Note - 2 : Property, Plant and Equipment

All amounts in INR Lakhs unless otherwise stated

The changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2018 are as follows:

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2017	Additions	Deletions / Adjust-ments	As at March 31, 2018	As at April 1, 2017	Deprecia-tion for the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land - Freehold	2,386	45	-	2,431	-	6	-	6	2,425	2,386
Building - Own	2,474	684	-	3,158	145	87	-	232	2,926	2,329
Plant and Equipment	25,143	918	-	26,061	3,809	1,763	-	5,572	20,489	21,334
Furniture and Fixtures	14	2	-	16	8	2	-	10	6	6
Office Equipment	57	9	-	66	37	8	-	45	21	20
Vehicles	28	-	1	27	3	6	-	9	18	25
Total	**30,102**	**1,658**	**1**	**31,759**	**4,002**	**1,872**	**-**	**5,874**	**25,885**	**26,100**

Other intangible assets

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2017	Additions	Deletions / Adjust-ments	As at March 31, 2018	As at April 1, 2017	Deprecia-tion for the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software - Acquired	13	-	-	13	4	3	-	7	6	9
Total	**13**	**-**	**-**	**13**	**4**	**3**	**-**	**7**	**6**	**9**

Note - 3 : Capital work in progress

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2017	Additions	Deletions / Adjust-ments	As at March 31, 2018	As at April 1, 2017	Deprecia-tion for the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Capital work in progress	625	-	300	325	-	-	-	-	325	625
	625	**-**	**300**	**325**	**-**	**-**	**-**	**-**	**325**	**625**

Notes:

(i) Refer to note 40 for information on property, plant and equipment pledged as security by the Company.

(ii) Refer to note 37 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

(iii) Refer to note 13 for information on borrowings raised by the Company against the hypothecation of all movable fixed assets.

Property, plant and equipment

All amounts in INR Lakhs unless otherwise stated

The changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2017 are as follows:

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2016	Additions	Deletions / Adjust-ments	As at March 31, 2017	As at April 1, 2016	Depre-ciation for the year	Deletions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Land - Freehold	2,087	299	-	2,386	-	-	-	-	2,386	2,087
Building - Own	2,060	415	-	2,474	71	74	-	145	2,329	1,989
Plant and Equipment	17,344	7,799	-	25,143	2,201	1,608	-	3,809	21,334	15,142
Furniture and Fixtures	14	0	-	14	4	4	-	8	6	10
Office Equipment	45	11	-	57	26	11	-	37	20	19
Vehicles	32	-	4	28	1	6	4	3	25	32
Total	**21,582**	**8,524**	**4**	**30,102**	**2,303**	**1,703**	**4**	**4,002**	**26,100**	**19,279**

Other intangible assets

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2016	Additions	Deletions / Adjust-ments	As at March 31, 2017	As at April 1, 2016	Depre-ciation for the year	Deletions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computer Software - Acquired	13	-	-	13	1	3	-	4	9	12
Total	**13**	**-**	**-**	**13**	**1**	**3**	**-**	**4**	**9**	**12**
Capital work in progress	1,392	7,176	7,943	625	-	-	-	-	625	1,392
	1,392	**7,176**	**7,943**	**625**	**-**	**-**	**-**	**-**	**625**	**1,392**

Notes:

(i) Refer to note 40 for information on property, plant and equipment pledged as security by the Company.

(ii) Capital work-in-progress comprises of Plant and Machinery acquired for the new captive power plant in Nalgonda, Telangana.

(iii) Refer to note 37 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

(iv) Refer to note 13 for information on borrowings raised by the Company against the hypothecation of all movable fixed assets.

Note - 4 : Other financial assets

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Security deposits	25	23
Fixed Deposits with Banks with matuarity greater than 12 Months *	140	237
Total other financial assets - non-current	**165**	**260**
* Represents margin money deposits against Bank Guarantees		
Current		
Security deposits	97	91
Total other financial assets - current	**97**	**91**

Note - 5 : Other non-current assets

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances	231	200
Advances other than capital advances		
Balance with government authorities	20	20
Total other non-current assets	**251**	**220**

Note - 6 : Inventories

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	1,654	2,019
Work-in-progress	903	556
Finished goods	53	257
Stores & spares	519	564
Total Inventories	**3,129**	**3,396**

Note - 7 : Trade receivables

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables	2,574	1,969
Less: Allowance for doubtful debts	(216)	(215)
Total trade receivables	**2,358**	**1,754**
Break-up of security details		
Secured, considered good	992	380
Unsecured, considered good	1,366	1,374
Doubtful	216	215
Total	2,574	1,969
Allowance for doubtful debts	(216)	(215)
Total trade receivables	**2,358**	**1,754**

Note - 8 : Cash and cash equivalents

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	827	607
- in earmarked accounts	27	25
Deposits *	211	-
Cash on hand	1	0
Total cash and cash equivalents	**1,066**	**632**

* Represents margin money deposits against Bank Guarantees

Note - 9 : Loans

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured considered good		
Loan to employees	1	1
Total loans	**1**	**1**

Note - 10 : Other current assets

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Advances other than capital advances		
Supplier advances	848	400
Balances with government authorities	1,190	1,764
Others	651	665
Total other current assets	**2,689**	**2,829**

Note - 11 : Equity share capital

All amounts in INR Lakhs unless otherwise stated

Authorised equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2017	300	3,000
Increase during the year	-	-
As at March 31, 2018	**300**	**3,000**

Authorised preference share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2017	10	100
Increase during the year	-	-
As at March 31, 2018	**10**	**100**

(i) Movements in equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2017	**253**	**2,529**
Add : Issue of shares	-	-
As at March 31, 2018	**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 holding / ultimate holding company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Chettinad Cement Corporation Private Limited, Holding Company *	18,964,272	189,642,720	18,964,272	189,642,720
	18,964,272	**189,642,720**	**18,964,272**	**189,642,720**

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Chettinad Cement Corporation Private Limited, Holding Company *	190	75%	190	75%
Subramanian P	14	6%	15	6%
	204	**81%**	**205**	**81%**

* The name of Holding Company has been changed from Chettinad Cement Corporation Limited to Chettinad Cement Corporation Private Limited w.e.f. 3rd May 2017.

Note - 12 : Reserves and surplus

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
General reserve	500	500
Debenture redemption reserve	1,500	1,500
Retained earnings	11,134	9,084
Securities Premium	6,810	6,810
Total reserves and surplus	**19,944**	**17,894**

a) **General reserve**

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	500	500
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	**500**	**500**

b) **Debenture redemption reserve**

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	1,500	1,000
Additions during the year	-	500
Deductions/Adjustments during the year	-	-
Closing balance	**1,500**	**1,500**

c) **Retained earnings**

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	9,084	5,394
Net profit for the period	2,344	4,488
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	10	6
Appropriations		
- Debenture Redemption Reserve	-	(500)
- Dividend (including dividend distribution tax)	(304)	(304)
Closing balance	**11,134**	**9,084**

d) **Securities Premium**

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	6,810	-
Additions during the year	-	6,810
Deductions/Adjustments during the year	-	-
Closing balance	**6,810**	**6,810**

Nature and purpose of other reserves

(i) *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.

(ii) *Debenture redemption reserve*

The Company has created debenture redemption reserve out of the profits which is available for payment of dividend, for the purpose of redemption of debentures.

(iii) *Securities premium*

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note - 13 : Non-current borrowings

All amounts in INR Lakhs unless otherwise stated

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2018	As at March 31, 2017
Secured					
Debentures					
300 (P.Y 600), 10% Non-convertible debentures	14-Nov-2017 and 14-Apr-2018	Repayable on 14 November 2017 in case of Series A and 14 April 2018 in case of Series B	10.5% and 10% w.e.f 16-Dec-16	3,000	5,999
Total Borrowings				**3,000**	**5,999**
Less: Current maturities of long-term debt (included in Note 20)				(3,000)	(3,000)
Non-current borrowings				**-**	**2,999**

The borrowings are secured as follows;

a) 10% Non-convertible debentures are secured under hypothecation by way of first pari-passu charge on movable fixed assets of the Company and Corporate guarantee issued by Chettinad Cement Corporation Private Limited (The Holding Company).

The carrying amount of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 40.

Note - 14 : Other financial liabilities

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits from dealers	1,357	1,096
Others	7	6
Total other non current financial liabilities	**1,364**	**1,102**

Note - 15 : Provisions

All amounts in INR Lakhs unless otherwise stated

Employee benefit obligations

Particulars	As at March 31, 2018			As at March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	15	42	57	1	35	36
Gratuity	53	205	258	8	214	222
Superannuation	10	-	10	10	-	10
Total employee benefit obligations	**78**	**247**	**325**	**19**	**249**	**268**

(i) **Compensated absences**

The compensated absences obligations cover the Company's liability for the earned leave. The provision is presented as current and non-current based on the actuarial report obtained by the Company. However, based on past experience the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Particulars	As at March 31, 2018	As at March 31, 2017
Current compensated absences expected to be settled within the next 12 months	15	1

(ii) **Post-employment obligations - Gratuity**

The Company 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 Company makes contributions to the recognised funds in India.

(iii) **Defined contribution plans**

The Company 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 Company 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 86.96 Lakhs (March 31, 2017 - INR 73.81 Lakhs).

GRATUITY

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2017	**322**	**(100)**	**222**
Current service cost	33	-	33
Interest expense/(income)	25	(7)	18
Total amount recognised in profit or loss	**58**	**(7)**	**51**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			-
(Gain)/loss from change in demographic assumptions	(15)		(15)
(Gain)/loss from change in financial assumptions			-
Experience (gains)/losses			-
Total amount recognised in other comprehensive income	**(15)**	**-**	**(15)**
Employer contributions	-	-	-
Benefit payments	(11)	11	-
March 31, 2018	**354**	**(96)**	**258**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	354	322
Fair value of plan assets	(96)	(100)
Deficit of funded plan	**258**	**222**

(iv) **Post-Employment benefits**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017
Discount rate	8%	8%
Salary growth rate	8%	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:

Particulars	Impact on defined benefit obligation (Increase/(Decrease)					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	1%	1%	-9%	-10%	10%	14%
Salary growth rate	1%	1%	10%	7%	-9%	-6%

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 plans assets are as follows:

The Company has plan assets by way of investments funds in Life Insurance Corporation of India (LIC) under the group gratuity scheme. The fair value of the plan assets

Particulars	March 31, 2018 Unquoted	March 31, 2017 Unquoted
Investment funds (Investments in LIC)	96	100
Total	**96**	**100**

(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.

Note - 16 : Deferred tax liabilities

All amounts in INR Lakhs unless otherwise stated

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities		
On account of depreciation on Property Plant and Equipment and intangible assets	4,193	3,674
Total deferred tax liabilities	4,193	3,674
Deferred tax assets		
Provision for employee benefits	(114)	(93)
Provision for doubtful debts	(75)	(75)
Others	(71)	(100)
Unused tax credits	(1,821)	(1,758)
Net deferred tax liabilities	**2,112**	**1,648**

Movement in deferred tax liabilities/(assets)

Particulars	On account of depreciation on Property Plant and Equipment and intangible assets	Provision for employee benefits	Provision for doubtful debts	Others	Unused tax credits	Total
At April 1, 2016	3,214	(126)	(68)	(121)	(1,264)	1,635
(Charged)/credited:						
- to profit or loss	460	30	(7)	21	(494)	10
- to other comprehensive income	-	3	-	-		3
At March 31, 2017	**3,674**	**(93)**	**(75)**	**(100)**	**(1,758)**	**1,648**
(Charged)/credited:						
- to profit or loss	519	(26)	(0)	29	(63)	459
- to other comprehensive income	-	5	-	-		5
At March 31, 2018	**4,193**	**(114)**	**(75)**	**(71)**	**(1,821)**	**2,112**

Note - 17 : Government Grants

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	55	63
Less: Released to profit or loss	(8)	(8)
Closing balance	**47**	**55**
Current portion	8	8
Non-current portion	39	47
Total	**47**	**55**

Note - 18 : Current borrowings

All amounts in INR Lakhs unless otherwise stated

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2018	As at March 31, 2017
Secured					
From Banks					
Bank Overdraft	Payable on demand	Payable on demand	9.05% and 8.25% w.e.f. 07-Nov-17	576	720
Total current borrowings				**576**	**720**

The borrowings are secured as follows;

a) Bank Overdraft is secured under hypothecation by way of first pari-passu charge on current assets of the Company .

b) The carrying amount of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 40.

Note - 19 : Trade payables

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	2,329	1,899
Total trade payables	**2,329**	**1,899**

Note - 20 : Other financial liabilities

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long term debts - secured	3,000	3,000
Capital creditors	165	720
Expenses payable	1,016	1,034
Unpaid dividends*	27	25
Interest accrued but not due on non-convertible debentures	113	226
Others	1	0
Total other current financial liabilities	**4,322**	**5,005**

Note :* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.

Note - 21 : Other current liabilities

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers	1,526	943
Statutory dues	90	83
Duties & taxes payable	792	558
Total other current liabilities	**2,408**	**1,584**

Note - 22 : Revenue from operations

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)	37,302	35,981
Other operating revenue	57	29
Total revenue	**37,359**	**36,010**

Effective from 1st July 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operations for the year ended 31st March 2018 is not comparable with previous year figures.

Note - 23 : Other income

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on deposits with banks	82	140
Profit on sale of fixed assets	-	1
Interest income from financial assets at amortised cost	2	2
Government grants #	8	8
Others	33	1
Total other income	**125**	**152**

Government grants relates to the capital subsidy and power subsidy received for investment in property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants.

Note - 24 : Cost of material consumed

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw materials consumed:		
i) Limestone	2,463	2,292
ii) Gypsum	698	683
iii) Iron Ore	3	10
iv) Fly Ash	530	424
v) Granulated Slag	213	15
vi) Laterite	5	29
Total cost of material consumed	**3,912**	**3,453**

Note - 25 : Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance		
Finished goods	257	271
Work-in-progress	556	229
Total Opening balance (A)	813	500
Closing balance		
Finished goods	53	257
Work-in-progress	903	556
Total Closing balance (B)	956	813
Total Changes in inventories of finished goods, stock-in-trade and work-in-progress (A-B)	**(143)**	**(313)**

Note - 26 : Employee benefit expense

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	1,445	1,216
Contribution to provident and other funds	163	131
Gratuity	57	33
Compensated absences	17	15
Staff welfare expenses	74	60
Directors' Remuneration	48	48
Total employee benefit expense	**1,804**	**1,503**

Note - 27 : Depreciation and amortisation expense

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	1,872	1,703
Amortisation of intangible assets	3	3
Total depreciation and amortisation expense	**1,875**	**1,706**

Note - 28 : Other expenses

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spares	1,110	953
Power & Fuel *	11,435	9,510
Packing Materials	1,260	1,218
Repairs & Maintenance		
Repairs & Maintenance - Building	7	4
Repairs & Maintenance - Plant & Machinery	317	258
Repairs & Maintenance - Others	103	108
Communication Expenses	12	12
Rent	69	69
Rates & Taxes	60	58
Travel & conveyance	145	145
Printing & Stationery	4	5
Professional charges	83	87
Payment to Auditors	8	8
Insurance	26	23
Provision for doubtful debts	1	20
Freight outward	8,894	4,690
Selling and marketing expenses	342	378
Misc. Expenses	185	205
CSR Expenses	77	24
Others	351	334
Total other expenses	**24,489**	**18,109**

* Power & Fuel is net of Captive Power Plant margin of ₹ 1124 Lakhs. (Previous Year Nil)

Details of payments to Auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to auditors		
As auditors:		
Audit fee	4	4
Tax audit fee	2	2
In other capacities		
Certification fees	2	2
Reimbursement of expenses	0	0
Total	**8**	**8**

Note - 29 : Finance costs

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest and finance charges on financial liabilities calculated using effective interest rate	625	944
Unwinding effect of discounting provisions	-	0
Total finance costs	**625**	**944**

Note - 30 : Income tax expense

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	763	1,219
Adjustments for current tax of prior periods	-	28
Total current tax expense	**763**	**1,247**
Deferred tax		
Decrease/(increase) in deferred tax assets	(59)	(476)
(Decrease)/increase in deferred tax liabilities	520	460
Total deferred tax expense/(benefit)	**461**	**(16)**
Income tax expense	**1,224**	**1,231**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income tax expense	3,568	5,719
Tax at the Indian tax rate of 34.608%	1,235	1,979
Tax credits for which no deferred income tax was recognised	-	(782)
Prior period tax expense	-	28
Other items	(11)	6
Income tax expense	**1,224**	**1,231**

Note - 31 : Fair Value Measurements

All amounts in INR Lakhs unless otherwise stated

Financial instruments by category

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	2,358	-	-	1,754
Cash and cash equivalents	-	-	1,066	-	-	632
Security deposits	-	-	262	-	-	351
Loans			1			1
Total financial assets	**-**	**-**	**3,687**	**-**	**-**	**2,738**
Financial liabilities						
Borrowings	-	-	576	-	-	3,719
Trade payables	-	-	2,329	-	-	1,899
Others	-	-	5,686	-	-	6,108
Total financial liabilities	**-**	**-**	**8,591**	**-**	**-**	**11,726**

(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 March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
Security deposits	4	-	-	262	262
Loans to employees	9	-	-	1	1
Total financial assets		**-**	**-**	**263**	**263**
Financial Liabilities					
Borrowings	13 & 18	-	576		576
Trade payables	19	-	-	2,329	2,329
Others	14 & 20	-	-	5,686	5,686
Total financial liabilities		**-**	**576**	**8,015**	**8,591**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
Security deposits	4	-	-	351	351
Loans to employees	9	-	-	1	1
Total financial assets		**-**	**-**	**352**	**352**
Financial Liabilities					
Borrowings	13 & 18	-	3,719		3,719
Trade payables	19	-	-	1,899	1,899
Others	14 & 20	-	-	6,108	6,108
Total financial liabilities		**-**	**3,719**	**8,007**	**11,726**

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 company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation processes

Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	1	1	1	1
Security deposits	262	262	351	351
Total financial assets	**263**	**263**	**352**	**352**
Financial Liabilities				
Borrowings	576	576	3,719	3,719
Total financial liabilities	**576**	**576**	**3,719**	**3,719**

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 for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

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.

Year ended 31 March 2018:

(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	123	0%	-	123

(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	2,275	50	45	205	2,574
Expected loss rate	0	5%	10%	50%	
Expected credit losses (Loss allowance provision)	11	2	4	102	121
Provision carried in books #	17	9	5	185	216
Carrying amount of trade receivables (net of impairment)	**2,258**	**41**	**40**	**19**	**2,358**

Provision carried in books include provision made on specific identification.

Year ended 31 March 2017:

(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	352	0%	-	352

(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	1,740	22	10	197	1,969
Expected loss rate	0	5%	10%	50%	
Expected credit losses (Loss allowance provision)	9	1	1	99	109
Provision carried in books #	17	9	4	185	215
Carrying amount of trade receivables (net of impairment)	**1,723**	**13**	**6**	**12**	**1,754**

Provision carried in books include provision made on specific identification.

(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 2017	**215**
Changes in loss allowance	1
Loss allowance on 31 March 2018	**216**

(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 Company include short-term working capital loans from banks and related parties. Long term borrowings are primarily in the form of non-convertible debentures and term loans from banks.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2018	As at March 31, 2017
Floating rate		
- Expiring within one year (bank overdraft)	2,424	1,280
- 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. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of '5 ' years.

(ii) Maturities of financial liabilities

The tables below analyse the company'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 2018						
Non-derivatives						
Borrowings	-	-	576	-	-	576
Trade payables	2,329	-	-	-	-	2,329
Other financial liabilities	4,294	28	-	-	1,364	5,686
Total non-derivative liabilities	**6,623**	**28**	**576**	**-**	**1,364**	**8,591**
31 March 2017						
Non-derivatives						
Borrowings	-	-	720	2,999	-	3,719
Trade payables	1,899	-	-	-	-	1,899
Other financial liabilities	1,754	25	3,226	-	1,102	6,107
Total non-derivative liabilities	**3,653**	**25**	**3,946**	**2,999**	**1,102**	**11,725**

(C) Market risk

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions with respect to US $ and EUR on account of purchase of capital goods. Foreign exchange risk arises from recognised liabilities denominated in a currency that is not the Company's functional currency (INR). Since there are only insignificant foreign currency transactions, there are no high risks foreseen by the Company on account of foreign currency fluctuations.

The Company has not taken forward contracts, options, futures or any other derivative instruments to manage the foreign currency risk. The strategy followed by the Company is tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favorable.

Note - 32 : Financial risk management

All amounts in INR Lakhs unless otherwise stated

The company'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 company'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 company'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 Company 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 company 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 company 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 company 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 company provides for expected credit loss based on the following:

Internal rating	Category	Description of Category	Basis of recognition of expected credit loss provision	
			Loans and security deposits	Trade receivables
VL 1	High-quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where risk of default is negligible or nil	12-month expected credit losses	Life-time expected credit losses (simplified approach)
VL 2	Quality assets, low credit risk	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		
VL 3	Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong		
VL 4	Substandard assets, relatively high credit risk	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	Life-time expected credit losses	
VL 5	Low quality assets, very high credit risk	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		
VL 6	Doubtful assets, credit-impaired	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 Company. The Company 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.	Assets being written off	

a) **Foreign currency exposure**

In absolute denominations

The Company's exposure to foreign currency risk at the end of the reporting period expressed in the EUR is as follows:

	As at March 31, 2018	As at March 31, 2017
	EUR	EUR
Financial assets	-	
Net exposure to foreign currency risk (assets)	-	
Financial liabilities		
Trade payables (in EUR)	-	10,107
Net exposure to foreign currency risk (liabilities)	**-**	**10,107**

b) **Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Impact on Profit after tax	
	As at March 31, 2018	As at March 31, 2017
EUR Sensitivity		
INR/EUR - Increase by 8% (31 March 2018 - NA)*	-	0.57
INR/EUR - Decrease by 8% (31 March 2016 - NA)*	-	**(0.57)**

* Holding all other variables constant

(ii) **Interest rate risk**

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company'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 Company has not taken any interest rate swaps to convert the floating rate borrowings to fixed rate loans. The Company 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 March 31, 2018	As at March 31, 2017
Variable rate borrowings	3,576	6,719
Fixed rate borrowings	-	-
Total	**3,576**	**6,719**

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 March 31, 2018	As at March 31, 2017
Interest rates – increase by 70 basis points (60 bps) *	(5)	(4)
Interest rates – decrease by 70 basis points (60 bps) *	5	4

* Holding all other variables constant

Note - 33 : Capital management

(a) **Risk management**

For the purpose of capital management, capital includes issued equity capital attributable to the parent Company.

The company'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 company 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 company 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 March 31, 2018	As at March 31, 2017
Net debt	(490)	3,087
Total equity	22,473	20,423
Net debt to equity ratio	**(0.02)**	**0.15**

(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, 2018 and March 31, 2017.

(b) **Dividends**

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Equity shares		
Interim dividend for the year ended March 31, 2017 of INR 1 per fully paid share	-	304
Final dividend for the year ended March 31, 2017 of INR 1 per fully paid share	304	-
(i) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 2 per fully paid equity share (INR 1 per fully paid equity share in previous year). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	609	304

Note - 34 : Segment information

(a) **Description of segments and principal activities**

The Company 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, 2018			Year ended March 31, 2017		
	Cement	Power	Total	Cement	Power	Total
Segment Revenue	37,359	4,976	42,335	36,010	961	36,971
Less : Inter Segment Revenue		(4,976)	(4,976)		(961)	(961)
Total Revenue from Operations	37,359	-	37,359	36,010	-	36,010
Segment Result (Profit Before Tax and Interest) from each Segment	3,069	1,124	4,193	6,663	-	6,663
Less : Interest			(625)			(944)
Total Profit Before Tax			3,568			5,719
Capital Employed (Segment Assets - Segment Liabilities)	As at March 31, 2018			As at March 31, 2017		
Segment Assets	27,787	8,185	35,972	27,863	8,054	35,917
Segment Liabilities	13,389	110	13,499	14,796	698	15,494

(b) **Major Customers in Cement Segment**

25% of Revenue is coming from 24 customers in cement segment.

Note - 35 : Related party transactions

The related party relationships is as identified by the company and relied upon by the auditor.

(a) **Parent entities**

The Company is controlled by following entity:

Name of entity	Ownership interest held by the group			
	Place of Incorporation	Registered Address	As at March 31, 2018	As at March 31, 2017
Chettinad Cement Corporation Private Limited - Holding Company	India	Rani Seetaiah Hall Building No : 603, Annasalai, Chennai - 600006	75%	75%

(b) **Subsidiaries and Fellow Subsidiaries**

Name of entity	Ownership interest held by the parent entity			
	Place of Incorporation	Registered Address	As at March 31, 2018	As at March 31, 2017
Chettinad Power Corporation Private Limited	India	No.306A, The Capital, 3rd Floor, Plot No. C-70, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra.	100.00%	44.44%

(c) **Associate Company**

The Company does not have any Associate Company in the current financial year.

(d) **Key management personnel of the reporting entity and Parent of the reporting entity**

Mr. M A M R Muthiah, Managing Director of parent company

Mr. A.Subramanian, Managing Director of reporting entity

(e) **Key management personnel compensation**

Mr A.Subramanian, Managing Director

Particulars	As at March 31, 2018	As at March 31, 2017
Short-term employee benefits	48	48
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Total compensation	**48**	**48**

(f) **Related Parties**

Entities controlled or jointly controlled by a person identified (d) above :

Chettinad Morimura Semiconductor Material Pvt Limited
Chettinad Inland Water Transport Services Pvt Ltd
Chennai Computer & Software Services Pvt Ltd
Chettinad Realtors Pvt Ltd
Chettinad Software Services Pvt Ltd
Chettinad Lignite Transport Services pvt Ltd

(g) **Transactions with related parties**

The following transactions occurred with related parties:

Particulars	As at March 31, 2018	As at March 31, 2017
Parent Entity		
Interest on loans taken	-	192
Loans taken	-	4,300
Loans repaid	-	5,000

(h) **Outstanding balances arising from sales/purchases of goods and services**

There are no balances are outstanding at the end of the reporting period in relation to transactions with related parties.

Note - 36 : Contingent liabilities and contingent assets

(a) **Contingent liabilities**

All amounts in INR Lakhs unless otherwise stated

	As at March 31, 2018	As at March 31, 2017
Claims against the Companies not acknowledged as debts		
Income tax related	412	295
Excise related *	180	180
Customs related **	130	130
Others	138	138
Total	**860**	**743**

*Does not include penalty amount of ₹ 180.32 Lakhs

**Does not include penalty amount of ₹ 103.70 Lakhs

(b) **Contingent assets**

The Company does not have any contingent assets as at March 31, 2018 and March 31, 2017

Note - 37 : Commitments

(a) **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:

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for;		
Property, plant and equipment	295	890
Total	**295**	**890**

Note - 38 : Other Disclosure

(a) Corporate Social Responsibility (CSR)

Section 135(5) of the Companies Act 2013 stipulates that the company 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 Company has spent ₹ 76.80 lakhs during financial year 2017-18 towards CSR activities (₹ 24.49 Lakhs in F.Y 2016-17).

(b) The Company has recorded all known liabilities in the financial statements. The Company has not received any intimations from suppliers regarding their status under the micro, small and medium enterprises development act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

(c) Previous period figures have been regrouped/rearranged wherever necessary to confirm the current period classification.

Note - 39 : Earnings per share

All amounts in INR Lakhs unless otherwise stated

(a) Basic earnings per share

Particulars	As at March 31, 2018	As at March 31, 2017
Basic earnings per share attributable to the equity holders of the Company in Rupees	09.31	18.60

(b) **Diluted earnings per share**

Particulars	As at March 31, 2018	As at March 31, 2017
Diluted earnings per share attributable to the equity holders of the Company in Rupees	09.31	18.60

(c) **Reconciliations of earnings used in calculating earnings per share**

Particulars	As at March 31, 2018	As at March 31, 2017
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	2,344	4,488
	2,344	**4,488**
Diluted earnings per share		
Profit attributable to equity holders of the company	2,344	4,488
Used in calculating basis earnings per share		
Used in calculating diluted earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	2,344	4,488

Note - 40 : Assets pledged as security

All amounts in INR Lakhs unless otherwise stated

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Financial assets		
First charge		
Trade receivables	2,358	1,754
Cash and cash equivalents	1,066	632
Loans	1	1
Others	97	91
Non-financial assets		
First charge		
Inventories	3,129	3,396
Other current assets	2,689	2,829
Total current assets pledged as security	**9,340**	**8,703**
Non-Current		
First charge		
Plant and Machinery	20,489	21,334
Furniture and Fixtures	6	6
Office Equipment	21	20
Vehicles	18	25
Total non-current assets pledged as security	**20,534**	**21,385**
Total assets pledged as security	**29,874**	**30,088**

Note - 41 : 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.

As Per our report of even date

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

C. Kameshwar Rao
Partner
Membership No : 24363

For and on behalf of the Board

A. Subramanian
Managing Director
(DIN 06693209)

V. Valliammai
Director
(DIN: 01197421)

P. Gopal
Director
(DIN 06630431)

S. B. Nirmalatha
Director
(DIN 03092392)

M. L. Kumavat
Chief Financial Officer

Anu Nair
Company Secretary
M. No. 30525

Place: Chennai
Date : 25-05-2018

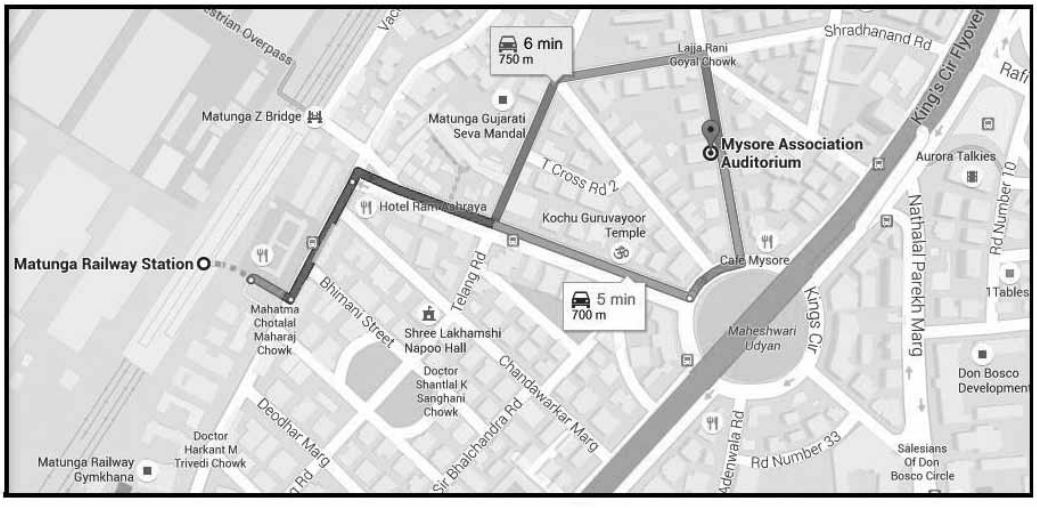
ROUTE MAP TO AGM VENUE

VENUE - Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai, Maharashtra – 400019

Nearest Railway Station - Matunga (Central Railway) (approximately 700 metres from railway station)

- Matunga Road (Western Railway) (approximately 3 km)

Nearest Landmark - Maheshwari Udyan



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

ATTENDANCE SLIP

(To be presented at the entrance)

34th ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 7, 2018 AT 10.00 A.M.
at Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai - 400019,
Maharashtra

Folio No. _____ DP ID No._____ Client ID No._____

Name of the Member _____ Signature _____

Name of the Proxyholder_____Signature _____

1. Only member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

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

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member(s) :_____

Registered Address :_____

E-mail ID :_____

Folio No/ Client Id No :_____

DP Id No :_____

I/We, being the member(s) of _____ Shares of Anjani Portland Cement Limited, hereby appoint

1. Name : _____ Email Id: _____
   Address:_____ Signature _____

or failing him

2. Name : _____ Email Id: _____
   Address:_____ Signature _____

or failing him

3. Name : _____ Email Id: _____
   Address:_____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Fourth Annual General Meeting of the Company to be held on Friday, 7th September, 2018 at 10.00 A.M. at Mysore Association Hall, 393, Bhau Daji Road, Matunga East, Mumbai, Maharashtra – 400019 and at any adjourned meeting thereof in respect of such resolutions as are indicated below.

Ordinary Resolution

1. To receive, 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 a final Dividend of ₹ 2/- per share for the financial year ended March 31, 2018.
3. To appoint a Director in place of Dr (Mrs.) S.B. Nirmalatha, who retires by rotation and, being eligible, offers herself for re-appointment.

Special Business

4. To ratify remuneration of payable to M/s Narasimha Murthy & Co (Registration No. 000042), Cost Auditors for the financial year 2018-19.

Signed this_____ day of _____2018

Affix
Re. 1.00
Revenue
stamp

Signature of Shareholder_____

Signature of Proxy Shareholder_____

Notes: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, Not less than 48 hours before the commencement of the Meeting. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a member.

Anjani Portland Cement Limited

Regd Office

306-A, The Capital,
3rd Floor, Plot no C-70,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai 400051.

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