

## CORPORATE GOVERNANCE REPORT

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016 the Board consists of 4 members, two of whom are Independent and Non-Executive, one is Non-Independent and Non-Executive and one is Executive.

#### Composition of the Board as on March 31, 2016.

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

### 3. Board Procedure:

#### Board Meetings:

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

During the financial year 2015-2016, five meetings of the Board of Directors were held on April 29, 2015, May 28, 2015, August 5, 2015, October 27, 2015 and February 10, 2016.

The details of attendance of each Director of the Board and last AGM held during the financial year 2015-2016 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 Companies and Positions held in other public companies	
		Board Meetings	Last AGM		Member	Chairman
Mr. A. Subramanian	Non-Independent, Executive	5	Yes	-	-	-
Mr. V. Subramanian	Independent, Non-Executive	4	Yes	-	-	-
Mr. P. Gopal	Independent, Non-Executive	5	No	-	-	-
Dr. (Mrs) S.B. Nirmalatha	Non-Independent, Non-Executive	5	No	-	-	-
Mr. K.V. Vishnu Raju*	Non-Independent, Non-Executive	Nil	No	4	1	-
Mr. P.V.R.L. Narasimha Raju*	Non-Independent, Non-Executive	Nil	No	6	2	-
Mr. B.Ramesh**	Non-Independent, Non-Executive	Nil	NA	-	-	-

\* Resigned from the Board w.e.f. 28.09.2015

\*\* Resigned from the Board w.e.f. 15.04.2015

Mr. V. Subramanian is the Chairman of the Board.

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which they are Directors.

Non-Executive Directors are not entitled for any remuneration other than the sitting fees. The Non Executive Directors do not hold any shares in the Company.

**None of the Directors are related to each other.**

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

**4. Board Committees**

As on March 31, 2016 the Board has six committees, the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee, Debenture Issue Committee and Rights Issue Committee.

The quorum for meetings is either two members or one-third of the member of the committee, whichever is higher.

**4.1. Audit Committee:**

(A) Our Audit Committee comprised of the following 3 directors as on March 31, 2016.

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

The Company Secretary acts as the Secretary to the Committee.

(B) Terms of Reference

The Audit Committee shall have the following Scope and Responsibilities:

- a) Overview 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.
- b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
- c) Reviewing with management, the quarterly financial results before submission to the board for approval.
- d) Reviewing with the management, the annual financial statements before submission to the board for approval.
- e) Reviewing with the management, performance of Statutory and Internal Auditors, the adequacy of Internal Financial Control Systems.
- f) Reviewing the adequacy of internal audit function including reporting structure, coverage and frequency of internal audit.
- g) Discussion with internal auditors regarding any significant findings and follow up thereon.
- h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Financial Control Systems of a material nature and reporting the matter to the board.
- i) To review the Risk Assessment and Management measures.
- j) Reviewing of Financial Statements of the Subsidiaries and Investments made by them.
- k) Reviewing of Management Discussion and Analysis of Financial condition and Results of Operations.
- l) Reviewing of statements of significant related party transactions.
- m) Reviewing of Internal Audit Reports relating to Internal Financial Control Weaknesses.
- n) Any other items considered appropriate or necessary to have effective oversight of financial reporting.

(C) Meetings and Attendance:

During the financial year 2015-16, Four meetings of the Audit Committee were held on May 28, 2015, August 5, 2015, October 27, 2015 and February 10, 2016.

The details are as given below:

Name	Meetings held during FY 2015-16	Meetings Attended
Mr. V. Subramanian	4	4
Mr. P. Gopal	4	4
Mr. A. Subramanian	4	4

With Mr. B.Ramesh's resignation from the Board of Directors on April 15, 2015 Mr. A. Subramanian was co-opted as member of the Audit committee with effect from April 29, 2015.

#### 4.2 Nomination and Remuneration Committee (NRC):

(A) Our Nomination and Remuneration Committee consists of 3 directors as on March 31, 2016.

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

(B) Remuneration Policy

The purpose of this Committee is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.

To ensure that the Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;

To ensure that Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(C) Terms of Reference

- 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 and 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.

(D) Meetings and Attendance:

During the financial year 2015-16, two meetings of the Nomination and Remuneration Committee were held on May 6, 2015 and August 4, 2015. The details are as given below:

Name	Meetings held during FY 2015-16	Meetings Attended
Mr. V. Subramanian	2	2
Mr. P. Gopal	2	2
Dr.(Mrs.) S.B. Nirmalatha	2	2

The Nomination and Remuneration policy of the Company is available in the investor section on the Company's [website at http://www.anjanacement.com](http://www.anjanacement.com)

#### Performance evaluation criteria for Independent Directors:

The Company has laid down evaluation criteria separately for Independent Directors. The criteria for evaluation of Directors includes parameters such as attendance, maintaining effective relationship with fellow Board members, providing quality and valuable contribution during meetings, successfully

bringing their knowledge and experience for the benefit of the company. Based on such criteria, the evaluation is done in a structured manner through consultation and discussion.

#### 4.3. Stakeholders Relationship Committee (SRC) :

##### (A) Our Stakeholders Relationship Committee consists of 3 directors as on March 31, 2016.

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

##### (B) Meetings and Attendance

During the financial year 2015-16, Twenty two meetings of the Stakeholders Relationship Committee were held. The details are as given below:

Name	Meetings held during FY 2015-16	Meetings Attended
Mr. P. Gopal	22	22
Mr. A. Subramanian	22	22
Mr. V. Subramanian	22	22

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

Shareholder's grievances status:

Opening Balance	Complaints Received during the year 2015-16	Complaints Resolved during the year 2015-16	Closing Balance
Nil	66	66	Nil

#### 4.4 Corporate Social Responsibility Committee:

##### (A) Our Corporate Social Responsibility Committee consists 3 directors as on March 31, 2016.

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

Corporate Social Responsibility (CSR) Committee met once on February 10, 2016 during the year which was attended by all the members.

Section 135(5) of the Companies Act 2013 stipulated 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 Policy.

The Company has incurred an average net loss for the past 3 years and hence is not required to spend on CSR activities for the current Financial Year 2015-16.

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

#### 4.5 Debenture Issue Committee:

The Debenture Issue Committee comprising of (Members – Mr. A. Subramanian and Mr. V. Subramanian) was formed for the limited purpose to consider and approve the detailed Terms of Issue, allotment and listing of Secured Redeemable Non-Convertible Debentures. The Committee did not meet during the Financial Year ended 2015-16

#### 4.6 Rights Issue Committee:

Rights issue Committee comprising of the undermentioned Directors as members was formed to decide on the various procedures and Compliances in relation to the Rights issue

Mr. A. Subramanian	Non-Independent, Executive	Chairman
Mr.V. Subramanian	Independent, Non-Executive	Member

Mr. A. Subramanian, Managing Director acted as the Chairman of the Committee.

The Rights Issue Committee met three times during the year on June 01, 2015, December 22, December 2015 and December 30, 2015.

#### 5. Remuneration of Directors

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

**6. General Body Meetings:**

Year	Location	Date	Time
2012 -2013	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad	August 21, 2013	11.00 A.M.
2013 -2014	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad	September 10, 2014	11.00 A.M.
2014 -2015	20, Down Town, 2 <sup>nd</sup> Floor, South-West Wing, Cambata Building, 42, M. Karve Road, Church Gate, Mumbai - 400020	September 9, 2015	3.30 P.M.

Special Resolutions passed in the previous three Annual General Meetings:

- (i) At the 30<sup>th</sup> AGM held on September 10, 2014 two special resolutions were passed for the following purpose.

1. Approval under Section 180(1)(a) of the Companies Act, 2013

No. of Votes polled	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
1,21,19,286	1,21,19,181	105	99.9991	0.0009

2. Approval under Section 180(1)(c) of the Companies Act, 2013

No. of Votes polled	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
1,21,19,286	1,21,19,181	105	99.9991	0.0009

The Scrutiny of the votes for the same was conducted by Mrs. N. Vanitha (PCS Number 10573).

There were no special resolutions passed in the last year through postal ballot.

**7. Disclosures:****Disclosure regarding materially significant related party transactions:**

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

Disclosure of non-compliance by the Company:

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

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. The Vigil Mechanism Policy/Whistle Blower Policy is available in the investor section on the website of the company on the portal of the Company, [www.anjaniment.com](http://www.anjaniment.com) and the Company confirms that no personnel has been denied access to the Audit Committee.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted, Following discretionary requirements as specified in Part E of Schedule II has been adopted by the Company:

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

**8. Managing Director Certification:**

The Managing Director of the Company has given a certificate to the Board of Directors as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, for the year ended March 31, 2016.

## 9. Means of Communication :

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

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

The results of the Company are published in the newspapers Business Standard and in Navshakthi (Marathi), they are also displayed in the investor section on the website of the company www.anjanacement.com under Investor section.

## 10. General Shareholder Information:

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

### a. Annual General Meeting

The Thirty Second Annual General Meeting ("the AGM") of the Company will be held on Friday the September 9, 2016 at 10.00 a.m at Mysore Association Hall, 393, BhauDaji Road, Matunga East, Mumbai, Maharashtra 400019

### b. Financial Year

1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016

### c. Dates of Book Closure :

The Register of Members and share transfer will remain closed from Saturday, September 3, 2016 to Friday, September 9, 2016 (both days inclusive).

### d. Listing on Stock Exchange

Listed with the BSE (Scrip Code 518091, Scrip Name APCL), Payment of Annual Listing fees has been done within the stipulated time frame .

### e. Registrar and Share Transfer Agents :

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

### f. Share Transfer System

The share transfer 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.

### g. Shareholder Statistics and Distribution of Shareholdings as on March 31, 2016 was 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	4452	2896	689437	384435	3.75	2.09
501 - 1000	113	212	93350	172017	0.51	0.93
1001 - 2000	26	93	40650	141379	0.22	0.77
2001 - 3000	12	28	31200	71420	0.17	0.39
3001 - 4000	7	14	24500	51881	0.13	0.28
4001 - 5000	6	16	29400	76950	0.16	0.42
5001 - 10000	6	29	47600	199552	0.26	1.09
10001 & above	6	26	112710	16223116	0.61	88.22
<b>Total</b>	<b>4628</b>	<b>3314</b>	<b>1068847</b>	<b>17320750</b>	<b>5.81</b>	<b>94.19</b>
<b>Grand Total (A+B)</b>	<b>7942</b>		<b>18389597</b>			

Category	Number of shares held	As a percentage of total number of shares
Promoter and Promoter group	1,37,92,197	75.00
Mutual Funds/ UTS	34,400	0.19
Financial Institutions/Banks	7,800	0.04
Bodies Corporate	8,04,407	4.37
Indian Public	36,71,303	19.97

Category	Number of shares held	As a percentage of total number of shares
NRI	19,868	0.11
Others/Clearing Members	11,989	0.06
HUF	47,633	0.26
Total	1,83,89,597	100.00

- h. **The monthly high and low share quotations of your company during the Financial Year 2015-16 as traded on the BSE Ltd., are given below:**

**BSE Scrip Code : 518091 BSE Scrip ID : APCL**

S No	Month	High(Rs.)	Low(Rs.)
1	April, 2015	134.00	100.00
2	May, 2015	123.80	90.90
3	June, 2015	148.40	101.10
4	July, 2015	181.90	105.00
5	August, 2015	201.70	125.50
6	September, 2015	150.10	116.50
7	October, 2015	209.00	139.00
8	November, 2015	232.90	170.00
9	December, 2015	234.50	192.00
10	January, 2016	205.00	136.00
11	February, 2016	159.80	103.00
12	March, 2016	157.50	114.00

- i. **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:

Particulars	April 1, 2015	March 31, 2016	% Change
<b>Company Share Price (closing)</b>	<b>122.20</b>	<b>154.30</b>	<b>26.27</b>
<b>SENSEX (closing)</b>	<b>28260.14</b>	<b>25269.64</b>	<b>(10.58)</b>

- j. **Dematerialisation of Shares**

Trading in Company's shares is permitted only in dematerialised form for all investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its share holders. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialised form. Over 94% of the Company's shares are now held in electronic form.

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

The ISIN of Dematerialised NCD's of the Company are : Series A - "INE071F07019"

Series B - "INE071F07027"

- k. **Address for Correspondence**

The Company Secretary

Anjani Portland Cement Limited  
306-A, The Capital, BandraKurla Complex,  
Bandra East, Mumbai – 400051  
Phone No. 022-40239909

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

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

- l. **Unclaimed Dividend**

The following table shows the details of Dividend relating to financial years 2008-2009 to 2011-12 and the due dates on which the unclaimed/ un-encashed dividend amounts with respect to the same have to be remitted into IEPF. Members who have not yet encashed their dividend warrant(s)

pertaining to the Dividend for the financial year 2008-2009 and onwards are requested to make their claims without any delay to M/s. Karvy Computershare Pvt. Ltd.,

Financial Year	Date of Declaration	Dividend (%)	Due date of Transfer to IEPF
2008-09	25-09-2009	15	28-10-2016
2009-10	28-09-2010	10	01-11-2017
2010-11	23-09-2011	8	27-10-2018
2011-12	25-07-2012	12	28-08-2019

No Claim shall lie against the company or the IEPF for the amounts so transferred prior to March 31 2016, nor shall any payment be made in respect of such claims. Members who have not encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2008-09 and onwards are requested to make their claim without any delay to Karvy Computershare Private Limited.

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

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

- n. Plant Location

Chintalapalem Village  
Mellacheruvu Mandal  
Nalgonda Dist,  
Telangana State - 508246



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## Declaration on Code of Conduct

I, A. Subramanian, Managing Director of Anjani Portland Cement Ltd., hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2016

Place :Chennai  
Date : 11.08.2016

A. Subramanian  
Managing Director

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# Auditors' Certificate on Corporate Governance

To  
The Members of  
Anjani Portland Cement Limited

We have examined the compliance of conditions of Corporate Governance by Anjani Portland Cement Limited for the year ended 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement('Listing Agreement') of the Company with stock exchanges for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and 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 for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

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

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

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

**For Ramanatham & Co.,**  
Chartered Accountants  
Firm Regn.No.002934-S

**C. Kameshwar Rao**  
Partner  
M.No.024363

Place: Chennai  
Date: 11<sup>th</sup> August, 2016

