



Anjani Portland Cement Limited

36th Annual Report

2019-20





36th Annual Report 2019 - 20

www.anjanicement.com

Anjani Portland Cement Limited

Board of Directors

Mr. N. Venkat Raju		Managing Director (w.e.f. January 24, 2020)
Mrs. V. Valliammai		Chairperson, Independent Director
Mr. A. Subramanian		Non-Executive Director (w.e.f. January 19, 2020) (Managing Director till January 18, 2020)
Mr. RM Palaniappan		Independent Director
Mr. V. Palaniappan		Non-Executive Director
Dr. (Mrs.) S.B. Nirmalatha		Non-Executive Director

Management Team

Mr. A. Narayana Rao		Sr. Vice President (Marketing) (w.e.f. June 10, 2020)
Mr. M.L. Kumavat		Chief Financial Officer
Mr. M. Nagabhushana Rao		Vice President (Mechanical)
Mr. D.V. Subba Raju		Assistant Vice President (E & I)
Mr. Rohit Taparia		Company Secretary (w.e.f. April 01, 2020)

Registered Office

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

Corporate Office

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

Statutory Auditors

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

Cost Auditors

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

Factory

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

Internal Auditors

M. Bhaskara Rao & Co.,
Chartered Accountants,
5-4, 5th Floor, "Kautilya", 6-3-652,
Somajiguda, Hyderabad – 500482

Registrars & Share Transfer Agents

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

Bankers

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

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PERFORMANCE AT A GLANCE

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PRODUCTION in MT's							
Cement	8,01,105	6,55,896	7,57,229	8,49,656	9,18,441	9,88,030	8,29,656
Capacity Utilisation (%)	69%	57%	65%	73%	79%	85%	72%
SALES IN MT's							
Cement & Clinker	8,57,318	6,85,022	7,60,174	8,49,933	9,26,810	11,69,878*	11,07,446**

*Including 1,77,565 MT of Traded Cement **Including 2,24,098 MT of Traded Cement

FINANCIAL HIGHLIGHTS	(₹ in Lakhs)						
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover (Gross)	32,590	30,436	31,944	36,010	37,359	43,747	40,893
Gross Profit	2,321	5,236	8,300	8,369	6,068	5,750	8,393
Finance Costs	3,538	2,780	1,584	944	625	172	33
Depreciation	1,491	1,059	2,312	1,706	1,875	1,913	2,004
Profit/(Loss) Before Tax	(2,708)	1,397	4,404	5,719	3,568	3,665	6,356
<i>Provision for Taxation</i>							
- Current Tax	106	-	929	1,247	763	1,419	2,369
- Deferred Tax	(879)	(274)	1,496	(16)	461	(70)	(48)
Net Profit/(Loss) After Tax	(1,935)	1,671	1,979	4,488	2,344	2,316	4,035
PAID - UP SHARE CAPITAL	1,839	1,839	1,839	2,529	2,529	2,529	2,529
RESERVES & SURPLUS	4,280	5,907	6,894	17,894	19,944	21,636	24,863
RATIOS							
PBDIT to Gross Sales	7.28%	17.33%	25.99%	23.26%	16.25%	13.14%	20.52%
(%) PBT to Gross Sales	(8.49%)	4.62%	13.79%	15.90%	9.55%	8.38%	15.54%
(%) EPS (in Rupees)	(10.52)	9.09	9.87	18.60	9.27	9.16	15.96
Debt to Equity	2.38	2.47	1.58	0.37	0.18	0	0
Book Value per share (in Rupees)	33	42	47	81	89	96	108
Dividend (%)	-	-	-	20	20	25	50

ANJANI PORTLAND CEMENT LIMITED

CIN: L26942MH1983PLC265166

Regd. Office: A-610, Kanakia Wall Street, Chakala Junction, Andheri-Kurla Road,
Andheri (East), Mumbai 400093. Tel. No.: 022 62396051

Email id: secretarial@anjaniment.com, website: www.anjaniment.com



Notice

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Friday, August 21, 2020, at 12.00 noon through Video Conferencing (VC) / Other Audio Visual Means (OAVM) 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, 2020, together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2019-20.
3. To appoint a Director in place of Mr. V. Palaniappan (DIN: 00645994) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. Subramanian (DIN: 06693209) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Appointment of Mr. N. Venkat Raju as Director:

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

"RESOLVED THAT, pursuant to recommendation of the Nomination and Remuneration and Committee, as approved by the Board of Directors of the Company and subject to the provisions of Section 149 and 152 of the Companies Act, 2013 and other applicable provisions, if any, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, including any statutory modification or re-enactment thereof for the time being in force, Mr. N. Venkat Raju (DIN: 08672963) who was appointed as an Additional Director of the Company with effect from January 24, 2020 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting and in respect of whom, the Company has received a notice under Section 160 of the Companies Act 2013, be and is hereby appointed as a Director of the Company."

6. Appointment of Mr. N. Venkat Raju as Managing Director:

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

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 203 and the Schedule V and Article of Association of the Company and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 as amended from time to time, the consent of the Company be and is hereby accorded to the appointment of Mr. N. Venkat Raju (DIN: 08672963) as the Managing Director of the Company for a period of five years effective from January 24, 2020 to January 23, 2025 subject to control, superintendence and direction of the Board of Directors of the Company, who are hereby authorized to delegate to him such further powers of substantial management of the Company as they may deem fit.

RESOLVED FURTHER THAT, Mr. N. Venkat Raju, Managing Director (effective from January 24, 2020) be paid a remuneration of ₹ 66,78,084/- (Rupees Sixty Six Lakhs Seventy Eight Thousand and Eighty Four Only) per annum and subject to such revision as may be recommended by Nomination and Remuneration Committee and decided by the Board during the tenure of his office.

RESOLVED FURTHER THAT in the event of Loss or inadequacy of Profits, in any Financial Year, the Board of Directors of the Company be and are hereby authorized to sanction such yearly remuneration payable to Mr. N. Venkat Raju, Managing Director, such that the remuneration shall not exceed the maximum limits prescribed under Part A of Section II of Part II of the Schedule V of the Companies Act, 2013 based on the Effective Capital of the Company.

RESOLVED FURTHER THAT, the remuneration payable to Mr. N. Venkat Raju, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

7. Ratification of Remuneration payable to Cost Auditor:

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

"RESOLVED THAT subject to Section 148 and other applicable provisions of the Companies Act, 2013 and the relevant rules thereunder, a remuneration of ₹ 2,00,000 (Rupees Two Lakhs only) plus applicable taxes and out of pocket expenses, payable to M/s Narasimha Murthy & Co., (Firm Registration Number 000042) Cost Auditors for audit of the cost records of the Company for the financial year ending March 31, 2021 as approved by the Board of Directors of the Company be and is hereby ratified."



8. Approval for Material Related Party Transactions:

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

“RESOLVED THAT, pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the relevant rules thereunder and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the approval of shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Chettinad Cement Corporation Private Limited (‘CCCPL’), a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for purchase and sale of cement and allied products, materials and services on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 200 Crore per financial year starting from F.Y. 2020-21 for a period of three financial years, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

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

On Behalf of the Board of Directors

Rohit Taparia
Company Secretary
Membership No A35756

Date: June 29, 2020

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. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (‘MCA’) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as ‘MCA Circulars’) permitted the holding of the ‘AGM’ through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to KFin Technologies Private Limited (Kfintech), Registrar and Transfer Agent, by e-mail through its registered e-mail address to raghu.veedha@kfintech.com or secretarial@anjanacement.com.
5. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL (‘Depositories’). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.anjanacement.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfintech at www.kfintech.com.
6. Members whose email address are not registered can register the same in the following manner:
 - a. Members holding share(s) in physical mode can register their e-mail ID by sending mail to raghu.veedha@kfintech.com and provide the requisite details of their holdings and documents for registering their e-mail address; and
 - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants (‘DPs’) for receiving all communications from the Company electronically.
7. The Company has engaged the services of Kfintech, Registrar and Transfer Agent as the authorized agency for conducting of the AGM and providing e-voting facility.
8. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
11. Members are advised to refer to the section titled 'Investor Relation' provided on the website of the Company at www.anjaniment.com for the Annual Report.
12. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
13. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, August 15, 2020 to Friday, August 21, 2020 (both days inclusive). The record date for determining entitlement to dividend for the year ended March 31, 2020 to be declared at the AGM shall be Friday, August 14, 2020.
14. Instructions for attending the AGM and e-voting are as follows:

A. Instructions for attending the AGM:

1. Members will be able to attend the AGM through VC / OAVM by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM at <https://evoting.karvy.com/>. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the conclusion of the AGM. Members who want to ask question may write to the company at secretarial@anjaniment.com atleast two days prior to the date of AGM and the same will be answered during the AGM.
3. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
4. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr. Raghunath Veedha on (040)67161606 or write mail at emeetings@kfintech.com.

B. Instructions for e-voting:

1. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. August 14, 2020 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 10:00 A.M. (IST) on Tuesday, August 18, 2020 till 5:00 P.M. (IST) on Thursday, August 20, 2020. At the end of remote e-voting period, the facility shall forthwith be blocked.
2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
3. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
4. The procedure and instructions for e-voting are as follows:
 - a. Open your web browser during the remote e-voting period and navigate to <https://evoting.karvy.com>.
 - b. Enter the login credentials (i.e., user-id and password) mentioned in the letter. Your Folio No. / DP ID No. / Client ID No. will be your User- ID.

User – ID For Members holding shares in Demat Form:-

For NSDL :- 8 Character DP ID followed by 8 Digits Client ID.

For CDSL :- 16 digits beneficiary ID.

User – ID For Members holding shares in Physical Form:-

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

- c. After entering these details appropriately, click on "LOGIN".
 - d. Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Kfintech e-voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it.
 - e. You need to login again with the new credentials.
 - f. On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.
 - g. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and have cast your vote earlier for any company, then your existing login ID and password are to be used.
 - h. On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.
 - i. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - j. Once you 'CONFIRM' your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.
5. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board or governing body Resolution / Authorisation together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to 'raghu.veedha@kfintech.com' or 'secretarial@anjanacement.com' (Details are given in point 4 above). The file / scanned image of the Board Resolution / authority letter should be in the naming format 'Corporate Name Event no.'
6. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Friday, August 14, 2020.
- 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 Kfintech.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.
7. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://evoting.karvy.com/> to reset the password.
15. The Board of Directors have appointed Mrs. Shailashri Bhaskar, Practising Company Secretary (CP No 5092) as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit her report to the Chairperson or any person authorised by him / her after completion of the scrutiny and the results of voting will be announced within forty eight hours from the conclusion of the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.anjanacement.com and also on the website of Kfintech at <https://evoting.karvy.com>.
16. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Kfintech's website <https://evoting.karvy.com> OR contact toll free no. 18003454001 or contact: Mr. Raghunath Veedha on (040)67161606.

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

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

Item No. 5 & 6

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, the Board of Directors had appointed Mr. N. Venkat Raju (DIN: 08672963) as an Additional Director, in an Executive capacity of the Company with effect from January 24, 2020.

Mr. N. Venkat Raju aged about 60 years is M.Sc. Chemistry from Andhra University, Visakhapatnam. Further he is a Certified Energy Manager from Bureau of Energy Efficiency, Ministry of Power, Govt. of India. He is having overall experience of 35 years in Cement Industry and associated with Company for last 12 years. Prior to his appointment as Managing Director he was working with the Company as Joint President (works), Unit head.

In terms of provisions of Section 161(1) of the Act, Mr. N. Venkat Raju would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. N. Venkat Raju as a Director of the Company. Mr. N. Venkat Raju is not disqualified from being appointed as a director in terms of Section 164(2) of the Act and has given his consent to act as a Director.

Further, the Board of Directors had appointed Mr. N. Venkat Raju as Managing Director, for a period of 5 years subject to the approval of shareholders at Annual General Meeting and be paid a remuneration of ₹ 66,78,084/- (Rupees Sixty Six Lakhs Seventy Eight Thousand and Eighty Four Only) per annum for the Financial Year 2019-20 including his position as Joint President-Works (Unit Head) and subject to such revision as may be recommended by Nomination and Remuneration Committee and decided by the Board during the tenure of his office.

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

Additional information required to be given along-with a Notice calling General Meeting as per Schedule V to the Companies Act, 2013 is given hereunder:

I. General Information		
(1) Nature of industry	Cement & Cement Products	
(2) Date or expected date of commencement of commercial production	The Company has been in the business of manufacturing of Cement since 1999 including Ordinary Portland Cement, Portland Pozzollana Cement and Composite Cement and trading in cement. Further, it is also engaged in activity of power generation.	
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4) Financial performance based on given indicators	2017-2018 (₹ In lakhs)	2018-2019 (₹ In lakhs)
Turnover (Gross)	37,359	43,747
Gross Profit	6,068	5,750
Finance Costs	625	172
Depreciation	1,875	1,913
Profit/(Loss) Before Tax	3,568	3,665
Net Profit/(Loss) After Tax	2,344	2,316
Rate of Dividend	20%	25%
(5) Export performance and net foreign exchange collaborations	NIL	
(6) Foreign investments or collaborators, if any.	NIL	

II. Information about the appointee:	
(1) Background details	<p>Name: Mr. N. Venkat Raju Designation: Managing Director Father's name: Late Sitarama Raju Nadimpalli Nationality: Indian Date of Birth: 30-09-1960 Qualifications: M.Sc Chemistry from Andhra University, Visakhapatnam. Certified Energy Manager from Bureau of Energy Efficiency, Ministry of Power, Govt. of India. Experience: 37 years.</p>
(2) Past remuneration	<p>₹ 66,78,084/- per annum for the F.Y. 2019-20. ₹ 62,12,160/- per annum for the F.Y. 2018-19.</p>
(3) Recognition or awards	--
(4) Job profile and his suitability	<p>Mr. N. Venkat Raju holds degree in M.Sc. Chemistry from Andhra University, Visakhapatnam and also a Certified Energy Manager from Bureau of Energy Efficiency, Ministry of Power, Govt. of India. Mr. N Venkat Raju worked as Joint President-Works (Unit Head) in the Company prior to his appointment as Managing Director w.e.f. January 24, 2020.</p> <p>Further, he is having an overall experience of 37 years out of which 35 years of vast experience pertains to Cement Industry and is mainly responsible for Operations, Process, Quality Assurance & Administration of the cement plant and allied activities which encompasses the entire operations of a Cement Plant. He is a veteran in the Industry and ideally suited for the post.</p>
(5) Remuneration proposed	As mentioned in the resolution stated above .
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	The remuneration is paid to him is as per the industry norms, size of the Company, profile and position etc.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Not Applicable
III. Other information:	Not Applicable
(1) Reasons of loss or inadequate profits	-
(2) Steps taken or proposed to be taken for improvement	-
(3) Expected increase in productivity and profits in measurable terms.	-

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

Except Mr. N. Venkat Raju, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

Item No. 7

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 2020-21.

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 2020-21 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 7 for approval by shareholders.

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

Item No. 8

Shareholders had via Postal Ballot on July 11, 2018, approved the Material Purchase Agreement to enable the Company to procure Cement and Clinker from the Plants of Chettinad Cement Corporation Private Limited (CCCPL) which is in close proximity to the markets of your Company to benefit from economical advantages. However to achieve greater economies of scale Company had subsequently entered into a Material Sale Agreement dated January 05, 2019 in addition to Material Purchase Agreement, which will enable your Company to purchase and sell materials and services from/to CCCPL as may be required in cement production business.

Pursuant to Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company and would also get classified as a material related party transaction within the meaning of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations").

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

The value of proposed aggregate transactions with CCCPL is likely to exceed the said threshold limit, therefore Company do fix a limit of ₹ 200 Crore per financial year starting from F.Y. 2020-21 for a term of three financial years. Transaction with CCCPL will be in the ordinary course of business and at arm's length. However, as an abundant caution the approval of the members of the Company is also sought under Section 188 of the Companies Act, 2013.

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

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

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

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

The Promoter CCCPL is interested in passing of this resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS PER SEBI (LODR) REGULATION, 2015

Particulars	Mr. V. Palaniappan	Mr. A. Subramanian	Mr. N. Venkat Raju
Date of Birth	October 13, 1973	October 1, 1948	September 30, 1960
Date of First Appointment on the Board	May 16, 2019	January 19, 2015	January 24, 2020
Qualifications	M.Com. from Annamalai University	M.Com. from Madurai Kamaraj University	M.Sc. Chemistry from Andhra University, Visakhapatnam. Certified Energy Manager from Bureau of Energy Efficiency, Ministry of Power, Govt. of India.
Nature of Expertise	Finance	Management / Finance	Operations, Process, Quality Assurance & Administration
Terms and Conditions of Appointment or re-appointment	Appointment as Non-Executive Director subject to retirement by rotation	Appointment as Non-Executive Director subject to retirement by rotation	Appointment as Managing Director for a term of Five year and subject to not retire by rotation and other terms as mentioned in the explanatory statement at point no. 5 & 6.
Last Drawn remuneration Details along with remuneration sought to be paid	Shall be entitled to sitting fees for attending meeting of the Board.	Please refer extract of Annual Return	₹ 66,78,084/- p.a. for the F.Y. 2019-20 including his position as Joint President-Works (Unit Head) and as may be revised by the Board from time to time during his tenure.
Directorships held in other companies	<ol style="list-style-type: none"> 1. Chettinad Morimura Semiconductor Material (P) Ltd 2. Mangala Sugars and Chemicals (P) Ltd 3. Chettinad Structural & Engineering Limited 4. Chettinad Plantations (P) Ltd 5. South India Corpn (P) Ltd 6. South India Corporation Travancore (P) Ltd 7. Chettinad Coal Washeries (P) Ltd 8. Chettinad Inland Water Transport Services (P) Ltd 9. Chettinad International Coal Terminal (P) Ltd 10. Blaze Logistics (P) Ltd 11. Chettinad Financial Management Services (P) Ltd 12. Chettinad Corporation (P) Ltd 13. Chettinad Realtors (P) Ltd 14. Chettinad Holdings (P) Ltd 15. Chettinad Paropakaaram Foundation 16. Chettinad Educational Institutions 	Nil	Nil

Memberships/ Chairmanships of Committees of other companies	Chairmanship: NIL Membership of Committee: NIL	Chairmanship: NIL Membership of Committee: NIL	Chairmanship: NIL Membership of Committee: NIL
Number of Shares held in the Company	201	Nil	Nil
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Nil	Nil	Nil
No. of Board Meetings attended during the year	Please refer to Corporate Governance Report		

Directors' Report

Your Directors take pleasure in presenting the Thirty Sixth Annual Report and the Audited Accounts of the Company for the year ended March 31, 2020.

FINANCIAL RESULTS

(₹ in Lakhs)

	Current Year Ended 31/03/2020	Previous Year Ended 31/03/2019
Revenue from Operations (Gross)	40,893	43,747
Profit before Interest, Depreciation	8,393	5,750
Less: Interest	33	172
Less: Depreciation	2,004	1,913
Profit/(Loss) Before Tax	6,356	3,665
Provision for Taxation including deferred Tax	2,321	1,349
Profit/(Loss) After Tax	4,035	2,316
Appropriations		
Dividend	632.14	505.71
Dividend Distribution Tax	129.94	103.95

DIVIDEND

Your Directors have recommended a final dividend of ₹ 5 /- per equity share (subject to deduction of tax at source) for the financial year 2019-20. The Dividend subject to the approval of the shareholders at the ensuing Annual General Meeting will be paid within the time as stipulated in the Companies Act, 2013. The dividend will absorb an amount of ₹ 1264.28 lakhs.

TRANSFER TO RESERVES

There is no amount proposed to be transferred to reserves out of profits for the financial year 2019-20.

PERFORMANCE OF THE COMPANY

CEMENT

	PRODUCTION in M.T	SALES in M.T
Cement	8,29,656	10,50,330*

*Including 2,24,098 MT of traded cement

CAPTIVE POWER PLANT

The Gross power generation from the 16MW Captive Thermal Power Plant during the year under review was 765.11 lakh units as against 928.73 lakh units in the previous year, with an auxiliary consumption of 60.12 lakh units as against 72.25 lakh units in the previous year. The Net generation for the current year was 704.99 lakh units as against 856.48 lakh units last year, of the net units generated in the current year 697.74 lakh units were captively consumed and 7.25 lakh units were sold.

OPERATIONS

This is covered under the topic Management Discussion and Analysis.

INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS

Based on the compliance systems established and maintained by the Company, the work performed by the internal, statutory, secretarial auditor and external consultants including the audit of internal financial controls over financial reporting by statutory auditors along with the Company's self-assessment procedures the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year ended March 31, 2020.

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 Act and the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance along with the Management Discussion and Analysis Statement as required under the Listing Regulations forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. V. Subramanian and Mr. P. Gopal, Independent Directors having completed their term of five years have conveyed their inability to continue for a second term with effect from May 15, 2019.

Mr. N. Venkat Raju was appointed as Additional Director and Managing Director of the Company at the Board of Director's Meeting held on January 24, 2020, subject to approval of shareholder in ensuing Annual General Meeting ("AGM"). Accordingly, necessary resolution approving his appointment as Managing Director is set out as Item No. 6 to the Notice of the AGM for the approval of the members.

Mr. A. Subramanian, having completed his tenure as the Managing Director on January 18, 2020 is continuing as Non-Executive Director of the Company effective from January 19, 2020.

Further, in compliance with the Companies Act, 2013 Mr. V. Palaniappan and Mr. A. Subramanian, Non-Executive Director's retires by rotation and being eligible offers themselves for re-appointment.

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.

During the period, Mrs. Anu Nair, Company Secretary (KMP) and Compliance Officer of the Company resigned effective from October 12, 2019 and Mr. Rohit Taparia has been appointed as Company Secretary and Compliance Officer effective from April 01, 2020.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration policy enumerates the policy on Directors Appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. Other details pertaining to the Nomination and Remuneration Committee have been provided in the Corporate Governance section of this Annual Report.

The Nomination and Remuneration policy of the Company is available on the Company's website, at http://www.anjaniment.com/investor/corporategovernance/Nomination_Remuneration_Policy1.pdf.

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:** The Statutory Auditors of your Company M/s Ramanatham & Rao have been re-appointed as Statutory Auditors for a second term of five years at the AGM held in year 2019. Further, in terms of the Notification issued by the Ministry of Corporate Affairs dated May 07, 2018, the proviso requiring ratification of the Auditors appointment by the shareholders at each AGM has been omitted.
- 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 for the financial year 2019-20, has been carried out by Mrs. Shailashri Bhaskar, Practising Company Secretary and continues to be the Secretarial Auditor for the Financial Year 2020-21.
- 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 2020-21, on a remuneration of ₹ 200,000/- (Two Lakhs only) plus applicable taxes and out of pocket expenses. A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 36th Annual General Meeting. The company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are made and maintained.

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

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report which is a part of this Report. During the year, all recommendations of the Audit Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has fulfilled its obligation towards Corporate Social Responsibility for the financial year 2019-20, by spending a sum of ₹ 86,96,636 during the year. The report on CSR activities as required under Section 135 of the Companies Act, 2013 is given as **Annexure IV**, forming part of this Report. The CSR policy is available on the Company's website. For other details regarding the CSR committee please refer to the Corporate Governance Report.

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 process. Periodical reviews of various operational, marketing and legal parameters affecting the Company, as per the Risk Management Policy is conducted and risk management and mitigating procedures are adopted on a continuous basis.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy with a view to provide a platform for the directors and employees to report genuine concerns or grievances. The policy is available on <http://www.anjanacement.com/investor/corporategovernance/VigilMechanism.pdf>

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

The Company has framed Anti Sexual Harassment Policy. The same is available on the website of the Company at www.anjanacement.com. Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was filed during the financial year 2019-20.

BUSINESS RESPONSIBILITY REPORT

SEBI, vide its Notification no. No. SEBI/LAD-NRO/GN/2019/45 dated December 26, 2019, SEBI LODR (Fifth Amendment) Regulation, 2019, had mandated inclusion of Business Responsibility Reports(BRR) as part of the Annual Reports for top 1000 listed entities based on market capitalization as on March, 31 of every financial year. A detailed report on your Company's sustainability initiatives is published in the Business Responsibility Report which is forming part of Annual Report. The BRR describes the initiatives taken by the Company from an environment, social and governance perspective.

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 I** 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 Six times during the Financial Year 2019-20. The details of Board Meetings are provided in the Corporate Governance Report. The gap intervening 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 2019-20.

TRANSACTIONS WITH RELATED PARTIES

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of the material contract or arrangement entered into by the Company with related parties as referred to in Section 188 in form AOC-2 is attached as **Annexure II** of this report. However, the details of the transactions with the Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards. Further, shareholder's approval is obtained pursuant to Section 188 of the Companies Act, 2013 and Regulation 23(4) of the SEBI (LODR) Regulation, 2015 in AGM 2019 for company to enter into Material Related Party transactions with Chettinad Cement Corporation Private Limited ("CCCPL"). In the ensuing AGM it is proposed to fix a maximum aggregate value of ₹ 200 Crore per financial year starting from F.Y. 2020-21 for a period of three financial years for the Material Related Party Transactions. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee and the Board on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

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 affecting the financial position of the Company. However, production and sales went down since last week of March 2020, due to breakout of the COVID-19 pandemic in the entire country due to which the Company had to temporarily suspend operations in its manufacturing unit / plant in the state of Telangana from March 23, 2020 to April 29, 2020 in compliance with order issued by the Government of Telangana and Central Government guidelines.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

- a) **Transfer of Unclaimed Dividend:** As required under Section 124 of the Act, the Unclaimed Dividend amount aggregating to ₹ 6,81,016/- pertaining to the financial year ended on March 31, 2012 lying with the Company for a period of seven years was transferred during the financial year 2019-20, to the Investor Education and Protection Fund established by the Central Government.
- b) **Transfer of shares to IEPF:** As required under Section 124 of the Act, 31,600 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2019-20. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

Mr. Rohit Taparia, Company Secretary has been appointed as Nodal Officer of the Company effective from June 29, 2020.

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, 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. A. Subramanian (from 19.01.2020)	-
Mr. RM. Palaniappan (from 16.05.2019)	-
Mr. V. Palaniappan (from 16.05.2019)	-
Dr.(Mrs.) S.B. Nirmalatha	-
Mr. P. Gopal (upto 15.05.2019)	-
Mr. V. Subramanian (upto 15.05.2019)	-
Executive Directors	
Mr. N. Venkat Raju (from 24.01.2020)	2.41 times
Mr. A. Subramanian (upto 18.01.2020)	8.29 times

The median remuneration of the employees of the Company for the financial year 2019-20 is ₹ 4.85 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;

Directors	Percentage Increase in Remuneration
Non-Executive Directors	
Mrs. V. Valliammai	-
Mr. A. Subramanian (from 19.01.2020)	-
Mr. RM. Palaniappan (from 16.05.2019)	-
Mr. V. Palaniappan (from 16.05.2019)	-
Dr.(Mrs.) S.B. Nirmalatha	-
Mr. P. Gopal (upto 15.05.2019)	-
Mr. V. Subramanian (upto 15.05.2019)	-
Executive Directors	
Mr. N. Venkat Raju (from 24.01.2020)	-
Mr. A. Subramanian (upto 18.01.2020)	-
CFO and CS	
Mr. M.L. Kumavat	7.50
Mrs. Anu Nair	12.00

The percentage increase in the median remuneration of employees in the financial year 2019-20 is 15.11%.

The number of permanent employees on the rolls of Company: 278.

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 11.52%.

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), up to 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

Based on the parameters set out by the Nomination and Remuneration Committee the Board of Directors carried out an annual evaluation of its own performance, including that of its Committees and Individual Directors. Further, in a separate meeting of Independent Directors, the performance of non-independent directors, the Board as a whole and the Chairperson of the Company were evaluated. Performance of the independent Director's was evaluated by the entire Board excluding the directors being evaluated.

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.

IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of lockdown that started on March 23, 2020. The Government has ordered temporarily closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel etc. Further, Company had to temporarily suspend and close its operations in its Cement manufacturing Unit in the state of Telangana from March 23, 2020 to April 29, 2020 in order to control the community transmission/spread of Covid-19 pandemic. Looking at the nature of business, these restrictions had substantially reduced our manufacturing operations.

Your Company has implemented Work from Home Policy for its offices wherever possible. Further, strict COVID protection protocol have been implemented at all workplaces including the Plant. The workers are being provided mask during work, work place are getting sanitized regularly, reduced number of workers operating in shifts so that work place is not over crowded at one time etc. and if required, may close down its operation on directions from central/state government.

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.

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

Place: Chennai
Date: June 29, 2020

Mrs. V. Valliammai
Chairperson & Director
DIN: 01197421

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

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:
A-610, Kanakia Wall Street,
6th Floor, Andheri Kurla Road,
Chakala Junction, Andheri (East),
Mumbai – 400093.
- 6) Whether Listed Company : Yes
- 7) Name, Address and Contact details of Registrar and Transfer Agent, if any
KFIN Technologies Private Limited
Kary Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500032.
Tel: +91 40 67161602

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 01/04/2019				No. of shares held at the end of the year 31/03/2020				% 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 Gov/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	0	18964270	75	0
(B) Public Shareholding									
(1) INSTITUTIONS									
(a) Mutual Funds/ UTI	0	27800	27800	0.11	0	27800	27800	0.11	0
(b) Financial Institutions/ Banks	0	5200	5200	0.02	41	5200	5241	0.02	0
(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	33000	33000	0.13	41	33000	33041	0.13	0
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	1072425	17900	1090325	4.31	1000748	17900	1018648	4.03	-0.28
(b) Individuals									
(i) Individuals holding nominal Share capital upto ₹ 1 Lakh	1689761	485720	2175481	8.60	1794604	431270	2225874	8.80	0.20
(ii) Individuals holding nominal Share capital in excess of ₹ 1 Lakh	2533124	68010	2601134	10.29	2488541	68010	2556551	10.11	-0.18
(c) Others									
CLEARING MEMBERS	4165	0	4165	0.02	6069	0	6069	0.02	0.01
IEPF	392533	0	392533	1.55	423833	0	423833	1.68	0.13
NON RESIDENT INDIANS	18339	0	18339	0.07	45912	0	45912	0.18	0.11
NRI Non Repatriation	6449	0	449	0.03	11498	0	11498	0.04	0.01
(D) Qualified Foreign Investor									
Sub-Total B(2):	5716796	571630	6288426	24.87	5771205	517180	6288385	24.87	
Total B = B(1) + B(2)	5716796	604630	6321426	25.00	5771246	550180	6321426	25.00	0
Total (A + B)	24681066	604630	25285696	100.00	24735516	550180	25285696	100.00	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	0
(2) Public	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C) :	24681066	604630	25285696	100.00	24735516	550180	25285696	100.00	0

ii) Shareholding of Promoters

S. No.	Shareholders Name	Share holding at the beginning of the year (01.04.2019)			Share holding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of shares	% of total Shares of the Company	% of shares Pledged/ Encum-bured 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	SANGEETHA S	-	-		
	Transactions (Sale/Purchase) from 01.04.2019				
	08.11.2019 (Purchase)	+1418290			
	15.11.2019 (Sale)	-900			
	At the end of the year			1417390	5.61
2	BHAVANA GOVINDBHAI DESAI	500006	1.98		
	Transactions (Sale/Purchase) from 01.04.2019	0			
	At the end of the year			500006	1.98
3	PRATIBHUTI VINIHIT LTD.	440000	1.74		
	Transactions (Sale Purchase) from 01.04.2019				
	07.02.2020 (Sale)	-10000			
	06.03.2020 (Purchase)	+430000			
	06.03.2020 (Sale)	-430000			
	At the end of the year			430000	1.70
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	392533	1.55		
	Transfer to / from IEPF				
	11.10.2019	+29600			
	18.10.2019	+2000			
	08.11.2019	-200			
	29.11.2019	-100			
	At the end of the year			423833	1.68
5	VENKATA VISHNU RAJU RAJ KALIDINDI	364463	1.44		
	Transactions (Sale/Purchase) from 01.04.2019	0			
	At the end of the year			364463	1.44
6	BREEZE ENTERPRISES PVT. LTD.	212519	0.84		
	Transactions (Sale/Purchase) from 01.04.2019	0			
	At the end of the year			212519	0.84
7	FUTURISTIC HANDLING SERVICES	81666	0.32		
	Transactions (Sale/Purchase) from 01.04.2019	0			
	At the end of the year			81666	0.32
8	GREEN VALLEY MINERALS AND METALS PVT. LTD.	70338	0.28		
	Transactions (Sale Purchase) from 01.04.2019	0			
	At the end of the year			70338	0.28
9	BULL INVESTMENTS MADRAS PVT. LTD.	46000	0.18		
	Transactions (Sale Purchase) from 01.04.2019	0			
	At the end of the year			46000	0.18

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
10	K. SURYAPRAKASH REDDY	29531	0.12		
	Transactions (Sale/Purchase) from 01.04.2019				
	10.05.2019 (Purchase)	+500			
	28.02.2020 (Sale)	-500			
	At the end of the year			29531	0.12

v) **Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name of Director or Key Managerial Personnel	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	Mr. V. Palaniappan	201	0.00		
	Transactions (Sale/Purchase) from 01.04.2019				
	At the end of the year			201	0.00

V. **INDEBTEDNESS**

The Company has no indebtedness as on 31.03.2020.

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. **Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2019-20.**

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. A. Subramanian (Managing Director)*	Mr. N. Venkat Raju (Managing Director)#
1	Gross Salary		
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	40.18	10.99
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-
	(c) Profits in lieu of salary u/s 17(3) Income tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- Others, specify....		
5	Others, please specify – retirement benefit	-	0.69
	Total	40.18	11.68
	Ceiling as per the Act	5% of net profit of the Company	

* Mr. A Subramanian retired as Managing Director pursuant to expiry of his term as Managing Director on January 18, 2020 and continued as Non-Executive Director w.e.f. January 19, 2020.

Mr. N. Venkat Raju appointed as Managing Director w.e.f. January 24, 2020.

B. Remuneration to other directors: For the year 2019-20

(₹ In Lakhs)

Particulars	Mr. V. Subramanian	Mr. P. Gopal	Mr. RM Palaniappan	Mrs. V. Valliammai	Total
1. Independent Directors					
• Fee for attending board/ committee meetings	0.05	0.05	0.25	0.30	0.65
• Commission	–	–	–	–	–
• Others, please specify	–	–	–	–	–
Total (1)	0.05	0.05	0.25	0.30	0.65
Particulars	Dr. (Mrs.) S.B. Nirmalatha	Mr. A. Subramanian	Mr. V. Palaniappan		
2. Other Non-Executive Directors					
• Fee for attending board/ committee meetings	0.25	0.10	0.25		0.60
• Commission	–	–	–	–	–
• Others, please specify	–	–	–	–	–
Total (2)	0.25	0.10	0.25		0.60
Total = (1+2)	0.30	0.15	0.50	0.30	1.25

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ 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	–	59.18	7.40	66.58
(b) Value of perquisites u/s 17(2) Income tax Act, 1961	–	–	–	–
(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–	–
2. Stock Option	–	–	–	–
3. Sweat Equity	–	–	–	–
4. Commission - as % of profit - others, specify	–	–	–	–
5. Others, please specify - retirement benefits	–	4.60	0.33	4.93
Total	–	63.78	7.73	71.51

* Ms. Anu Nair Company Secretary resigned w.e.f. October 12, 2019.

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

There were no penalties, punishments or compounding of offences during the year ended March 31, 2020.

For and on Behalf of the Board of Directors

 Place: Chennai
Date: June 29, 2020

 Mrs. V. Valliammai
Chairperson & Director
DIN: 01197421

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Not Applicable
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
 - (a) **Name(s) of the related party and nature of relationship:** Chettinad Cement Corporation Pvt. Ltd. ("CCCPL"), Holding Company
 - (b) **Nature of contracts/arrangements/transactions:**
 - i. Sale/Purchase/Supply of cement and related product [Section 188(1)(a) of Companies Act, 2013]
 - ii. Availing and Rendering of Services [Section 188(1)(d) of Companies Act, 2013]
 - (c) **Duration of the contracts / arrangements/transactions:** Continuous / On-going
 - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**
The transaction with Chettinad Cement Corporation Pvt. Ltd. ("CCCPL") includes:
 - (i) Purchase / Sale of Cement
 - (ii) Purchase / Sale of Clinker
 - (iii) Services Received / Provided

The transaction value for the financial year 2019-20 with "CCCPL" was ₹ 9334.57 Lacs.
 - (e) **Date(s) of approval by the Board, if any:** Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.
 - (f) **Amount paid as advances, if any:** NIL

For and on Behalf of the Board of Directors

Place: Chennai
Date: June 29, 2020

Mrs. V. Valliammai
Chairperson & Director
DIN: 01197421

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 88.06 KWH/T to 85.64 KWH/T. These are as below:

- Installed LED lights in place of Conventional SV & MV lamps for Line-1& 2 plants.
- Cost reduced by EB unit's utilization in incentive hours in place of PEAK hours.
- Raw Mill-2 Separator material loading increased from 1.5 to 2.1 kg/m³ there by fan speed reduced from 980 to 860 rpm.
- Optimization of compressors for packing plant -2.
- Cement Mill-1 Second chamber grinding media optimized by segregation.
- Installed spare VFD drive for Line-2 Cooler 5 fan in place of DOL starter.
- Installed spare VFD drive for Line-2 RA fan in place of DOL starter.
- Installed spare VFD drive for Line-2 Cooler Fan-9 in place of DOL starter.
- Installed VFD for Line-2 Cement Mill-3 separator fan in place of LRS by using Line-1 RABH drive.
- Using spare Trans vector nozzles for avoid excess air consumption.

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 10.57 % of thermal energy requirement in the plant.

III. The capital investment on energy conservation equipment's;

Installed LED lights in place of Conventional SV & MV lamps for Line-1& 2 plants.

B. Technology Absorption:

I. The efforts made towards technology absorption

- Mines high efficiency D-water pumps installed in place of old pumps to increase pumping capacity to work in fourth bench and to reduce power consumption.

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 materials (like Iron sludge, Casting sludge & Spent Gypsum) at zero cost.
- Consuming of alternative fuels (like Spent Carbon, organic solids & organic liquid) at 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.

C. Foreign Exchange Earnings and outgo –Nil

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. <http://www.anjanacement.com/policies.html>

2. The composition of the CSR committee:

Mr. N. Venkat Raju	Non-Independent, Executive	Chairman
Mrs. V. Valliammai	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 - ₹ 43,17,60,398
4. Prescribed CSR expenditure (2% of the amount mentioned in item no. 3 above): ₹ 86,35,208
5. Details of CSR spent during the financial year:
- Total amount to be spent for the financial year - ₹ 86,35,208
 - Amount unspent if any – Nil
 - Manner in which the amount spent during the financial year is detailed as below:

₹ in Lakhs

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	19.77	19.77		19.77	Direct
2	Building of Pakka Roads	Rural Development Project	Suryapet, Telanagana	13.80	13.80		13.80	Direct
3	Water for Cultivation & preservation	Conservation of Natural Resources	Suryapet, Telanagana	44.55	44.55		44.55	Direct
4	Donation to The Gandhi Nagar Education Society	Promoting Education	Chennai, Tamil Nadu	8.85	8.85		8.85	Amount spent through : '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.

For and on Behalf of the Board of Directors

Place: Chennai
Date: June 29, 2020

Mrs. V. Valliammai
Chairperson & Director
DIN: 01197421

Form No: MR - 3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2020

[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.,
Kanakia Wall Street,
A Wing – 610, 6th Floor,
Andheri Kurla Road, Chakala,
Andheri (East),
Mumbai – 400 093.

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, 2019 to March 31, 2020 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, 2019 to March 31, 2020 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 – Not applicable;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable;
 - (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;
- (vi) The Prevention of Food Adulteration Act, 1954 and Rules made thereunder;
- (vii) Legal Metrology Act, 2009 & Legal Metrology (Packaged Commodities) Rules, 2011 read with Amendment Rules, 2017;
- (viii) The Environment (Protection) Act, 1986 and Rules thereunder;

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- (ix) The Water (Prevention & Control Of Pollution) Act, 1974 read with the Rules;
- (x) The Air (Prevention & Control of Pollution) Act, 1981 read with the Rules;
- (xi) The Factories Act, 1948 and Rules thereunder;
- (xii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (xiii) 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;
- (xiv) All other Labour, Employee and Industrial Laws to the extent applicable to the Company; and
- (xv) 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.

Place: Mumbai
Date: May 12, 2020

SHAILASHRI BHASKAR
COMPANY SECRETARY
FCS5778 CP 5092
UDIN: F005778B000259405

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

DISCLAIMER:

The attached Secretarial Audit Report (pursuant to Section 204 of the Companies Act, 2013) is furnished based on those documents provided by the Secretarial / Compliance Team of the Company i.e. ANJANI PORTLAND CEMENT LIMITED in electronic / digital form i.e. by way of scan copy provided through emails and is also based on the information and clarification provided telephonically for the quarter ended March 31, 2020. On account of Nationwide Lockdown due to COVID-19 pandemic, I have not been able to conduct the verification of the relevant physical documents for this quarter. I have therefore considered that those documents / information provided electronically by the Company are true copies of the original documents maintained by / available with the Company as confirmed

Further, certain relevant records / documents like Signed Minutes of Meetings of the Board and its Committees for the meetings held in November 2019 and January 2020; Attendance Register for this period; Entries made in the Statutory Registers during this period etc. could not be provided to us for verification as the same were lying in the Registered Office premises of the Company and the same could not be accessed on account of Nationwide Lockdown due to COVID-19 pandemic. The Management had assured us to provide the same soon after the Lockdown is lifted.

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 my 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. Wherever 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.

Place: Mumbai
Date: May 12, 2020

SHAILASHRI BHASKAR
COMPANY SECRETARY
FCS5778 CP 5092



MANAGEMENT DISCUSSION AND ANALYSIS

Indian economic review and Developments in the Industry

The Indian economy can be best described as sluggish in the year 2019-20, with under performance recorded in most of the sectors. The problems with the Indian financial sector which is the driving force behind retail consumption was the main contributor for this under performance. All this contributed to around 5% growth in the Indian economy as against 6.50% the previous year.

Despite the under performance Indian economy has grown to be the 5th largest economy in the world and still has the potential to become the 3rd largest economy that it is aspiring for by the year 2025 due to the deeply rooted ancient tradition of wealth creation imbibed in Indian civilization.

India continues to be the world's second largest cement producer though ironically the per capita cement consumption still continues to be around 50% of the world average. The Indian Cement Industry equipped with a production capacity over 500 million tonnes per annum has shown a reduction in demand of about 1% for the year 2019-20, the first time in this decade.

However the COVID-19 pandemic has given a body blow to the entire economy and its growth plans with Cement Industry being no exception to its cascading effects. In these circumstances it would be highly hazardous to forecast anything for the foreseeable future, still optimism being the foundation for success we continue to predict for the better times that would trigger the economic growth and bring India back into the reckoning to become a 5 trillion economy by 2025.

Opportunities, Threats, Risks, Concerns and Outlook

The spread of COVID-19 in India and its mitigation plan through nationwide lockdown from March, 2020 to June, 2020 and a possibility of further extension of lockdown by several State Governments, is likely to cause severe impact across various sectors of the economy and the Cement Industry is no exception. The magnitude and speed of collapse in economic activity that India has seen over the last few months is unprecedented and there is tremendous uncertainty about what the short term future holds for businesses and enterprises.

In the short term, the COVID pandemic could result in a further decline in Cement demand mainly owing to the sluggish implementation of the infrastructure proposals of the government of India and the declining real estate sector. The lower disposable income due to loss of jobs and reduction in salaries is going to be another factor of the decrease in demand for Cement.

In the long term perspective, the major driver for this growth in demand for cement industry is the Indian government's significant emphasis on infrastructure development with the aim of making 100 smart cities, expanding the capacity of our railways, upgrading 1,25,000 km of road length over the next five years and increasing the facilities for storage and handling of goods in order to reduce transportation costs. The initiative of 'Housing for All' and 'Smart Cities Mission' will be heavily reliant on the growth of the Cement Industry in coming years. We may also witness strong growth in rural housing and low-cost housing to amplify demand.

Various stimulants in the form of tax benefits, low interest etc. accorded by the Government for housing can also spur the demand for cement.

The effort of the Government to expand the capacity of Railways and ramp up its storage and handling capacities would go a long way in reducing the logistics cost of cement.

India has collaborated with Switzerland to develop low energy consumption methods of cement production which will help the Cement Industry cater to the large requirements of the Infrastructure sector at a more economical rate.

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, 2020			Year ended March 31, 2019		
	Cement	Power	Cement	Cement	Power	Cement
Segment Revenue	40,844	4,645	45,489	43,670	5,669	49,339
Less : Inter Segment Revenue	-	(4,596)	(4,596)	-	(5,592)	(5,592)
Total Revenue from Operations	40,844	49	40,893	43,670	77	43,747
Segment Result (Profit Before Tax and Interest) from each Segment	5,489	900	6,389	2,766	1,071	3,837
Less : Interest	-	-	(33)	-	-	(172)
Total Profit Before Tax	-	-	6,356	-	-	3,665

Capital Employed (Segment Assets - Segment Liabilities)	As on March 31, 2020			As on March 31, 2019		
	Cement	Power	Cement	Cement	Power	Cement
Segment Assets	31,280	7,923	39,203	27,740	8,094	35,834
Segment Liabilities	11,721	90	11,811	11,564	105	11,669

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

During the Financial Year 2019-20, the Company's production level dropped by 16% year on year to 8.30 lakhs tons.

The volume of Cement sale was 10.50 lakh tons recording a drop (negative growth) of more than 9% even though the sale of Cement in Tamil Nadu and Kerala Market manufactured through its parent company has recorded a growth of 26%. Clinker sale during the year increased to 0.57 lakhs ton.

Cement Sales Revenue dropped to ₹ 40,893 lakhs in spite of increase in cement price realization, mainly on account of drop in sales volume.

The PBT for the year, however, increased to ₹ 6,356 lakhs, recording a growth of 73% over the previous year. The factors contributed to increase in PBT were increase in Clinker Sale, increase in cement sale price realization, drop in finance costs and reduction in imported coal price.

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 278.

Details of Significant changes (i.e. 25 % or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof including -

Ratio	FY - 2019-20	FY - 2018-19	Change %	Reason for Change
Debtors Turnover	10.50	14.94	(29.70)	Due to lockdown situation during last week of financial year, collection from Debtors could not be done as expected. As a result Debtors have increased by Rs 7.89 Crore resulting in decrease the ratio.
Debtors Turnover (Days)	34.76	24.44	42.24	Due to lockdown situation during last week of financial year, collection from Debtors could not be done as expected. As a result Debtors have increased by Rs 7.89 Crore resulting in increasing in Debtors Turnover (Days).
Interest Coverage Ratio	193.61	22.31	767.87	Decrease in interest cost by optimal utilization of cash credit limit. Secondly, EBIT has increased during FY 2019-20 substantially as compared to immediately previous financial year.
Current Ratio	2.13	1.37	55.98	Company has improved its Current Ratio as the surplus fund is parked in Deposits and there was reduction in current liabilities as the year end.

Details of any change in Return on Net worth as compared to the immediately previous financial year -

The return on net worth for the financial year 2019-20 has gone up from 9.58% to 14.73% as total comprehensive income for the year increased by 73% over the same of immediately previous financial year.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Statement made above are on the basis of available data as well as certain assumptions.

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.

Corporate Governance Report

The Company's philosophy on Corporate Governance is to achieve a set of systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") as amended from time to time, compliance with the requirements of Corporate Governance is set out below:

1. A brief statement on 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. Board of Directors:

As on March 31, 2020 the Company had 6 Directors. Of the Six Directors two were Independent and Non-Executive, three Non-Independent and Non-Executive and one Executive. The Board also had two women Directors and the composition of the Board was in compliance with Regulation 17 of the SEBI Listing Regulations.

• Composition of the Board.

Name of the Director	Category
Mrs. V. Valliammai	Independent and Non-Executive, Chairperson
Mr. N. Venkat Raju	Managing Director, Executive (w.e.f. January 24, 2020)
Mr. A. Subramanian	Non-Independent, Non-Executive (w.e.f. January 19, 2020) Managing Director, Executive (till January 18, 2020)
Mr. RM Palaniappan	Independent, Non-Executive
Mr. V. Palaniappan	Non- Independent, Non-Executive
Dr. (Mrs.) S.B. Nirmalatha	Non-Independent, Non-Executive

• Six Board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

May 15, 2019, July 29, 2019, August 9, 2019, November 07, 2019, January 24, 2020 and February 10, 2020.

Necessary quorum was present for all the meetings.

- None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian Public Companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.
- The Board members are not related to each other.
- Non-Executive Directors are not entitled for any remuneration other than the sitting fee.
- None of the Directors hold any shares in the Company except Mr. V. Palaniappan who holds 201 shares prior to his appointment and necessary declaration was given at the time of his appointment.
- Information as mentioned in Part A of Schedule II of the SEBI Listing Regulations has been placed before the Board for its consideration at the meetings of the Board.
- Familiarization Programme: The Company has conducted familiarization programmes 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.anjanacement.com.
- Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and they are independent from the management.
- During the year under review, a separate meeting of the Independent Directors was held on February 10, 2020, which was attended by all the independent Directors. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson after taking into account the views of the Executive and Non-Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.
- The Company requires skills/expertise/competencies in the areas of strategy, finance, accounting, legal, marketing and regulatory matters, to efficiently carry on its core businesses. Apart from the above mentioned skills some of the Directors on the Board are professionally qualified; some have a vast and rich experience of dealing with the intricacies of the Cement Industry. Thus the Company confirms that the skills/expertise/competencies as required for efficient running of the operations of the Company are available with the Board. Detail of the same is given below:

Name of Directors	Area of Expertise
Mrs. V. Valliammai	Taxation & Auditing, Corporate Restructuring
Mr. N. Venkat Raju	Operations, Process, Quality Assurance & Administration
Mr. A. Subramanian	Management & Finance
Mr. RM Palaniappan	Management & Administration
Mr. V. Palaniappan	Accounts & Finance
Dr. (Mrs.) S.B. Nirmalatha	Legal

- The details of attendance of each Director of the Board and last AGM held during the financial year 2019-2020 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 in other public companies		No. of Committee Positions held in other public companies		Directorship in other listed entity
		Board Meetings	Last AGM	Chairman	Member	Chairman	Member	
Mrs.V. Valliammai	Independent, Non-Executive	6	Yes	-	-	-	-	-
Mr. N. Venkat Raju [§]	Non- Independent, Executive	2	No					
Mr. A. Subramanian [#]	Non-Independent, Non – Executive	6	Yes	-	-	-	-	-
Mr. V. Subramanian*	Independent, Non-Executive	1	No	-	-	-	-	-
Mr. P. Gopal*	Independent, Non-Executive	1	No	-	-	-	-	-
Mr. RM Palaniappan**	Independent, Non-Executive	5	Yes	-	-	-	-	-
Mr. V. Palaniappan**	Non-Independent, Non-Executive	5	No	-	-	-	-	-
Dr. (Mrs) S.B. Nirmalatha	Non-Independent, Non-Executive	5	No	-	-	-	-	-

*Mr. V. Subramanian and Mr. P. Gopal resigned as Directors from the Board w.e.f. May 15, 2019.

**Mr. RM. Palaniappan and Mr. V. Palaniappan appointed as Directors on the Board w.e.f. May 16, 2019.

Mr. A. Subramanian held office as Managing Director upto January 18, 2020 till expiry of his term and effective from January 19, 2020 he continued as Non-Executive Director.

§ Mr. N. Venkat Raju appointed as Additional and Managing Director on the Board effective from January 24, 2020.

3. Committees of the Board

As on March 31, 2020 the Board had four committees, the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.

3.1. Audit Committee:

- The Audit Committee consists of 3 directors as on March 31, 2020.

Details of the composition of Audit Committee and attendance of the members during the financial year 2019-20 is as under:

Name	Category	Position	No of Meetings Attended
Mrs. V. Valliammai	Independent, Non-Executive	Chairperson	6
Mr. N. Venkat Raju	Executive, Managing Director	Member	1
Mr. RM Palaniappan	Independent, Non-Executive	Member	3
Mr. A. Subramanian	Executive, Managing Director (upto 18.01.2020)	Member	5
Mr. P. Gopal (upto 15.05.2019)	Independent, Non-Executive	Member	3

- The Audit Committee met six times during the year on April 02, 2019, May 15, 2019 (2 meetings), August 09, 2019, November 07, 2019 and February 10, 2020.
- The quorum for the Audit Committee Meetings is either two members or one third of the members of the Committee, whichever is higher, with two independent members being present. Quorum was present for all the meetings during the year.
- The Committee was re-constituted during the year due to change in directors.

- Terms of Reference of the Audit Committee
 - Oversight of 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.
 - Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor, internal auditor and cost auditor and fixation of their fees.
 - Reviewing with management, the quarterly financial results before submission to the board for approval.
 - Reviewing with the management, the annual financial statements before submission to the board for approval.
 - Reviewing with the management, performance of Statutory and Internal Auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function including reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors regarding any significant findings and follow up thereon.
 - 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.
 - To review the Risk Assessment and Management measures.
 - Scrutiny of inter-corporate Loan & Advances.
 - Reviewing of Financial Statements of the Subsidiaries and Investments made by them.
 - Reviewing of Management Discussion and Analysis of Financial condition and Results of Operations.
 - Reviewing the function of whistle blower mechanism.
 - Reviewing of statements of significant related party transactions.
 - Reviewing of Internal Audit Reports relating to Internal Control Weaknesses.
 - Any other items considered appropriate or necessary to have effective oversight of financial reporting.

Further, Ms. Anu Nair, Company Secretary and Compliance Officer resigned effective from October 12, 2019. Mr. M.L. Kumavat, CFO of the Company was appointed as Compliance Officer from November 07, 2019 till March 31, 2020.

3.2 Nomination and Remuneration Committee (NRC):

- The Nomination and Remuneration Committee consists of 3 directors as on March 31, 2020. The Nomination and Remuneration met four times during the year on April 02, 2019, May 15, 2019, January 24, 2020 and February 10, 2020. The quorum for the Committee Meetings is either two members or one third of the members of the Committee, whichever is higher. The Committee was re-constituted during the year due to change in directors. The Constitution of committee and particulars of the attendance of the members during the financial year 2019-20 is as under:

Name	Category	Position	No of Meetings Attended
Mr. RM Palaniappan	Independent, Non-Executive	Chairman	2
Dr. (Mrs.) S.B. Nirmalatha	Non-Independent, Non-Executive	Member	3
Mrs. V. Valliammai	Independent, Non-Executive	Member	2
Mr. V. Subramanian (upto 15.05.2019)	Independent, Non-Executive	Member	2
Mr. P. Gopal (upto 15.05.2019)	Independent, Non-Executive	Chairman	2

- Terms of Reference of the Nomination and Remuneration Committee:
 - To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
 - Formulate criteria for evaluation of Independent Directors and the Board.
 - Identify persons who are qualified to become Directors or who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
 - To carry out evaluation of every Director's performance.
 - To recommend to the Board the appointment and removal of Directors and Senior Management.
 - To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- Ensure the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Nomination and Remuneration policy of the Company is available on the following weblink http://www.anjanacement.com/investor/corporategovernance/Nomination_Remuneration_Policy1.pdf.

- **Performance evaluation criteria for Independent Directors:**

The Company has laid down evaluation criteria separately for evaluating 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.

- **Remuneration of Directors**

The Non-Executive Directors are paid sitting fees for meetings of the Board. 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".

The Company does not have any Stock Option Scheme. In the case of Managing Director, notice period is two months. No Severance fee payable to Managing Directors except the notice period.

3.3. Stakeholders Relationship Committee (SRC):

- The Stakeholders Relationship Committee consists of 3 directors as on March 31, 2020. The SRC Committee met 4 times during the year on May 15, 2019, August 09, 2019, November 07, 2019 and February 10, 2020. The quorum for the Committee Meetings is either two members or one third of the members of the Committee, whichever is higher.
- The Committee was re-constituted during the year due to change in directors and particulars of members of the committee and their attendance during the financial 2019-20 is as under:

Name	Category	Position	No of Meetings Attended
Mrs. V. Valliammai	Independent, Non-Executive	Chairperson	3
Mr. A. Subramanian	Non-Independent, Non-Executive	Member	3
Mr. N. Venkat Raju	Non-Independent, Executive	Member	1
Mr. V. Palaniappan	Non-Independent, Non-Executive	Member	3
Mr. P. Gopal (upto 15.05.2019)	Independent, Non-Executive	Chairman	1
Mr. V. Subramanian (upto 15.05.2019)	Independent, Non-Executive	Member	1

Further, Ms. Anu Nair, Company Secretary and Compliance Officer resigned effective from October 12, 2019. Mr. M.L. Kumavat, CFO of the Company was appointed as Compliance Officer from November 07, 2019 till March 31, 2020.

Shareholder's grievances status: The details of the complaints / grievances received and resolved during the financial year 2019-20 is as under:

Opening Balance	Received during the year 2019-20	Resolved during the Year 2019-20	Closing Balance
Nil	43	43	Nil

3.4 Corporate Social Responsibility Committee:

- Our Corporate Social Responsibility Committee consists of 3 directors as on March 31, 2020. The CSR Committee met 3 times during the year on May 15, 2019, November 07, 2019 and February 10, 2020.

- The Committee was re-constituted during the year due to change in directors and particulars of members of the committee and their attendance during the financial 2019-20 is as under:

Name	Category	Position	No of Meetings Attended
Mr. N. Venkat Raju	Executive, Managing Director	Chairman	1
Dr(Mrs) S.B. Nirmalatha	Non-Independent, Non-Executive	Member	3
Mrs.V. Valliammai	Independent, Non-Executive	Member	2
Mr. A. Subramanian	Executive, Managing Director (upto 18.01.2020)	Chairman	2
Mr. V. Subramanian (upto 15.05.2019)	Independent, Non-Executive	Member	1

- The Corporate Social Responsibility policy is available in the investor section on the Company's website at <http://www.anjanacement.com>.

4. General Body Meetings:

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2016 -2017	Mysore Association Hall, 393, BhauDaji Road, Matunga East, Mumbai – 400019.	September 8,2017	10.00 a.m.
2017 -2018	Mysore Association Hall, 393, BhauDaji Road, Matunga East, Mumbai – 400019.	September 7,2018	10.00 a.m.
2018 – 2019	Hotel Kohinoor Continental, Ruby Hall, Andheri - Kurla Rd, J B Nagar, Andheri East, Mumbai - 400059.	August 28, 2019	10.00 a.m.

- No special Resolutions were passed during the Financial Years 2016-17, 2017-18 and 2018-19.
- No Resolutions was passed through Postal Ballot during the Financial Years 2019-20.

5. Means of Communication:

The Company's website, serves to inform the shareholders, by giving complete financial details, shareholding Pattern, information relating to Stock Exchange, Registrar & Share Transfer Agents, and list of shareholders who have not claimed their dividend, 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 at www.anjanacement.com. 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 Business Standard (English) and in Nav-Shakthi (Marathi), they are also displayed on the official website of the Company (www.anjanacement.com) under Investor section.

6. General Shareholder Information:

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

• Annual General Meeting

The Thirty Sixth Annual General Meeting ("the AGM") of the Company will be held on Friday, August 21, 2020, at 12.00 noon through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

• Financial Year

April 1, 2019 to March 31, 2020.

• Dates of Book Closure

The Register of Members and share transfer will remain closed from Saturday, August 15, 2020 to Friday, August 21, 2020 (both days inclusive).

• Dividend Payment Date

The Board of Directors have recommended, a dividend of ₹ 5/- per equity share for the Financial Year ended March 31, 2020 which is payable on obtaining the Shareholders' approval at the Thirty Sixth Annual General Meeting. The dividend, if approved, shall be paid within the time prescribed in the Companies Act, 2013.

- **Listing on Stock Exchange**

The Company's equity shares are listed on the following Stock Exchanges as on March 31, 2020.

- BSE Limited (Bombay Stock Exchange), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. (Scrip Code : 518091)
- NSE Limited (National Stock Exchange of India), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400051. (Scrip Code: APCL).

Listing fees for the Financial Year 2019-20 has been paid to both NSE and BSE Limited within the stipulated time.

- **Registrar and Share Transfer Agents**

KFin Technologies Pvt. Ltd., Karvy Selenium Tower B, Plot No.31-32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad-500032.

- **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.

- **Shareholder Statistics and Distribution of Shareholdings as on March 31, 2020 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	1,988	4,403	3,05,508	5,62,195	1.21	2.23
501 - 1000	51	370	41,662	2,83,998	0.16	1.12
1001 - 2000	13	199	19,600	2,97,698	0.08	1.18
2001 - 3000	7	63	18,600	1,57,700	0.07	0.62
3001 - 4000	2	25	6,700	90,927	0.03	0.36
4001 - 5000	2	23	10,000	1,04,687	0.04	0.41
5001 - 10000	4	56	35,400	4,09,095	0.14	1.62
10001 & above	6	29	1,12,710	2,28,29,216	0.45	90.28
Total	2,073	5,168	5,50,180	2,47,35,516	2.18	97.82
Grand Total (A+B)	7,241		2,52,85,696		100.00	

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	46,62,704	18.44
Bodies Corporate	10,18,648	4.03
IEPF	4,23,833	1.68
HUF	1,19,721	0.47
Mutual Fund	27,800	0.11
Non Resident Indians	45,912	0.18
Clearing Members	6,069	0.02
Banks	5,200	0.02
Non Resident Indian Non Repatriable	11,498	0.05
Indian Financial Institution	41	0.00
Total	2,52,85,696	100.00

- **The Monthly high and low share quotations of your company during the Financial year 2019-20 as traded on the BSE Limited and NSE of India Limited are given below:**

Month	BSE Limited		NSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	155.95	121.75	160.00	120.00
May, 2019	192.00	108.55	192.70	122.25
June, 2019	190.00	153.20	189.95	155.55
July, 2019	171.00	143.00	174.00	148.10
August, 2019	167.95	135.30	168.50	135.00
September, 2019	156.00	137.50	156.70	135.35
October, 2019	154.60	128.05	153.00	136.70
November, 2019	166.00	140.20	166.70	142.55
December, 2019	151.10	138.00	155.95	137.15
January, 2020	171.00	143.65	171.80	143.10
February, 2020	173.00	118.00	165.95	135.30
March, 2020	144.80	82.25	148.00	83.50

- **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:

	April 1, 2019	March 31, 2020	% Change
Company Share Price (closing)	129.73	94.30	-27.31
SENSEX (closing)	38871.87	29468.49	- 24.19

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

	April 1, 2019	March 31, 2020	% Change
Company Share Price (closing)	120.00	91.80	- 23.50
NSE Nifty (closing)	11669.15	8597.75	- 26.32

- **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 shareholders. 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"

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

As on date the Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

- **Commodity Price Risk or Foreign Exchange Risk and Hedging activities – Not applicable**

- **Plant Location**

Chintalapalem Village & Mandal, Suryapet District, Telangana State – 508246.

- **Address for Correspondence**

The Company Secretary

Anjani Portland Cement Limited,
A-610, Kanakia Wall Street, 6th Floor, Andheri Kurla Road,
Chakala Junction, Andheri (East), Mumbai – 400093.
Phone No. 022 - 62396051

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 at the address given below:

KFin Technologies Pvt. Ltd.,
Kary Selenium Tower B, Plot No.31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500032.
Phone No(s) : 040-67161605

- **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments or any fixed deposit program or any scheme or proposal involving mobilization of funds, whether in India or abroad – Not Applicable**

7. **Other Disclosures:**

➤ **Disclosure regarding materially significant related party transactions:**

There were no materially significant related party transactions that had a potential conflict with the interest of the Company. The Company has adopted a Related Party Transaction Policy and it is available on its website <http://www.anjanicement.com/investor/corporategovernance/Related%20Party%20Transaction%20%20Policy.pdf>

➤ **Disclosure of non-compliances 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 last 3 years.

➤ **Details of establishment of vigil mechanism whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

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 at www.anjanicement.com and the Company confirms that no personnel has been denied access to the Audit Committee.

- Policy for determining Material Subsidiary – Not Applicable.
- Related party transaction policy is available on www.anjanacement.com.
- During the year the Board has accepted all the recommendations of its committees.
- The Company has complied with all the mandatory requirements of Regulations 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: Corporate Governance of the SEBI Listing Regulations have been adopted by the Company.
- The Company has moved towards a regime of financial statements with unmodified audit opinion.
- The Company has appointed separate persons to the posts of Chairperson and Managing Director.
- The internal auditor is free to report directly to the Audit committee.
- Total fees for all services paid by the listed entity and its subsidiaries on a consolidated basis to the Statutory Auditor and all entities in the firm/network entity of which the Statutory Auditor is a part.

(₹ in lakhs)

Payment to Statutory Auditors	₹ 7.00 (Statutory Audit and Limited Review Fee)
Other Services	₹ 2.75 (Tax Audit and GST Audit Fee)
Reimbursement of expenses	₹ 0.74

- Disclosures in relation to the sexual harassment of women at workplace.
- | | |
|--|---|
| Number of Complaint's filed during the financial year | 0 |
| Number of Complaint's disposed during the financial year | 0 |
| Number of Complaint's pending at the end of the financial year | 0 |
- There are no shares of the Company lying in the demat suspense account or unclaimed suspense account.

Unclaimed Dividend

The following table shows the details of Dividend relating to financial years 2016-2017 to 2018-19 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 encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2016-17 and onwards are requested to make their claim without any delay to KFIN Technologies Private Limited.

Financial Year	Date of Declaration	Dividend (%)	Due date of Transfer to IEPF
2016-17 (Interim)	14-09-2016	10	19-10-2023
2016-17 (Final)	08-09-2017	10	12-10-2024
2017-18	07-09-2018	20	11-10-2025
2018-19	28-08-2019	25	03-10-2026

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 2019-20.

The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority by following the procedure as given under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The Company has appointed Mr. Rohit Taparia as Nodal Officer and Mr. A. Venkateswara Rao as Deputy Nodal Officer under the provisions of IEPF.

Declaration on Code of Conduct

I, N. Venkat Raju, 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, 2020 as envisaged in Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Chennai
Date : June 29, 2020

N. Venkat Raju
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Anjani Portland Cement Ltd.,
Kanakia Wall Street,
A Wing, Unit No: 610, 6th Floor,
Andheri Kurla Road, Andheri (East),
Mumbai – 400 093.

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Anjani Portland Cement Limited having CIN L26942MH1983PLC265166 and having registered office at Kanakia Wall Street, A Wing, Unit No: 610, 6th Floor, Andheri Kurla Road, Andheri (East), Mumbai – 400 093 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of the Director	DIN Number	Date of Appointment in the Company
1	Mrs. V. Valliammai	01197421	25.05.2017
2	Mr. A. Subramanian	06693209	19.01.2015
3	Dr. (Mrs.) S. B. Nirmalatha	03092392	10.02.2015
4	Mr. RM Palaniappan	00143198	16.05.2019
5	Mr. V. Palaniappan	00645994	16.05.2019
6	Mr. N. Venkat Raju	08672963	24.01.2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: June 05, 2020

Signature:
Name: Shailashri Bhaskar
Membership No: F5778
CP No: 5092
UDIN: F005778B000318585

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CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Anjani Portland Cement Ltd.,
Kanakia Wall Street,
A Wing, Unit No: 610, 6th Floor,
Andheri Kurla Road,
Andheri (East),
Mumbai – 400 093.

I have examined the compliance of conditions of Corporate Governance by Anjani Portland Cement Limited for the year ended 31st March, 2020, 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 the Management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable.

I 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.

Place: Mumbai
Date: June 05, 2020

SHAILASHRI BHASKAR
COMPANY SECRETARY
FCS: 5778; PCS : 5092
UDIN: F005778B000318607

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number	L26942MH1983PLC265166			
2	Name of the Company	Anjani Portland Cement Limited			
3	Registered Office Address	A-610 Kanakia Wall Street, 6 th Floor Andheri-Kurla Road, Chakala Junction, Andheri (East), Mumbai – 400 093.			
4	Website	www.anjanicement.com			
5	E-mail id	secretarial@anjanicement.com			
6	Financial Year reported	April 01, 2019 to March 31, 2020			
7	Sector(s) that the company is engaged in (Industrial activity code-wise)	Group	Class	Sub Class	Description
239		2394	23941	Manufacture of Clinker & Cement	
239		2394	23942		
8	List three key products or services that the company manufactures or provides (as in Balance Sheet)	1. Ordinary Portland Cement , Portland Pozollana Cement and Composite Cement 2. Generation of Power for Captive Consumption			
9	Total number of locations where business activity is undertaken by the company	I. International locations – Nil II. National Locations – one integrated cement unit, registered office, corporate office and zonal marketing offices			
10	Markets served by the Company	Local	State	National	International
		Yes	Yes	Yes	No

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid Up Capital (INR)	₹ 25.29 Cr.
2	Total Turnover (INR)	₹ 412.88 Cr.
3	Total Profit after Taxes (INR)	₹ 40.35 Cr.
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	The company has spent ₹ 86.96 Lacs during the Financial Year 2019-20, which amounts to 2.01% of the average net profit of the preceding 3 financial years.
5	List of activities in which expenditure in 4 above has been incurred	1. Promoting Education 2. Rural Development (Building of pakka Road) 3. Conservation of Natural Resources (Water for Cultivation and preservation)

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies ?
 - The Company has no Subsidiary Company/ Companies.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company ? If yes, then indicate the number of such subsidiary company(s) ?
 - This is not applicable as the Company has no Subsidiary Company/ Companies.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]
 - Yes. Less than 30%.

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR policy/policies :

DIN Number	01197421
Name	Mrs. V. Valliammai
Designation	Independent Director & Chairperson

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	08672963
2	Name	Mr. N. Venkat Raju
3	Designation	Managing Director
4	Telephone number	08683230164
5	e-mail id	nvr@anjanacement.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N) :

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y This is covered under sustainable development policy of the Company.	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR Policies & other various HR practices.	Y	-	Y	-
2	Has the policy being formulated in consultation with the relevant stakeholders ?	Y	Y	Y	Y	Y	Y	-	Y	-
3	Does the policy conform to any national / international standards ? If yes, specify ? (50 words)	Company has adopted various standards specified by the International Organization for Standardization (ISO). These are- ISO 9001:2015 for quality management systems, ISO 14001: 2015 for environment management systems BS OHSAS 45001:2018 for Occupational Health and Safety. Bureau of Indian Standards (BIS).								
4	Has the policy been approved by the Board ? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director ?	Y	Y	Y	Y	Y	Y	-	Y	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy ? Indicate the link for the policy to be viewed online ?	Y	Y Reviewed by CSR committee only	Y	Y	Y	Y	-	Y	-
6	Has the policy been formally communicated to all relevant internal and external stakeholders ?	Y	Y	Y	Y	Y	Y	-	Y	-

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Indicate the link to view the policy online	www.anjanicement.com **								
8	Does the company have in-house structure to implement the policy/policies ?	Y	Y	Y	Y	Y	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies ?	Y	Y	Y	Y	Y	Y	-	Y	-
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency ?	No. Business Responsibility Report became applicable for the first time to the Company from F.Y. 2019-20 reporting year.								

** Principle wise policy link mentioned below.

Principle	Name of the Policy	Link
P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Vigil Mechanism Policy or Whistle Blower Policy	http://www.anjanicement.com/policies.html
P3- Businesses should promote the wellbeing of all employees.	Code of Conduct and HR Policies	http://www.anjanicement.com/policies.html
P4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	CSR Policy / Stakeholders Engagement Policy	http://www.anjanicement.com/policies.html
P6- Businesses should respect, protect, and make efforts to restore the environment.	Environment Health and Safety Policy	http://www.anjanicement.com/EnvironmentalCommitment.html
P8- Businesses should support inclusive growth and equitable development.	CSR Policy	http://www.anjanicement.com/policies.html

(b) if answer to the question at serial number (a) against any principle, is 'no', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	--	--	--	--	--	--	--	--	--
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next 6 months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within the next 1 year	--	--	--	--	--	--	--	--	--

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Any other reason (please specify)	--	--	--	--	--	--	The Company has a track record of pioneering achievements, long experience and leadership position in the relevant market. However, no need for a formal policy has been felt.	--	The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has customer complaint redressal system.

(3) **Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:
- Business Responsibility Report became applicable for the first time to the Company for the F.Y. 2019-20. The BR Performance is proposed to be reviewed annually.
- (b) Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report ? How frequently it is published ? –
- The Business Responsibility Report is applicable for the first time to the Company and is part of the Annual Report. The BR Report is also available on the Company's website www.anjanicement.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: *Businesses should conduct and govern themselves with ethics, transparency and accountability*

1. **Does the policy relating to ethics, bribery and corruption cover only the company ? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others ?**
 - The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. The Company, in order to maintain these standards has adopted a Code of Conduct which lays down the principles and standards that govern the actions of its Employees in the course of conduct of business of the Company. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company. Although the Code is applicable to our employees, we also encourage our suppliers and business partners to follow the Code of Conduct.

The Company has a 'Whistle blower policy' which covers serious concerns that could have an impact on the operations and performance of the Company. The Whistle Blower has access to the Chairman of the Audit Committee in exceptional cases. The Policy also protects the whistle blower from being victimized.
2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management ? If so, provide details thereof, in about 50 words or so.**
 - The Complaints received from the shareholders of the Company during the F.Y. 2019-20 were 43 and same has been resolved in time. Apart from this no complaints were received during the Financial Year 2019-20.

Principle 2 : *Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle*

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
 - Company has two lines of business viz. manufacturing of cement and generation of power. Further, Company understands its obligations towards environmental concerns and accordingly, its manufacturing process is devised in such a manner so as to take care of its obligations. The Company has adopted the best techniques in its manufacturing process of cement (product) by using its resources optimally and leaving minimal footprints. The company's efforts in addressing these concerns include the following:
 - a. Alternate fuels like industrial waste were used in place of indigenous / imported coal to substitute coal to an extent 10.57% of thermal energy requirement in the plan

- b. Consuming of fly ash in finished product.
 - c. Consuming of granulated slag in finished product
 - d. Installation of Captive Power Plant of 16 MW. Continual improvement in efficiency to bring down heat rate & auxiliary power consumption in the power plant.
2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain ?

Resources	Units of measurement	Per unit Consumption	
		2018-19	2019-20
Electricity	Kwh/ton of cement	88.06KWH/T	85.64KWH/T
Fuel	Kcal/kg of Clinker	799	798

- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?
- Not Applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation) ? If yes, what percentage of your inputs was sourced sustainably ? Also, provide details thereof, in about 50 words or so.**

- Company is seeking to engage in long-term relationships with its suppliers and the criteria used to source its suppliers is sustainability, resource efficiency, product quality, environment impact etc. Limestone being the main raw material is extracted from its limestone mines using latest mining techniques which optimizes cost and reduces wastage. Further for other raw materials like fly ash and gypsum, the company has long term arrangement to procure them. The company has also installed a captive power plant for its power consumption.

The Company engages transporters based on the age of their vehicle and company insists that the vehicles have adequate pollution control certificates and the drivers carry valid driving licenses etc.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work ? If yes, what steps have been taken to improve their capacity and capability of local and small vendors ?**

- Company procures goods and services from local and small producers surrounding the plant location wherever feasible. Company's Contractors who supply the labour force for the factory mostly employ workmen from the nearby villages. The Company trains its work force on safety aspects. The Company also endeavors to create jobs for the local communities.

5. **Does the company have a mechanism to recycle products and waste ? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

- Company's products i.e. Cement and Power are not meant for recycling as cement is used in construction and has a long life span. Power is consumed immediately. Fly ash, the solid waste generated from the captive power plant is also used in Portland Pozzolane Cement (PPC) Production. Granulated Slag, a waste product is also used in the finished product. The waste water generated from our plant is recycled and used for gardening, horticulture etc., in our factory.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees.**

The total number of employees as on March 31, 2020 was 278.

2. **Please indicate the total number of employees hired on temporary / contractual / casual basis.**

The total number of temporary / contractual/casual basis as on March 31, 2020 were 257.

3. **Please indicate total number of permanent women employees**

The total number of permanent women employees as on March 31, 2020 was 1.

4. **Please indicate the total number of permanent employees with disabilities**

The total number of permanent employees with disabilities as on March 31, 2020 was Nil.

5. **Do you have any an employee association that is recognised by the management ?**

Yes. The Company has recognised trade unions.

6. What percentage of your permanent employees is members of this recognised employee associations ?

24.10% of the total permanent employees are members of the above trade unions.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year:

Sl. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year ?

Type of Employee	Total Number as on March 31, 2020	Training imparted to number of persons during the year	% Training
Permanent Employees	277	165	60%
Permanent Women Employees	1	0	--
Casual / Temporary/ Contractual Employees	257	196	76%
Employees with Disabilities	--	--	--

Company provides equal opportunity to all irrespective of gender, religion, caste, colour and does not discriminate based on any other factor.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- Has the company mapped its internal and external stakeholders ? Yes / No
 - Yes.
- Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders ?
 - The Company is taking initiatives to engage with the disadvantaged, vulnerable and marginalised stakeholders and considers the lower strata of the local communities around its manufacturing unit and its workers / contractors as disadvantaged and marginalised.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. if so, provide details thereon in about 50 words or so
 - The Company through its Corporate Social Responsibility initiatives is mainly targeting the area of education and development of infrastructure in the rural areas around its cement plant. The Company has been carrying out various social welfare activities such as providing drinking water, financial assistance to poor and needy, medical camps and laying of external roads and bore-wells at neighbouring villages near to the Cement Plant. The Company has also constructed Smt. Sita Memorial School near the factory for the children of employees and neighboring villages and the children are being happily educated from pre-primary to class X.

Principle 5: Businesses should respect and promote human rights

- Does the policy of the company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others ?
 - All aspects of the human right are in-built under the code of Business Conduct as well in various human resource practices/policies.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management ?
 - We have not received any stakeholder complaints during the last financial year.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others
 - The policy on environment is applicable and admissible within the Company to the maximum extent possible. Our Company encourages its business partners to follow the policy.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc ? Y/N. If yes, please give hyperlink for webpage etc**
 - Yes. The Company has always been proactive in measuring & reporting its carbon emissions. Our Company has consistently implemented various new initiatives and innovations to reduce its emissions from its value chain and will continue to adopt strategies to address global warming and ensure a low carbon growth path for our operations. The company's website also contains information on our sustainability endeavours at <http://www.anjanicement.com/sustainabledevelopment>.
3. **Does the company identify and assess potential environmental risks ? Y/N**
 - Yes. The company identifies and assesses potential environmental risks.
4. **Does the Company have any project related to Clean Development Mechanism ? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed ?**
 - No.
5. **Has the Company undertaken any other initiatives on Clean Technology, energy Efficiency, renewable Energy, etc. Y/N. If yes, please give hyperlink for webpage etc.**
 - Yes. The Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy etc. The details of these initiatives are covered in the Director Report.
6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial years being reported ?**
 - The emissions / waste generated by the Company were within the permissible limits set by CPCB/SPCB for the relevant financial year. The Company ensures the submission of reports on the emission levels to CPCB/ SPCB at regular intervals.
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
 - No such cases are pending at the end of the financial year 2019-20.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association ? If Yes, Name only those major ones that your business deals with**
 - Yes, Company is member of the following chamber or association:
 - i. Bureau of Energy Efficiency (BEE)
 - ii. Confederation of Indian Industries (CII)
 - iii. National Council for Cement and Building Materials (NCCBM)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good ? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
 - The objective of these associations is to promote energy efficiency, environmentally sustainable business mechanisms etc. which in-turn contributes to the greater public good. So the company is a partner to those objectives being a member of these associations.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8 ? If yes details thereof**
 - Yes. The Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII of the Companies Act, 2013. A Board constituted committee to oversee the implementation of the various activities and programs of the Company. The details of the various CSR initiatives of the company are given below:
 - a. **Literacy and Education for the community-**
The Company is contributing to Gandhi Nagar Education Society which is running a school for the differently abled children by the name "Chettinad Srihari Vikasam" and thus enabling such children to bring out their best abilities. The donation by the company is used for promoting education to the differently abled children through Chettinad Srihari Vikasam School in Tamil Nadu. Also Company is contributing to Smt. Sita Memorial School for promoting children of the village where the plant is situated in Suryapeth, Telangana.

- b. **Road Work** – Company is undertaking rural development activities by making pakka roads in various village in the Suryapeth District of Telangana.
 - c. **Preservation of Water** - The Company is preserving and conserving water pumped from the mine activity and rout to the village for agriculture, drinking purpose etc.
2. **Are the Programmes / projects undertaken through in-house team / own foundation / external NGO/ government structures / any other organisation ?**
 - The programmes are undertaken through the in-house team as well as an external agency like the Gandhi Nagar Education Society.
 3. **Have you done any impact assessment of your initiative ?**
 - Impact assessment is conducted on a regular basis and based on the assessment, the Company decides upon appropriate intervention to be undertaken.
 4. **What is your Company’s direct contribution to community development projects – Amount in INR and the details of the projects undertaken ?**
 - The Company has spent an amount of ₹ 86.96 lacs on various CSR activities during the year 2019-20. The details of the amount incurred and areas covered is given in the Annual Report under the head “Annual Report on CSR Activities.”
 5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community ? Please explain in 50 words or so.**
 - The Company involves with the local community around the plant to understand their concerns and CSR initiatives are carried out as a need based approach and in consultation with the local community so that the activities are adopted by them.

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year ?**
 - There are no customer complaints / consumer cases pending as at the end of the financial year 2019-20.
2. **Does the Company display product information on the product label, over and above what is mandated as per local laws ?**
 - No, the Company only displays information as mandated by local laws.
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**
 - No. There is no case filed by any stakeholder against the Company regarding unfair trade practice, irresponsible advertising and / or anti-competitive behaviour during the last 5 years and pending as at the end of the financial year 2019-20.
4. **Did your company carry out any consumer survey / consumer satisfaction trends ?**
 - Consumer satisfaction surveys are carried out on a continuous basis to gauge the customer sentiments and the feedback ensures that the Company takes appropriate steps to increase customer satisfaction.

Independent Auditor's Report

To

The Members of Anjani Portland Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Anjani Portland Cement Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 38 to the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors Report and Corporate Governance Report but does not include the financial statements and our auditor's report thereon. The Directors Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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When we read the Directors report and Corporate Governance Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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-A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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 in its financial statements (Refer note 38);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

C. Kameshwar Rao
Partner
Membership No.024363
UDIN: 20024363AAAABP5761

Place : Chennai

Date : 29.06.2020

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Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 2020 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.

Auditor’s 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”) issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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 2020, 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
UDIN: 20024363AAAABP5761

Place : Chennai

Date : 29.06.2020



Annexure “B” to the Independent Auditor’s Report

With reference to Paragraph 2 under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company, we report that:

- 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- 1.2 According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment 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, customs duty, cess, goods and service 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, goods and service tax or cess as at 31st March, 2020 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	2006 to 2010	CESTAT, Bangalore remanded back to Commissioner, Hyderabad.
Customs Act, 1962	Customs Duty	97	July, Oct & Nov 2012	CESTAT, Bangalore
Customs Act, 1962	Customs Duty	24	Nov 2013 & Jan 2014	Commissioner of Customs (Appeals), Visakhapatnam
Customs Act, 1962	Customs Duty	9	Mar 2012	Commissioner of Customs (Appeals), Visakhapatnam
Income Tax Act, 1961	Income Tax	116	2013-14	Income Tax Appellate Tribunal, Hyderabad.
Income Tax Act, 1961	Income Tax	102	2007-08	High Court for the state of Telangana, Hyderabad
Income Tax Act, 1961	Income Tax	194	2008-09	High Court for the state of Telangana, Hyderabad

- 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 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(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
UDIN: 20024363AAAABP5761

Place : Chennai

Date : 29.06.2020

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Balance Sheet

All amounts in INR Lakhs unless otherwise stated

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	2	21,913	22,994
Right-of-use Assets	42	203	-
Capital work in progress	3	33	555
Other intangible assets	2	1	3
Financial assets			
i. Other financial assets	4	198	169
Other non-current assets	5	365	274
Total non-current assets		22,713	23,995
Current assets			
Inventories	6	3,996	3,654
Financial assets			
i. Trade receivables	7	4,289	3,500
ii. Cash and cash equivalents	8	283	1,305
iii. Bank Balances other than (ii) above	9	6,256	1,250
iv. Loans	10	1	-
v. Other financial assets	4	922	787
Other current assets	11	743	1,343
Total current assets		16,490	11,839
Total Assets		39,203	35,834
Equity and liabilities			
Equity			
Equity share capital	12	2,529	2,529
Other equity	13	24,863	21,636
Total equity		27,392	24,165
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	42	167	-
ii. Other financial liabilities	14	8	7
Provisions	15	109	317
Deferred tax liabilities (net)	16	3,787	2,660
Government grants	17	26	33
Total non-current liabilities		4,097	3,017
Current liabilities			
Financial liabilities			
i. Borrowings	18	-	-
ii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	19	160	167
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,857	3,139
iii. Lease liabilities	42	42	-
iv. Other financial liabilities	20	2,973	3,133
Provisions	15	28	86
Government grants	17	7	7
Other current liabilities	21	1,427	1,987
Current tax liabilities (net)	22	220	133
Total current liabilities		7,714	8,652
Total liabilities		11,811	11,669
Total equity and liabilities		39,203	35,834
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 : 024363

For and on behalf of the Board

N Venkat Raju

Managing Director
(DIN: 08672963)

S. B. Nirmalatha

Director
(DIN 03092392)

V. Valliammai

Director
(DIN: 01197421)

V Palaniappan

Director
(DIN: 00645994)

A. Subramanian

Director
(DIN 06693209)

R M Palanippan

Director
(DIN: 00143198)

M. L. Kumavat

Chief Financial Officer

Rohit Taparia

Company Secretary
M. No. 35756

Place: Chennai
Date : 29-06-2020

Statement of Profit and Loss

All amounts in INR Lakhs unless otherwise stated

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	23	40,893	43,747
Other income	24	395	112
Total income		41,288	43,859
Expenses			
Cost of material consumed	25	3,704	4,334
Purchase of stock-in-trade		6,100	4,968
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	130	(79)
Employee benefits expense	27	2,239	1,976
Finance costs	28	33	172
Depreciation and amortisation expense	29	2,004	1,913
Power and fuel	30	10,342	12,908
Freight and forwarding expense		6,958	9,646
Other expenses	31	3,422	4,356
Total expenses		34,932	40,194
Profit before tax		6,356	3,665
Tax expenses			
Current Tax	32	2,369	1,419
Deferred tax		(48)	(70)
Total tax expense		2,321	1,349
Profit for the year		4,035	2,316
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		(70)	(21)
Income tax relating to these items		24	7
Other comprehensive income for the year, net of tax		(46)	(14)
Total comprehensive income for the year		3,989	2,302
Earnings per equity share (Face Value of Rs 10/- each) :			
Basic earnings per share in Rupees	41	15.96	9.16
Diluted earnings per share in Rupees		15.96	9.16
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 : 024363

Place: Chennai
Date : 29-06-2020

For and on behalf of the Board

N Venkat Raju
Managing Director
(DIN: 08672963)

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Rohit Taparia
Company Secretary
M. No. 35756

A. Subramanian
Director
(DIN 06693209)

R M Palanippan
Director
(DIN: 00143198)

Statement of Cash Flows

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	6,356	3,665
<i>Adjustments for</i>		
Depreciation and amortisation expense	2,004	1,913
(Gain)/loss on disposal of property, plant and equipment	1	(14)
Provisions for bad debts	9	8
Bad debts written off	-	2
Amortisation of government grants	(7)	(7)
Amortisation of interest on rental deposit	2	2
Interest income on rental deposit	(3)	(3)
Finance costs	33	172
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(798)	(1,152)
(Increase)/Decrease in inventories	(342)	(525)
Increase/(Decrease) in trade payables	(289)	977
(Increase)/Decrease in other financial assets	(158)	(694)
(Increase)/decrease in other current assets	600	1,369
(Increase)/decrease in other non-current assets	-	(23)
Increase/(Decrease) in employee benefit obligations	(336)	57
Increase/(Decrease) in financial liabilities	(159)	450
Increase/(Decrease) in other current liabilities	(618)	(404)
Cash generated from operations	6,295	5,793
Income taxes paid	(1,011)	(638)
Net cash inflow from operating activities	5,284	5,155
Cash flows from investing activities		
Payments for property, plant and equipment	(341)	(476)
Increase / (Decrease) in capital creditors	(16)	(58)
(Increase) / Decrease in capital advances	(91)	(23)
Proceeds from sale of property, plant and equipment	-	1,241
Fixed deposits	(5,006)	(1,250)
Employee Loans	(1)	1
Net cash inflow (outflow) from investing activities	(5,455)	(565)
Cash flows from financing activities		
Interest paid	(21)	(172)
Payment of lease liabilities	(72)	-
Increase / (Decrease) in cash credit utilisation	-	(576)
Repayment of borrowing (net)	-	(3,000)
Dividends paid to company's shareholders	(632)	(506)
Dividend tax paid	(130)	(104)
Increase in unpaid dividend account	9	8
Amount transferred to investor education and protection fund	(7)	(5)
Net cash inflow (outflow) from financing activities	(853)	(4,355)
Net increase (decrease) in cash and cash equivalents	(1,024)	235
Cash and cash equivalents at the beginning of the financial year	1,274	1,039
Cash and cash equivalents at end of the year	250	1,274
Add :Balances in statutory restricted accounts	33	31
Cash and Cash Equivalents (Note 8)	283	1,305

1) Components of cash and cash equivalents

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balances with banks in current accounts	249	1,024
Balances with banks in deposit accounts	-	250
Cash on hand	1	-
Cash and cash equivalents considered in the cash flow statement	250	1,274

- 2) 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.
- 3) Reconciliation of liabilities arising from financing activities is not provided as the company does not have borrowing as on the current and previous reporting periods

Significant Accounting Policies

Note 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 : 024363

Place: Chennai
Date : 29-06-2020

For and on behalf of the Board

N Venkat Raju
Managing Director
(DIN: 08672963)

S. B. Nirmalatha
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Company Secretary
M. No. 35756

A. Subramanian
Director
(DIN 06693209)

R M Palanippan
Director
(DIN: 00143198)

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, 2019		2,529
Changes in equity share capital during the year	12	-
Balance as at March 31, 2020		2,529

II) Other equity

Particulars	Note No	Reserves and surplus			
		Securities Premium	General Reserve	Retained earnings	Total
Balance as at April 1, 2019		6,810	500	14,326	21,636
Profit for the period	13	-	-	4,035	4,035
Other comprehensive income	13	-	-	(46)	(46)
Transactions with owners in their capacity as owners					
Dividends paid	35(b)	-	-	(762)	(762)
Balance as at March 31, 2020		6,810	500	17,553	24,863

As Per our report of even date

For Ramanatham & Rao

Chartered Accountants
FR No : S-2934

C. Kameshwar Rao

Partner
Membership No : 024363

Place: Chennai
Date : 29-06-2020

For and on behalf of the Board

N Venkat Raju

Managing Director
(DIN: 08672963)

S. B. Nirmalatha

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(DIN: 01197421)

V Palaniappan

Director
(DIN: 00645994)

Rohit Taparia

Company Secretary
M. No. 35756

A. Subramanian

Director
(DIN 06693209)

R M Palanippan

Director
(DIN: 00143198)

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 A-610, Kanakia Wall Street, 6th floor, Andheri Kurla road, Chakala Junction, Andheri (E), Mumbai 400093, Maharashtra.

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

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.

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
- vi) Leases

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are and net of returns, trade allowances, rebates, and amounts collected on behalf of third parties.

Sale of products:

Timing of recognition – Revenue from sale of products is recognized when control of the products is transferred to customers based on terms of sale.

Measurement of Revenue: Revenue from sales is based on the price specified in the sales contract, net of all discounts and returns in relation to sales made until end of the reporting period.

No element of financing is deemed present as the sales are made with credit terms consistent with market practices. Receivable is recognized when the goods are dispatched as this is the point in time that the consideration is unconditional and only passage of time is required before payment is done.

Interest, Dividends and Other Income:

Dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

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 input 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 Property, plant and Equipment 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 property, plant and equipment 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.

i) **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 recognized 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.

k) **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.

l) **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.

m) **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.

n) **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) Gratuity obligation:

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.

Re-measurement 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.

o) **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.

p) **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.

q) **Leases**

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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

s) **Segment reporting**

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

t) **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.

u) **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.

v) **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.

w) **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

Amortised Cost:

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 33 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 de-recognised 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 de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

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.

x) **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.

y) **Recent accounting announcements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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, 2020 are as follows:

Asset Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2019	Additions	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land - freehold	1,206	-	-	1,206	6	-	-	6	1,200	1,200
Building	3,158	490	-	3,648	331	101	-	432	3,216	2,827
Plant and equipment	26,300	357	-	26,657	7,369	1,820	-	9,189	17,468	18,931
Furniture and fixtures	17	5	-	22	11	1	-	12	10	6
Office equipment	70	3	-	73	52	7	-	59	14	18
Vehicles	27	-	7	20	15	5	5	15	5	12
Total	30,778	855	7	31,626	7,784	1,934	5	9,713	21,913	22,994

Other intangible assets

Asset Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
	As at April 1, 2019	Additions	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation for the year	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software										
- Acquired	13	-	-	13	10	2	-	12	1	3
Total	13	-	-	13	10	2	-	12	1	3

Note - 3 : Capital work in progress

Asset Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
	As at April 1, 2019	Additions	Deletions / Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation for the year	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Capital work in progress	555	123	645	33	-	-	-	-	33	555
	555	123	645	33	-	-	-	-	33	555

Notes:

- (i) Refer to note 39 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

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, 2019 are as follows:

Asset Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2018	Additions	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Deletions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Land - freehold	2,431	2	1,227	1,206	6	-	-	6	1,200	2,425
Building	3,158	-	-	3,158	232	99	-	331	2,827	2,926
Plant and equipment	26,061	239	-	26,300	5,572	1,797	-	7,369	18,931	20,489
Furniture and fixtures	16	1	-	17	10	1	-	11	6	6
Office equipment	66	4	-	70	45	7	-	52	18	21
Vehicles	27	-	-	27	9	6	-	15	12	18
Total	31,759	246	1,227	30,778	5,874	1,910	-	7,784	22,994	25,885

Other intangible assets

Asset Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount	
	As at April 1, 2018	Additions	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	Amortisation for the year	Deletions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer software										
- Acquired	13	-	-	13	7	3	-	10	3	6
Total	13	-	-	13	7	3	-	10	3	6

Capital work in progress	325	230	-	555	-	-	-	-	555	325
	325	230	-	555	-	-	-	-	555	325

Note - 4 : Other financial assets

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Unsecured, considered good		
Security deposits	29	27
Fixed Deposits with banks with maturity greater than 12 Months *	169	142
Total other financial assets - non-current	198	169
* Represents margin money deposits against Bank Guarantees		
Current		
Security deposits	271	137
DIC Claim receivable	651	650
Total other financial assets - current	922	787

Note - 5 : Other non-current assets

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	280	235
Advances other than capital advances		
Balances with government authorities	85	39
Total other non-current assets	365	274

Note - 6 : Inventories

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	348	216
Work-in-progress	622	822
Finished goods	283	213
Coal and fuel*	2,032	1,588
Packing materials	94	124
Stores and spares	617	691
Total inventories	3,996	3,654

* Includes coal in transit of INR 527 Lakhs (PY 1,057 Lakhs)

Note - 7 : Trade receivables

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
a) Trade receivables considered good - secured	638	830
b) Trade receivables considered good - unsecured	3,445	2,501
c) Trade receivables which have significant increase in credit risk	-	-
d) Trade receivables - credit impaired	-	-
e) Trade receivables from related parties	439	393
Less: Allowance for expected credit losses	(233)	(224)
Total trade receivables	4,289	3,500

Note - 8 : Cash and cash equivalents

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	249	1,024
- in earmarked accounts *	33	31
Deposits	-	250
Cash on hand	1	-
Total cash and cash equivalents	283	1,305

* Represents amounts in unpaid dividend accounts

Note - 9 : Bank Balances other than cash and cash equivalents above

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Term deposits *	6,256	1,250
Total Bank Balances other than cash and cash equivalents	6,256	1,250

* Rs. 4 (PY NIL) represents margin money deposit against BG

Note - 10 : Loans

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good		
Salary advance to employees	1	-
Total loans	1	-

Note - 11 : Other current assets

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Advances other than capital advances</i>		
Supplier advances	248	237
Balances with government authorities	495	1,106
Total other current assets	743	1,343

Note - 12 : 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, 2019	300	3,000
Increase during the year	-	-
As at March 31, 2020	300	3,000
Authorised preference share capital		
Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2019	10	100
Increase during the year	-	-
As at March 31, 2020	10	100
Issued and Subscribed equity Share capital		
Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2019	253	2,529
Increase during the year	-	-
As at March 31, 2020	253	2,529
<i>(i) Movements in equity share capital</i>		
Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2019	253	2,529
Add : Issue of shares	-	-
As at March 31, 2020	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 company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Chettinad Cement Corporation Private Limited, Holding Company	18,964,270	189,642,700	18,964,270	189,642,700
Total	18,964,270	189,642,700	18,964,270	189,642,700

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	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%
Sangeetha S	14	6%	-	-
Total	204	81%	204	81%

Note - 13 : Other Equity

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	6,810	6,810
General reserve	500	500
Retained earnings	17,553	14,326
Total other equity	24,863	21,636

a) Securities premium

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	6,810	6,810
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	6,810	6,810

b) General reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	500	500
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	500	500

c) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	14,326	11,134
Net profit for the period	4,035	2,316
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	(46)	(14)
- Transfer from debenture redemption reserve	-	1,500
<i>Appropriations</i>		
- Dividend (including dividend distribution tax)	(762)	(610)
Closing balance	17,553	14,326

Nature and purpose of other reserves

(i) *Securities premium*

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

(ii) *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.

(iii) *Retained Earnings*

This reserves represents the cumulative profits of the Company and effects of the remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013

Note - 14 : Other financial liabilities

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
De-commissioning Liability	8	7
Total other non current financial liabilities	8	7

Note - 15 : Provisions

All amounts in INR Lakhs unless otherwise stated

Employee benefit obligations

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	18	54	72	14	41	55
Gratuity	-	55	55	62	276	338
Superannuation	10	-	10	10	-	10
Total employee benefit obligations	28	109	137	86	317	403

(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, 2020	As at March 31, 2019
Current compensated absences expected to be settled within the next 12 months	18	14

(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 108 (March 31, 2019 - INR 95)

Gratuity

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2019	425	(87)	338
Current service cost	47	-	47
Interest expense/(income)	32	(22)	10
Total amount recognised in profit or loss	79	(22)	57
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	9	9
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	44	-	44
Experience (gains)/losses	17	-	17
Total amount recognised in other comprehensive income	61	9	70
Employer contributions	-	(410)	(410)
Benefit payments	(27)	27	-
March 31, 2020	538	(483)	55

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	538	425
Fair value of plan assets	(483)	(87)
Deficit of funded plan	55	338

(iv) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2020	March 31, 2019
Discount rate	7%	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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	1%	1%	-9%	-8%	10%	10%
Salary growth rate	1%	1%	11%	10%	-9%	-9%

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 plan assets are as follows:

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

Particulars	March 31, 2020 Unquoted	March 31, 2019 Unquoted
Investment funds (Investments in LIC)	483	87
Total	483	87

(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(net)

All amounts in INR Lakhs unless otherwise stated

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
On account of depreciation and amortisation on Property, Plant and Equipment and intangible assets	3,983	4,145
Total deferred tax liabilities	3,983	4,145
Deferred tax assets		
Provision for employee benefits	(48)	(141)
Provision for doubtful debts	(81)	(78)
Others	(67)	(68)
Unused tax credits	-	(1,198)
Deferred tax liabilities(net)	3,787	2,660

Movement in deferred tax liabilities/(assets)

Particulars	On account of depreciation and amortisation on Property Plant and Equipment and intangible assets	Provision for employee benefits	Provision for doubtful debts	Others	Unused tax credits	Total
At March 31, 2019	4,145	(141)	(78)	(68)	(1,198)	2,660
(Charged)/credited:						
- to profit or loss	(162)	117	(3)	1	-	(47)
- to other comprehensive income	-	(24)	-	-	-	(24)
- to current tax liabilities	-	-	-	-	1,198	1,198
At March 31, 2020	3,983	(48)	(81)	(67)	-	3,787

Note - 17 : Government Grants

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	40	47
Less: Released to profit or loss	(7)	(7)
Closing balance	33	40
Current portion	7	7
Non-current portion	26	33
Total	33	40

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, 2020	As at March 31, 2019
Secured					
From banks					
Bank overdrafts	Payable on demand	Payable on demand	9.15% and 8.75% w.e.f. 07-Nov-19	-	-
Total current borrowings				-	-

The borrowings are secured as follows;

- Bank Overdraft is secured under hypothecation by way of first pari-passu charge on current assets of the Company.
- The carrying amount of financial and non-financial assets pledged as security for current borrowings are disclosed in Note 43

Note - 19 : Trade payables

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to micro and small enterprises	160	167
Dues to other than micro and small enterprises	2,857	3,139
Total trade payables	3,017	3,306

Note - 20 : Other financial liabilities

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits from dealers	1,505	1,608
Capital creditors	91	107
Expenses payable	1,344	1,386
Unpaid dividends*	33	31
Others	-	1
Total other current financial liabilities	2,973	3,133

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, 2020	As at March 31, 2019
Advances from customers	964	1,112
Statutory dues	463	875
Total other current liabilities	1,427	1,987

Note - 22 : Current tax liabilities(net)

All amounts in INR Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for income-tax (net of advance tax and TDS)	220	133
Total current tax Liabilities(net)	220	133

Note - 23 : Revenue from operations

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of manufactured products	32,478	37,182
Sale of traded products	8,358	6,352
Other operating revenue	57	213
Total revenue	40,893	43,747

- 23.1: Disaggregated Revenue Disclosures are not applicable to the Company since the Company deals mainly in one product i.e., manufacturing and selling of Cement.
- 23.2: Trade Receivables and Contract Balances
- The Company classifies the right to consideration in exchange for deliverables as receivable.
 - A receivable is a right to consideration that is unconditional upon passage of time. Trade receivables are presented net of impairment in the Balance Sheet.
- 23.3: Disclosures relating to pending performance obligations are not given since there are no pending obligations.
- 23.4: The impact on account of applying the erstwhile Ind AS - 18 Revenue instead of Ind AS 115 - Revenue from Contracts with Customers on the financial results of the Company for the year ended 31st March, 2019 is insignificant.

Note - 24 : Other income

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on deposits with banks	352	55
Profit on sale of property, plant and equipment	-	14
Interest income from financial assets at amortised cost	3	3
Government grants #	7	7
Others	33	33
Total other income	395	112

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 attached to these grants.

Note - 25 : Cost of material consumed

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials consumed:		
i) Limestone	2,234	2,625
ii) Gypsum	515	748
iii) Fly ash	499	606
iv) Granulated slag	240	244
v) Laterite	216	111
Total cost of material consumed	3,704	4,334

Note - 26 : 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, 2020	Year ended March 31, 2019
Opening balance		
Finished goods	213	53
Work-in-progress	822	903
Total opening balance (A)	1,035	956
Closing balance		
Finished goods	283	213
Work-in-progress	622	822
Total closing balance (B)	905	1,035
Total Changes in inventories of finished goods, stock-in-trade and work-in-progress (A-B)	130	(79)

Note - 27 : Employee benefits expense

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	1,807	1,565
Contribution to provident and other funds	181	199
Gratuity	57	59
Compensated absences	39	14
Staff welfare expenses	103	91
Directors' remuneration	52	48
Total employee benefits expense	2,239	1,976

Note - 28 : Finance costs

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest and finance charges on financial liabilities calculated using effective interest rate	19	170
Interest on shortfall in payment of advance tax	14	2
Total finance costs	33	172

Note - 29 : Depreciation and amortisation expense

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	1,934	1,910
Amortisation of intangible assets	2	3
Depreciation on Right-of-use Assets	68	-
Total depreciation and amortisation expense	2,004	1,913

Note - 30 : Power and fuel

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel*	10,342	12,908
Total power and fuel expense	10,342	12,908

* Power and fuel is net of captive power plant margin of INR 892 (PY 1,050)

Note - 31 : Other expenses

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spares	768	1,031
Packing materials	918	1,224
Repairs and maintenance		
Repairs and maintenance - building	18	9
Repairs and maintenance - plant and machinery	244	351
Repairs and maintenance - others	103	114
Communication expenses	10	10
Rent	29	86
Rates and taxes	30	43
Travel and conveyance	150	173
Printing and stationery	8	5
Professional charges	89	98
Payment to Auditors	10	9
Insurance	33	31
Bad debts written off	-	2
Provision for doubtful debts	9	8
Selling and marketing expenses	438	553
Misc. expenses	178	177
Corporate social responsibility expenses	87	91
Others	300	341
Total other expenses	3,422	4,356

Details of payments to auditors

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to auditors		
As auditors:		
Statutory Audit fee(including Quarterly Limited Review)	7	7
Tax audit fee	3	2
Total	10	9

Note - 32 : Income tax expense

All amounts in INR Lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	2,326	1,412
Adjustments for current tax of prior periods	43	7
Total current tax expense	2,369	1,419
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	114	(21)
(Decrease)/increase in deferred tax liabilities	(162)	(49)
Total deferred tax expense/(benefit)	(48)	(70)
Income tax expense	2,321	1,349

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	6,356	3,665
Tax at the Indian tax rate of 34.944%	2,221	1,281
Tax credits for which no deferred income tax was recognised	33	54
Prior period tax expense	43	7
Other items	24	7
Income tax expense	2,321	1,349

Note - 33 Fair value measurements

All amounts in INR Lakhs unless otherwise stated

Financial instruments by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	4,289	-	-	3,500
Cash and cash equivalents	-	-	283	-	-	1,305
Bank Balances other than cash and cash equivalents	-	-	6,256	-	-	1,250
Loans	-	-	1	-	-	-
Other financial assets	-	-	1,120	-	-	956
Total financial assets	-	-	11,949	-	-	7,011
Financial liabilities						
Borrowings	-	-	-	-	-	-
Lease Liability	-	-	209	-	-	-
Trade payables	-	-	3,017	-	-	3,306
Others	-	-	2,981	-	-	3,140
Total financial liabilities	-	-	6,207	-	-	6,446

(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, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Loans</i>					
Security deposits	4	-	-	1,120	1,120
Loans to employees	10	-	-	1	1
Total financial assets		-	-	1,121	1,121

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	18	-	-	-	-
Lease Liabilities				209	209
Trade payables	19	-	-	3,017	3,017
Others	14 & 20	-	-	2,981	2,981
Total financial liabilities		-	-	6,207	6,207
Assets and liabilities which are measured at amortised cost for which fair values are disclosed					
As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Loans</i>					
Security deposits/Other Financial Assets	4	-	-	956	956
Loans to employees	10	-	-	-	-
Total financial assets		-	-	956	956
Financial Liabilities					
Borrowings	18	-	-	-	-
Trade payables	19	-	-	3,306	3,306
Others	14 & 20	-	-	3,140	3,140
Total financial liabilities		-	-	6,446	6,446

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, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	1	1	-	-
Security deposits/Other Financial Assets	1,120	1,120	956	956
Total financial assets	1,121	1,121	956	956
Financial Liabilities				
Borrowings	-	-	-	-
Lease Liability	209	209	-	-
Total financial liabilities	209	209	-	-

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 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.

Note - 34 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	

Year ended 31 March 2020:

(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	301	0%	-	301

- (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	4,013	188	55	266	4,522
Expected loss rate	0.50%	5.00%	10.00%	50.00%	
Expected credit losses (Loss allowance provision)	20	9	6	133	168
Provision carried in books #	24	14	9	186	233
Carrying amount of trade receivables (net of impairment)	3,989	174	46	80	4,289

Provision carried in books include provision made on specific identification.

Year ended 31 March 2019:

- (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	814	0%	-	814

- (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	3,362	58	69	235	3,724
Expected loss rate	0.50%	5.00%	10.00%	50.00%	
Expected credit losses (Loss allowance provision)	17	3	7	117	144
Provision carried in books #	21	9	9	185	224
Carrying amount of trade receivables (net of impairment)	3,341	49	60	50	3,500

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 2019	224
Changes in loss allowance	9
Loss allowance on 31 March 2020	233

- (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.

- (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, 2020	As at March 31, 2019
Floating rate		
- Expiring within one year (bank overdraft)	3,000	3,000
- 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.

- (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 2020						
Non-derivatives						
Borrowings	-	-	-	-	-	-
Lease Liability	11	11	20	39	128	209
Trade payables	3,017	-	-	-	-	3,017
Other financial liabilities	2,940	33	8	-	-	2,981
Total non-derivative liabilities	5,968	44	28	39	128	6,207
31 March 2019						
Non-derivatives						
Borrowings	-	-	-	-	-	-
Trade payables	3,306	-	-	-	-	3,306
Other financial liabilities	3,101	32	-	-	7	3,140
Total non-derivative liabilities	6,407	32	-	-	7	6,446

(C) **Market risk**

(i) **Foreign currency risk**

The Company is not exposed to foreign exchange risk arising from foreign currency transactions during the year. Foreign exchange risk arises from recognised liabilities denominated in a currency that is not the Company's functional currency (INR).

a) **Foreign currency exposure**

The Company's exposure to foreign currency risk at the end of the current and previous reporting period is NIL.

(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, 2020	As at March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total	-	-

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, 2020	As at March 31, 2019
Interest rates – increase by 70 basis points *	-	-
Interest rates – decrease by 70 basis points*	-	-

* Holding all other variables constant

Note - 35 Capital management

All amounts in INR Lakhs unless otherwise stated

(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, 2020	As at March 31, 2019
Net debt	-	-
Total equity	27,392	24,165
Net debt to equity ratio	-	-

(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, 2020 and March 31, 2019

(b) Dividends

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Equity shares		
Final dividend for the year ended March 31, 2019 of INR 2.5 per fully paid share	762	-
Final dividend for the year ended March 31, 2018 of INR 2 per fully paid share	-	610
(ii) Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a dividend of INR 5 (PY INR 2.5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,264	762

Note - 36 Segment information

All amounts in INR Lakhs unless otherwise stated

(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, 2020			Year ended March 31, 2019		
	Cement	Power	Total	Cement	Power	Total
Segment revenue	40,844	4,645	45,489	43,670	5,669	49,339
Less : Inter segment revenue		(4,596)	(4,596)		(5,592)	(5,592)
Total revenue from operations	40,844	49	40,893	43,670	77	43,747
Segment result (Profit before tax and interest) from each segment	5,489	900	6,389	2,766	1,071	3,837
Less : Interest			(33)			(172)
Total Profit before tax			6,356			3,665

Capital employed (Segment assets - segment liabilities)	As at March 31, 2020			As at March 31, 2019		
Segment assets	31,280	7,923	39,203	27,740	8,094	35,834
Segment liabilities	11,721	90	11,811	11,564	105	11,669

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

15% of Revenue is coming from 7 customers in cement segment.

Note - 37 Related party transactions

All amounts in INR Lakhs unless otherwise stated

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 parent entity			
	Place of Incorporation	Registered Address	As at March 31, 2020	As at March 31, 2019
Chettinad Cement Corporation Private Limited - Holding Company	India	"Chettinad Towers", No. 603, Anna Salai, Chennai TN- 600006 IN	75%	75%

(b) **Fellow Subsidiaries**

Name of entity	Ownership interest held by the parent entity			
	Place of Incorporation	Registered Address	As at March 31, 2020	As at March 31, 2019
Chettinad Power Corporation Private Limited	India	Unit no. A-610, 6th Floor, Kanakia Wall Street, Chakala Junction, Andheri Kurla Road, Andheri (E), Mumbai. Mumbai City MH 400093 IN	100%	100%
Grand Paper & Boards Private Limited	India	No. 37, Old Mahabalipuram Road, Kazhipattur Village, Padur Post, Kanchipuram Kancheepuram TN 603103 IN	100%	100%
Belaire Apartments Private Limited	India	Plot No.18, Block No.1 Rajmahal Vilas, 2nd Stage Bengaluru KA - 560094 IN	100%	-

(c) **Associate Company**

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

(d) **Key management personnel(KMP) 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 Company till 18 Jan 2020

Mr. N. Venkat Raju Managing Director of Reporting Company from 24 Jan 2020

(e) **Key management personnel compensation**

Mr. A. Subramanian, Managing Director till 18 Jan 2020, Mr. N. Venkat Raju, Managing Director from 24 Jan 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits	51	48
Post-employment benefits*	1	-
Total compensation	52	48

* This does not include gratuity based on actuarial valuation as this is done for the company as a whole

(f) **Related Parties**

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

Chettinad Morimura Semiconductor Material Private Limited

Chettinad Inland Water Transport Services Private Limited

Chennai Computer and Software Services Private Limited

Chettinad Realtors Private Limited

Chettinad Lignite Transport Services Private Limited

(g) **Transactions with related parties**

The following transactions occurred with related parties:

Particulars	As at March 31, 2020	As at March 31, 2019
Parent Entity		
Purchase of goods	6,100	4,968
Sale of goods	3,232	610
Sale of Property, Plant and Equipement	-	1,241
Rent Paid	1	1
Rent received	1	-
Dividend Paid	474	379
Fellow Subsidiaries		
Grand Paper & Boards Private Limited		
Purchase of goods	11	15
Entities controlled or jointly controlled by KMP		
Chettinad Morimura Semiconductor Material Private Limited		
Sale of goods	-	2

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

Particulars	As at March 31, 2020	As at March 31, 2019
Parent Entity		
Chettinad Cement Corporation Private Limited Receivable against sale of goods	439	393
Payable against purchase of goods	733	456

Note - 38 Contingent liabilities and contingent assets

All amounts in INR Lakhs unless otherwise stated

(a) **Contingent liabilities**

	As at March 31, 2020	As at March 31, 2019
Claims against the Companies not acknowledged as debts		
Income tax related	412	412
Excise related *	180	180
Customs related **	130	130
Others	138	138
Total	860	860

*Does not include penalty amount of INR 180.32 Lakhs

**Does not include penalty amount of INR 103.70 Lakhs

(b) **Contingent assets**

The Company does not have any contingent assets as at March 31, 2020 and March 31, 2019

Note - 39 Commitments

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:

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for;		
Property, plant and equipment	11	25
Total	11	25

Note - 40 Other Disclosure

(a) Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due and remaining unpaid	-	1
Interest due on above and the unpaid interest	-	1
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

(b) 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 INR 87 lakhs during financial year 2019-20 towards CSR activities (INR 91 Lakhs in FY 2018-19).

Note - 41 Earnings per share

All amounts in INR Lakhs unless otherwise stated

(a) Basic earnings per share

Particulars	As at March 31, 2020	As at March 31, 2019
Basic earnings per share attributable to the equity holders of the Company in Rupees	15.96	9.16

(b) Diluted earnings per share

Particulars	As at March 31, 2020	As at March 31, 2019
Diluted earnings per share attributable to the equity holders of the Company in Rupees	15.96	9.16

(c) Reconciliations of earnings and number of shares used in calculating earnings per share

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Basic/Diluted earnings per share</i>		
Profit attributable to equity holders of the company used in calculating basic/diluted earnings per share	4,035	2,316
Weighted average number of Equity Shares outstanding during the period(In Number)	25,285,696	25,285,696
Profit attributable to equity holders of the company used in calculating basic/diluted earnings per share	4,035	2,316

42. Leases

All amounts in INR Lakhs unless otherwise stated

The company has adopted new standard leases IND AS 116 from 01 Apr 2019. This has resulted in recognition of 'Right of Use' asset of ₹128lakhs, and a lease liability of ₹128 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9 %

Particulars	Building
Opening Balance as on 1 st April 2019	128
Additions	143
Deletions	-
Depreciation	(68)
Closing Balance as on 31 st March 2020	203

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Year Ended 31st March 2020
Current Lease Liability	42
Non Current Lease Liability	167
Total	209

The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	Year Ended 31st March 2020
Balance at the beginning	128
Additions	141
Finance Cost accrued during the period	12
Deletion	-
Less: Payment of lease liabilities	72
Translation Difference	-
Balance at the end	209

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Year Ended 31st March 2020
Less than one year	59
One to five years	198
More than five years	-
Total	257

Note - 43 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, 2020	As at March 31, 2019
Current		
Financial assets		
<i>First charge</i>		
Trade receivables	4,289	3,500
Cash and cash equivalents	283	1,305
Bank Balances other than cash and cash equivalents	6,256	1,250
Loans	1	-
Others	922	787
Non-financial assets		
<i>First charge</i>		
Inventories	3,996	3,654
Other current assets	743	1,343
Total current assets pledged as security	16,490	11,839
Non-Current		
<i>First charge</i>		
Plant and machinery	-	-
Furniture and fixtures	-	-
Office equipment	-	-
Vehicles	-	-
Total non-current assets pledged as security	-	-
Total assets pledged as security	16,490	11,839

44 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.

45 Impact assessment of the global health pandemic – COVID 19 and related estimation uncertainty:

- i During the last few months the global pandemic Covid-19 has had significant impact on the economic activity globally and is disrupting supply chains with closing of national and state borders. Due to imposing of lock-down, the economic activity have come to a grinding halt. Post announcement by WHO as a global pandemic, numerous steps have been taken by the government and the companies to contain the spread of the virus. The company's sales and profitability for the month of March 2020 were adversely impacted due to lock-down and it is not possible to ascertain the impact thereof.

The Central and most State Governments have lifted the lock-down partially from April/May 2020 to allow economic activity (especially construction and building materials) to start. Construction activity is more important to the company since an estimated 99.88% of our revenues come from the sale of cement.

However the extent to which the business/operations of the company shall be impacted due to various uncertainties arising from Covid-19 shall depend on future developments that are highly uncertain and it may take time for the demand to get to full normalcy. There may be delays beyond usual credit terms from customers.

The Company as a measure of prudence has initiated the following actions:

- Focus on reducing costs.
- Managing customer exposure and continues monitoring for their financial health.
- Monitoring cash inflows and outflows with specific focus on maintaining liquidity by actively following up for recovery of receivables and managing vendor payments.

The company has made an assessment on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next one year, and concluded that no material adjustments are considered necessary.

However, the actual impact may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to the assumptions made or future economic conditions.

- ii The company has not availed moratorium allowed by RBI for payment of its debt obligations and the company continue to service its all payment obligations in time. The company has adequate liquidity in the form of cash and credit facilities /lines for meeting its funds requirements.

46 Previous Year figures have been re-casted/re-grouped wherever necessary.

As Per our report of even date

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

C. Kameshwar Rao
Partner
Membership No : 024363

Place: Chennai
Date : 29-06-2020

For and on behalf of the Board

N Venkat Raju
Managing Director
(DIN: 08672963)

S. B. Nirmalatha
Director
(DIN 03092392)

M. L. Kumavat
Chief Financial Officer

V. Valliammai
Director
(DIN: 01197421)

V Palaniappan
Director
(DIN: 00645994)

Rohit Taparia
Company Secretary
M. No. 35756

A. Subramanian
Director
(DIN 06693209)

R M Palanippan
Director
(DIN: 00143198)



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