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# 27<sup>th</sup> Annual Report

2010 - 2011

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# Anjani Portland Cement Ltd.

## Board of Directors

Mr. K V Vishnu Raju	Chairman & Managing Director
Mr. PVRL Narasimha Raju	Executive Director
Mr. RA Rama Raju	Director
Mr. PS Ranganath	Director
Mr. PV Subba Rao	Director
Mr. PR Raju	Director

## Management Team

Mr. SVS Shetty	Chief Executive Officer
Mr. RVA Narasimha Rao	Chief Financial Officer
Mr. SN Raju	Sr. Vice President (Operations)
Mr. N Venkata Raju	Asst. Vice President (Works)
Mr. Ch Gandhi Raju	Vice President (Marketing)
Mr. P Sitharama Raju	Sr. General Manager (Works)
Mr. PS Raju	Group General Manager (HR & MS)
Mr. P Ganapathi Raju	Sr. General Manager (Q. A)
Mr. M Nagabhushana Rao	Sr. General Manager (Mechanical)
Mr. Y Eswara Reddy	General Manager (Marketing)

**Registered Office** : Sitha Nilayam, 153, Dwarakapuri Colony, Punjagutta  
Hyderabad 500 082. AP.

**Corporate Office** : Anjani Cement Centre, Plot No.7 & 8, D.No. 8-2-248/1/7 Nagarjuna  
Hills Main Road, Punjagutta, Hyderabad 500 082.

**Auditors** : M Anandam & Co., Chartered Accountants, 7 'A', Surya Towers  
S.P. Road, Secunderabad 500 003.

**Bankers** : State Bank of India, Punjab National Bank, Indian Overseas Bank  
State Bank of Hyderabad

**Factory** : Chintalapalem (Village), Mellacheruvu (Mandalam)  
Nalgonda (District) Andhra Pradesh 508 246

## Registrars & Share Transfer Agents

Sathguru Management Consultants (P) Ltd., Plot No.15, Hindi Nagar, Punjagutta  
Hyderabad 500 034, Phone No(s) : 040 3016 0333, 3016 0225  
email : sta@sathguru.com

# Notice



Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Friday, the 23<sup>rd</sup> day of September, 2011, at 11.00 am at Bhaskara Auditorium, BM Birla Science Centre, Adarsh Nagar, Hyderabad to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011, and the Audited Balance Sheet together with the Report of the Board of Directors' and the Auditors' thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mr. RA Rama Raju, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. PV Subba Rao, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

By order of the Board

**K V Vishnu Raju**

Chairman and Managing Director

Place : Hyderabad

Date : 04.08.2011

# Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members are requested to notify immediately any change in their address to the Demat Registrar & Share Transfer Agents of the Company.
4. The Register of Members and share transfer books of the Company will remain closed from Tuesday, the 20<sup>th</sup> September, 2011 to Friday, the 23<sup>rd</sup> September, 2011 (both days inclusive).
5. Payment of Dividend on shares, if declared at the meeting, will be made to those members whose names appear on the Company's Register of Members on 23<sup>rd</sup> September, 2011 and as per list of beneficial ownership furnished by depositories for this purpose for shares held in Electronic Form.
6. Members are requested to utilize the Electronic Clearing System (ECS) for receiving dividend and may accordingly advise their Depository Participants in case the shares are held in electronic form and the Registrar & Share Transfer Agent in case of shares in physical form.
7. The members may note that share transfers, otherwise than through stock exchanges, in physical mode, will have to be sent to the company's Registrar & Share Transfer Agents M/s. Sathguru Management Consultants (Pvt) Limited directly for processing. The members may contact the Registrar & Share Transfer Agents of the Company (Ph: 040 3016 0333, 3016 0225) for any further clarification in this regard.
8. The shares of the Company are listed with Bombay Stock Exchange. The Listing Fee for the year 2011 - 2012 has been paid to the Stock Exchange.
9. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
10. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his/her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
11. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the Directors retiring by rotation and Directors who are retiring at this Annual General Meeting is given under the head "Corporate Governance".

# Directors' Report



To The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the audited accounts and Cash Flow statement for the financial year ended 31<sup>st</sup> March, 2011.

## Financial Results

The Financial results for the year ended 31<sup>st</sup> March, 2011 are summarised below:

	2010 - 2011 ₹ in Lakhs	2009 - 2010 ₹ in Lakhs
Sales/Income	22893.70	15580.64
Profit before Interest, Depreciation	3994.41	3012.52
Less : Interest	2590.14	533.75
Less : Depreciation	1274.78	399.46
Profit before Tax	129.49	2079.31
Provision for Taxation including deferred tax	71.88	910.38
Profit after Taxation	57.61	1168.93
<b>Appropriations</b>		
General Reserve	-	30.00
Dividend	147.12	183.89
Dividend Tax	23.87	30.54

## Review of Operations

The company has produced 6,51,278 MT. of cement during the current financial year compared to the previous year production of 4,97,723 MT. of cement registering an increase of 31 %. The cement sold during the year under review stands at 6,38,449 MT. compared to 4,94,362 MT. during the previous financial year showing an increase of 29%.

The gross sales in terms of value during the year under review were at ₹ 22379.87 Lakhs as against ₹ 15147.05 Lakhs during the previous financial year translating into an increase of 48 %. Similarly the Profit Before Tax for the current financial year amounts to ₹ 129.49 Lakhs against ₹ 2079.31 Lakhs during the previous financial year. The profit after tax for the year under review stands at ₹ 57.61 Lakhs compared to ₹ 1168.93 Lakhs during the previous financial year.

As can be observed, there is a significant improvement both in the physical terms and financial terms during the year under review compared to the previous year. The main reasons for the steep fall in profit before tax during the year 2010-11 are as follows:

- a. The interest cost during the year has gone up to ₹ 2590.14 Lakhs compared to previous year amount of ₹ 533.75 Lakhs (an increase by ₹ 2056.39 Lakhs). This increase is basically on account of the interest on the project cost which is fully to be charged to Profit & Loss A/c during this year which was not there during the previous financial year.
- b. The higher depreciation during the year of ₹ 1274.78 Lakhs compared to that of ₹ 399.46 lakhs during the previous financial year ( an increase of ₹ 875.32 Lakhs) which is also due to the same reason as that of interest.

The company could achieve higher production and a higher sales value/turnover inspite of the fact that there is a steep decline in the prices of cement during the financial year compared to the previous financial years. As you may be aware, the drop in price realization is more significant in the state of Andhra Pradesh compared to the other markets in the country.

The cement industry, with its fluctuating fortunes, is known for abnormal variations in the prices owing to several reasons including the changes in demand for the product, supply side changes, increase in installed capacities, changes in the Government spending pattern, emphasis on infrastructure projects, political Situation etc. As the members are aware, during the year under review, there were several disturbances in the state of Andhra Pradesh which have had an adverse impact on the price realization as well as on cement off take.

The statistics available show that there is negative growth in AP for cement demand by about 12% during the year 2010-11 compared to the positive growth of 2.8 % in the year 2009-10 and positive growth of 19% during 2008-09. This negative growth has shown an adverse impact on the bottom line of the company, though there is a significant improvement in the sales turnover.

## Expansion Project

A mention has been made about expansion project taken up by the company in previous annual report. The company could achieve higher production during the year 2010-11 partly owing to the additional capacity created by the expansion project, however, owing to the reasons explained above the production has not yet reached the full capacity utilization due to the adverse market conditions and it is estimated that the year 2011-12 will witness a significant increase in both the quantity terms and in value terms as well as the profitability.

## Dividend

The Board of Directors of the company has recommended a dividend of ₹ 0.80 paisa per equity share of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2011.

## Fixed Deposits

The aggregate amount of deposits accepted by the Company stood at ₹ 250.51 Lakhs and matured and unclaimed deposits as on 31<sup>st</sup> March, 2011 were NIL.



## Directors

In accordance with the provisions of the Companies Act, 1956 and in terms of Articles of Association of the Company Mr. RA Rama Raju and Mr. PV Subbarao retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

The detailed profile of the above directors are given under the head "Corporate Governance".

## Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same.
- ii. We have selected such accounting policies and applied them consistently and made judgements 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;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. We have prepared the annual accounts on a going concern basis.

## Subsidiary Companies

The Ministry of Corporate Affairs (MCA), Government of India vide their letter No.47/49/2011-CL-III, dated 04.02.2011, granted exemption from attaching the Balance Sheet, Profit & Loss Account, Directors Report and Auditors Report of Subsidiary Companies to the Balance sheet of the Company. Your Company will provide a copy of the Annual Accounts of the subsidiary companies and other related information upon written request by any member of your Company or its Subsidiary Companies. These documents will be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours.

A statement of Anjani Portland Cement Limited (Holding Company) interest in Hitech Print Systems Limited and Vennar Ceramics Limited (Subsidiary Companies) is enclosed as required under Section 212 of the Companies Act, 1956.

The information of Subsidiary companies as required to be disclosed as per the directions given by MCA while granting exemption under section 212(8) of the Companies Act, 1956 is enclosed and forms part of the Annual Report.

## **Consolidated Financial Statements**

Yours Directors have pleasure in attaching the consolidated financial statements pursuant to the requirements of Accounting Standard - 21 and Clause 41 of the Listing Agreement entered into with the Stock Exchanges. These statements were prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accounts of India in this regard.

The Auditors' Report does not contain any qualifications.

## **Corporate Governance**

The Company places significant reliance on ethical and prudent governance. Transparency in operations by means of professional management with empowered managers is firmly believed as the heart of a healthy system of corporate governance. The various internal controls laid down for day-to-day operations provide the necessary checks and balances and these in turn go to make governance effective. The mechanism also results in prudent and diligent decision making at all levels ensuring the overall benefit of all shareholders. It also gives considerable comfort to banks, deposit holders, vendors, customers and others who interact with the company in their assessment of the company's performance.

A detailed report on matters relating to Corporate Governance as statutorily required under Clause 49 of the Listing Agreement with Stock Exchanges is annexed as part of this Annual Report together with the report of the Auditors on its compliance.

## **Auditors**

M/s. M Anandam & Co., Chartered Accountants, Secunderabad, the Statutory Auditors of the company, retires at the ensuing Annual General Meeting and are eligible for re-appointment.

The Board recommends the reappointment of M/s. M Anandam & Co., Secunderabad, as Auditors of the Company to hold office till the conclusion of the next Annual General Meeting.

## **Cost Auditors**

Pursuant to the directives from the Central Government and the provisions of Section 233 B of the Companies Act, 1956, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed as Cost Auditors of the Company for the year 2010-11.

## Particulars of Employees

There are no employees in the organization coming under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of employees Rules, 1975 as amended).



## Energy, Technology and Foreign Exchange

The particulars of conservation of energy, Technology absorption, Foreign Exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto in Forms A, B & C which are part of this report.

## Safety and Pollution Control

The manufacturing units are fully compliant with pollution control measures as directed by the statutory authorities from time to time and have obtained necessary approvals from them.

## Industrial Relations

During the period, Industrial relations continued to be cordial. Your Directors take this opportunity to thank all the employees for their dedicated and sincere services towards a harmonious relationship and the progress of the company.

## Acknowledgement

Your Directors place on record their appreciation to the various statutory bodies and departments of the State and Central Governments and Bankers, Dealers, Stockists, Customers, Suppliers and Share holders of the Company for their valuable support to the Company.

For and on behalf of the Board

**K V Vishnu Raju**

Chairman and Managing Director

Place : Hyderabad

Date : 04.08.2011

# Annexure Forming Part of Director's Report

## Form - "A"

Form for Disclosure of Particulars with Respect to Conservation of Energy

### Power and Fuel Consumption

	Current Year 2010 - 2011	Previous Year 2009 - 2010
<b>Electricity</b>		
Purchases: Units (in Lacs)	702.71	446.89
Total Amount (₹ in Lacs)	2524.92	1616.24
Rate/Unit (in ₹)	3.59	3.62
<b>Coal</b>		
Quantity (MT. )	94461	61515
Total Cost (₹ in Lacs)	3705.63	2140.51
Average Rate (₹ per tonne)	3923	3480
<b>Consumption Per Unit of Production</b>		
Electricity - KWH/T of Cement	99.70	94.60
Coal (%) - Per MT. of Clinker	16.60	18.72

## Form - "B"

### Form for Disclosure of Particulars with Respect to Absorption, Research and Development (R & D)

No R & D Carried out and no Expenses Were Incurred on R & D.

## Form - "C"

### Foreign Exchange Earning & Outgo

- There are no activities relating to exports or imports.
- Total Foreign Exchange:

	Current Year 2010 - 2011	Previous Year 2009 - 2010
Used (₹ in Lakhs)	Nil	Nil
Earned (₹ in Lakhs)	Nil	Nil

# Corporate Governance Report



Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, compliance with the requirements of Corporate Governance is set out below:

## A brief statement on Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance aims at assisting the management of the Company in the efficient conduct of the business and in meeting its responsibilities to all the share holders. The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as:

- Fair and transparent business practices
- Effective Management Control by Board
- Adequate representation of promoter, executive and independent directors on the Board
- Accountability for performance
- Monitoring of executive performance by the Board
- Compliance of Laws
- Transparent and timely disclosure of financial and management information

## Board of Directors

The Company is being managed by Mr. K V Vishnu Raju, Chairman and Managing Director and Mr. PVRL Narasimha Raju, Executive Director under the overall supervision, control and guidance of the Board of Directors.

The Board of the Company consists of Six Directors, four of whom are Independent and Non-Executive Directors.

The details of Composition and categories of Directors are given below.

Name of the Director	Category
Mr. K V Vishnu Raju	Chairman and Managing Director and Executive
Mr. PVRL Narasimha Raju	Executive Director & Executive
Mr. RA Rama Raju	Independent and Non-Executive
Mr. PS Ranganath	Independent and Non-Executive
Mr. PV Subba Rao	Independent and Non-Executive
Mr. PR Raju	Independent and Non-Executive

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.

Brief profile of Director seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

### **Mr. RA Rama Raju**

Mr. RA Rama Raju has done his B.Tech in Mechanical Engineering & has over 37 years of experience in the Cement Industry. He started his career in AP. Scooters a public sector undertaking and had a long stint in Raasi Cement Ltd., and Priyadarshini Cement Ltd.,

He does not hold directorships in any other companies.

### **Mr. PV Subba Rao**

Mr. PV Subba Rao is a graduate in Arts & Law and has rich experience of 38 years holding various positions in the Commercial Taxes Department, Secretariat, Government of Andhra Pradesh and retired as Joint Commissioner. He was awarded Uttam Seva Patras thrice for his meritorious performance. At present he is the Chairman, All India Federation of Tax Practitioners, South Zone and practicing as Senior Advocate.

He does not hold directorships in any other companies.

## **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 2010-2011, the Board of Directors met Five times. The details of the Board Meetings held during the year are given below.

<b>Meetings of</b>	<b>Date of the Meeting</b>	<b>Total Members</b>	<b>Attendance by Number of Members</b>
Board of Directors	15 <sup>th</sup> May, 2010	5	4
	12 <sup>th</sup> August, 2010	6	5
	13 <sup>th</sup> November, 2010	6	5
	30 <sup>th</sup> December, 2010	6	4
	14 <sup>th</sup> February, 2011	6	6

Non-Executive Directors are not entitled for any remuneration other than the sitting fees. An amount of ₹ 5000/- is paid towards sitting fees for attending each Board Meeting.

The details of attendance of each Director at the Board, Audit Committee, Share Transfer Committee Meetings and last AGM held during the financial year 2010 - 2011 and details of number of outside directorships and committee positions held by each of the Directors are given below:



Name	Attendance at Board & Committee Meetings						Outside Directorships and Committee positions		
	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended	No. of Share Transfer Committee Meetings Attended	Annual General Meeting Yes = Attended No = Not Attended	Director ships		Committee Positions		
					Member	Chairman	Member	Chairman	
Mr. K V Vishnu Raju	5	N.A	17	No	8	Nil	1	Nil	
Mr. PVRL Narasimha Raju	4	N.A	19	Yes	5	Nil	1	Nil	
Mr. RA Rama Raju	4	3	19	Yes	Nil	Nil	Nil	Nil	
Mr. PS Ranganath	4	4	N.A	No	2	Nil	Nil	Nil	
Mr. PV Subba Rao	3	3	N.A	Yes	Nil	Nil	Nil	Nil	
Mr. PR Raju	4	N.A	N.A	Yes	1	Nil	1	Nil	

The Board has constituted Committees of Directors to deal with matters in detail and to monitor the activities falling with the terms of reference. The Board Committees are as follows:

## **Audit Committee**

### **(i) Brief description of terms of reference**

The Audit Committee shall have the following Scope and Responsibilities:

- 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 and fixation of audit 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.
- 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 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.

## (ii) Meetings and Attendance

Meetings : The Audit Committee met 4 times during the year under review on the following dates: 15.05.2010, 12.08.2010, 13.11.2010 and 14.02.2011.

The Audit Committee consists of the following Directors:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. PS Ranganath	4	4
Mr. RA Rama Raju	4	3
Mr. PV Subba Rao	4	3

The Audit Committee consists of 3 Non-Executive Independent Directors, and Mr. PS Ranganath is the Chairman of the Committee. All the members have the financial and accounting knowledge.

## Share Transfer Committee

The details of Share Transfer Committee meetings held during the financial year under review and attendance by each of the members are as given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K V Vishnu Raju	19	17
Mr. PVRL Narasimha Raju	19	19
Mr. RA Rama Raju	19	19

Mr. RA Rama Raju, an Independent Director is the Chairman of the Committee.

Mr. RVA Narasimha Rao, Chief Financial Officer of the Company is the Compliance Officer

## Remuneration Committee

a) This Committee comprises of the following Non-Executive and Independent Members of the Board.

Mr. PS Ranganath

Mr. RA Rama Raju

Mr. PV Subba Rao

b) Terms of Reference

To fix the remuneration payable to Managerial Personnel and such other matters as may be entrusted from time to time.

Mr. PS Ranganath, an Independent Director is the Chairman of the Committee.

Remuneration Committee did not meet during the year as there was no consideration of remuneration to Whole Time Directors.

## General Body Meetings

Year	Location	Date	Time
2007-2008	Bhaskara Auditorium B M Birla Science Centre Adarsh Nagar, Hyderabad	24 <sup>th</sup> September, 2008	11.00 AM
2008 -2009	Bhaskara Auditorium B M Birla Science Centre Adarsh Nagar, Hyderabad	25 <sup>th</sup> September, 2009	11.00 AM
2009 -2010	Bhaskara Auditorium B M Birla Science Centre Adarsh Nagar, Hyderabad	28 <sup>th</sup> September, 2010	11.00 AM

Special resolutions passed in the previous three Annual General Meetings:

At the 26<sup>th</sup> AGM held on 28<sup>th</sup> September, 2010 one special resolution was passed for the following purpose:

### 1. Increase of Authorized Share Capital.

## Disclosures

Disclosure regarding materially significant related party transactions:

No transaction of material nature has been entered into by the Company with its promoters, directors or the management, subsidiaries or relatives etc., that may have potential conflict with the interest of the Company.

Disclosure of non-compliance by the Company:

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

## CEO / CFO Certification

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required by clause 49 of the Listing Agreement.

## Means of Communication

The quarterly/half yearly results of the Company were published during the financial year under review in leading news papers namely, Business Standard and Andhra Prabha / Praja Sakthi (Regional language).

Management Discussion and Analysis Report forms part of this Annual Report.

## 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 Twenty Seventh Annual General Meeting ("the AGM") of the Company will be held on Friday the 23<sup>rd</sup> September, 2011 at 11.00 am. at Bhaskara Auditorium, BM Birla Science Centre, Adarsh Nagar, Hyderabad.

### b. Dates of Book Closure

The Register of Members and share transfer will remain closed from Tuesday, the 20<sup>th</sup> September, 2011 to Friday, the 23<sup>rd</sup> September, 2011 (both days inclusive) to determine the members entitled to the dividend for 2010-2011.

### c. Registrar and Share Transfer Agents

M/s. Sathguru Management Consultants Pvt. Ltd., Plot No.15, Hindi Nagar, Panjagutta, Hyderabad 500 034 were appointed as Depository Registrars for dematerialised shares and Physical form of share transfers and share holder related services.

### d. Share Transfer System

The share transfer committee attends to share transfer formalities once in a 15 days, 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.

### e. Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an annexure to the Directors' Report.

### f. Financial Calendar 2011 - 2012 (Tentative Schedule)

Annual General Meeting (Next year)	September, 2012
Adoption of Quarterly results for the Quarter ending	1 <sup>st</sup> / 2nd Week of
June 30, 2011	August, 2011
September 30, 2011	November, 2011
December 31, 2011	February, 2012
March 31, 2012	May, 2012

**g. Shareholder Statistics and Distribution of Shareholdings as on 31<sup>st</sup> March, 2011 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	4780	3151	744713	562563	4.07	3.06
501 - 1000	136	418	112750	347639	0.61	1.89
1001 - 2000	33	211	53750	337107	0.29	1.83
2001 - 3000	18	77	46800	202652	0.25	1.10
3001 - 4000	10	36	34609	132698	0.19	0.72
4001 - 5000	11	30	52560	142407	0.28	0.77
5001 - 10000	11	56	76254	410646	0.41	2.23
10001 & above	19	58	4991377	10141072	27.14	55.15
<b>Total</b>	<b>5018</b>	<b>4037</b>	<b>6112813</b>	<b>12276784</b>	<b>33.24</b>	<b>66.76</b>
<b>Grand Total (A+B)</b>	<b>9055</b>		<b>18389597</b>			

**h. The monthly high and low share quotations of your company during the Financial Year 2010-11 as traded on the Bombay Stock Exchange Ltd., are given below**

**BSE Scrip Code : 518091**

**BSE Scrip ID : APCL**

Month	High ( ₹ )	Low ( ₹ )
April, 2010	43.90	32.50
May, 2010	39.80	31.00
June, 2010	36.30	32.05
July, 2010	37.00	31.95
August, 2010	38.00	32.20
September, 2010	43.00	33.50
October, 2010	36.45	33.00
November, 2010	41.50	32.35
December, 2010	35.50	30.00
January, 2011	34.00	27.00
February, 2011	29.00	24.20
March, 2011	30.00	26.10

**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 66% of the Company's shares are now held in electronic form.

The ISIN of Dematerialised shares of the Company allotted by the NSDL & CDSL is "INE071F01012"



## Investor Correspondence

The Company's Share Department provides assistance to shareholders.

Any query relating to shares and requests for transactions such as transmissions and duplicate share certificates, non-receipt of Annual Report, may please be taken up with the share department of the Company.

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. Sathguru Management Consultants (Pvt) Ltd.,**  
Plot No.15, Hindi Nagar, Punjagutta, Hyderabad 500 034  
Phone No(s) : 040 3016 0333, 3016 0225

## Declaration on Code of Conduct

I, K V Vishnu Raju, Chairman and 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 31<sup>st</sup> March, 2011 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

**K V Vishnu Raju**  
Chairman and Managing Director

Place : Hyderabad

Date : 04.08.2011

# Auditors' Report on Corporate Governance

To,  
The Board of Directors  
Anjani Portland Cement Limited  
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Anjani Portland Cement Limited for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended March, 31<sup>st</sup> 2011, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. 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 **M Anandam & Co.**,  
Chartered Accountants,

**M.V Ranganath**  
Partner  
M.No. 23031

Place: Hyderabad

Date :04.08.2011

## Management Discussion and Analysis Report

We submit here under the Management Discussion and Analysis Report on the Business of the Company as applicable to the extent relevant



### Cement Industry Structure and Development

The cement industry in India has an installed capacity of 254 million tonnes p.a out of which 55 million tonnes comes from the state of Andhra Pradesh.

There has been a spurt in total cement installed capacity in India where as the demand for the product during the year under review has not increased keeping in pace with the increase in production capacities. In these times of highly competitive position in cement industry, an effective cost control and better logistics management will be playing key role to achieve a sustainable growth in the long run. Having contributed to the increase in the total cement capacity, your company would now focus more on cost control and increased/effective utilization of the material/resources which would automatically translate into better value for the stakeholders.

### Opportunities and Challenges

#### Opportunities

The year 2011-12 is viewed as an year of opportunity. The company plans to lay increased emphasis on the marketing more particularly because the additional production from the expansion project has to be marketed to the full benefit of the shareholders. In this context the year 2011-12 is also considered as year of marketing. It is expected that inspite of the impact of continuously raising inflation and reduction in the growth of industrial production and not so bright general industrial scenario, the outlook for the cement remains positive in the long run. With the expected growth in spending on infrastructure, roads, port and power projects, housing and urban infrastructure and the irrigation projects, the growth in demand for the cement in the year 2011-12 is expected to be better and as a result the company should be able to achieve higher and better realization for the product. The company has also been able to expand its presence in the outside markets such as the states of Tamilnadu, Kerala, Orissa, Karnataka and Maharashtra and this larger geographical spread should help in strengthening the market for the product of the company and contribute to the higher turnover and profitability.

#### Challenges

Cement industry has faced a downtrend in the later part of 2009-10 and first half of the 2010-11 particularly in the state of AP. However, the management is confident that the worst phase for cement is over and there has been recovery in the demand and price realization from the third quarter of the financial year 2010-11.

The challenges for the year 2011-12 and the subsequent two years will be to enhance our share in the outside markets such as Kerala, Tamilnadu, Orissa, Maharashtra and Karnataka and the company is continuously scanning the market scenario and

enhancing the sales in the areas in which the company could get a better realization, however, without altogether ignoring any addressable markets. Necessary mechanism is put in place to ensure that this continuous market knowledge is obtained and used to boost the revenues and profits.

## Segment Wise Performance

The company's main business activity is manufacturing of Cement which falls in a single segment.

### Over view

The industry, in general, could not achieve its expected off take from its expanded capacities due to lack of Government spending on infrastructure caused by the global crises and unstable political situation. Similarly, private sector plans for buildings etc., also lagged behind considerably due to the uncertain situation with overseas clients caught in the throes of the economic meltdown.

Presently, there are signs of positive return to the growth phase in most of the sectors and also in infrastructure development which will spur Government spending. These signs coupled with a revival in building activity in the realty sector should give a boost to demand and prices in the cement industry.

Considering the multiple areas of concern for achieving sustained growth, the company is looking at opportunities on solutions for cost control, creation of adequate transportation facilities, creating distribution bases such as grinding and packing units nearer the consumer cluster, venturing into backward and forward integration etc.

### Outlook

The industry is however highly positive on the long term outlook and is going in for creation of additional capacities, encashing on consolidation opportunities to synergize on operations and reduce production costs. The outlook is based on the imperative need for infrastructure creation in the country, more homes for the citizens, better and additional commercial and hospitality projects etc.

The recovery in Housing Sector shall also facilitate to improve the demand further. It is also pertinent to note here that the per capita consumption of cement in India falls a way below the world per capita consumption and a country which is on progressive & developing path has to come close to that of world per capita consumption and this factor alone shall give a great hope for cement industry in India.

In the final result, cement as a product has come to be seen as one of the ingredients for the improvement of the country's economy and standard of living and will take its place as an evergreen product.

## Risks and Concerns

The production of cement is heavily dependent on availability of coal and power. Availability from the Coal Linkage System is slow and subject to many limitations and restrictions of allotment etc., Cement producers are therefore pushed to the need to be judicious in their approach for procurement of coal constantly watching the price levels and availability factor.

Power, the other major input, is also the subject of considerable uncertainty given that the major source is still the Transmission companies (Transcos) which are materially controlled by the State Governments.

Fluctuation in cement selling prices is yet another risk as the demand for the product has its heights and lows in any given period. With production concentrated in a cluster, distribution pose problems due to distances to be covered, logistical deficits, transport costs, timely delivery to the consumer etc. These are being met with adequate responses by the company as stated earlier in this discussion and are expected to smoothen the fluctuation curve to a manageable level. Notwithstanding the presently robust scenario, the mere cyclical nature of cement would still have its peaks and troughs in regular intervals.

Though the overall industry looks moderate, rising energy prices and high growth of inflation among others, may affect the cement industry.

The shortage of coal is a major bottleneck for the industry with a prospective effect on power generation, a major input for cement production. The other major concern is the rising freight cost, which is bound to further increase with the recent hikes of prices of petroleum products.

The demand supply mismatch for the cement in Andhra Pradesh and pressure on margins is a cause for concern.

## Internal Control Systems & their Adequacy

The Company is having adequate Internal Control System and an external agency of Chartered Accountants have been appointed as the Internal Auditors and the Audit Committee reviews the Internal Auditors Reports. It suggests remedial actions wherever required.

The Company firmly believes that internal control is a process, designed to provide reasonable assurance regarding the effectiveness and efficiency of operations of a company, the reliability of its systems of financial reporting, compliance with applicable laws and regulations, effective implementation of transparency in significant transactions, agreements, contracts which may impact its financial performance, adequate reporting systems to apprise management by way of periodical MIS reports etc., The Board perceives that this process has been put in place and to ensure its effective administration and implementation, internal audits are periodically carried out by duly appointed Internal Auditors.

## Discussion on Financial Performance with respect to Operational Performance

The financial performance with respect to the operations of the Company is discussed below:

The sales and other income were at ₹ 22893.70 Lakhs as against ₹ 15580.64 Lakhs in the previous year.

The profit before tax of the Company was ₹ 129.49 Lakhs as compared to ₹ 2079.31 Lakhs in the previous year. The net profit for the year was ₹ 57.61 Lakhs against ₹ 1168.93 Lakhs in the previous year.

The reasons for the drop in Profit before tax and Profit after tax compared to the previous financial year are the steep increase in the interest & depreciation charges totaling ₹ 3864.92 Lakhs during the year 2010-11 compared to that charges of ₹ 933.21 Lakhs during 2009-10 (as explained more clearly in Directors report under "Review of Operations").

### Material Development in Human Resources / Industrial Relations

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adapt to contemporary technological advancements. Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through proactive measures. The employees have always been a pillar of strength to the company. Your Directors appreciate the significant contribution made by the employees to the operations of your company during the year.

### Cautionary Statement

Statements in the "Management Discussion & Analysis" describing the Company's objectives, projections, outlook, expectations, estimates, etc., are perceived currently/ forward looking statements and progressive within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied, due to several important factors that could influence the company's operations. These include domestic supply and demand conditions affecting selling prices of finished goods, input prices, changes in government regulations and policies, legislation, tax laws, political and economic developments, natural calamities, etc., over which the Company does not have any direct control.

# Auditors' Report



To,  
The Members  
Anjani Portland Cement Limited  
Hyderabad.

1. We have audited the attached Balance Sheet of **Anjani Portland Cement Limited**, as at 31<sup>st</sup> March, 2011, the Profit & Loss Account and the Cash Flow statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above.
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956

- e. On the basis of written representations received from the Directors of the Company, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as at 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of Clause (g) of the Sub-Section (1) Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- i. In the case of Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2011
- ii. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
- iii. In the case of the Cash Flow Statements, of the Cash Flows for the year ended on that date

For **M.Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

**M.V.Ranganath**  
Partner  
M.No.28031

Place: Hyderabad

Date: 04.08.2011

## Annexure referred to in Paragraph 3 of Our Report of even date.



1.
  - a. The company has maintained proper records showing full particulars including quantitative details, and situation of fixed assets.
  - b. As explained to us, the management has physically verified some of the fixed assets during the year. As reported to us, there were no discrepancies found during such verification.
  - c. In our opinion, the company has not disposed of substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2.
  - a. The management has conducted physical verification of finished goods, stores and spares and raw materials at reasonable intervals.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate commensurate with the size of the company and nature of its business.
  - c. As per the explanations given to us, the material variations wherever noticed on physical verification of stocks have been properly dealt with in the books of accounts.
3.
  - a. The company has granted interest free unsecured loans to three parties listed in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 802.97 Lakhs and the year-end balance of loans granted is ₹ 591.47 Lakhs
  - b. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
  - c. In respect of loans granted by the Company, repayments of principal amount are regular.
  - d. There are no overdue amounts as at the year end.

- e. The Company has taken unsecured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 80 Lakhs and the year-end balance of loans taken is ₹ 7 Lakhs
  - f. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
  - g. In respect of loans taken by the Company, the repayments of principal amount are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control systems.
- 5.
- a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us the company is in the process of complying with the directives issued by the Reserve Bank of India, the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. According to the information and explanations given to us, in this regard, no Order under the aforesaid sections 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 of the company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We are informed that, the company is in the process of compiling the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.

9. In respect of statutory dues

- a. According to the records of the Company, the undisputed statutory dues including Provident Fund, Employees State Insurance, service tax, excise duty, sales tax and cess have been generally regularly deposited with the appropriate authorities . According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they become payable.
- b. According to the records of the company examined, there are no dues of Customs tax, Wealth tax, Excise duty / Cess, except in case of Income tax the details of which are given below:

Name of the statute	Nature of Dues	Amount to the extent not paid(in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	79.02	2007-08	Commissioner (Appeals) Hyderabad

10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions & banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

16. The company has raised new term loans during the year. The term loans outstanding were applied for the purposes for which they were taken.
17. As per the information and explanations given to us, we are of the opinion that the Company has not utilized any short-term sources towards long-term investments.
18. During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of issue of Debentures during the year, hence paragraph (xix) of the order is not applicable to the company.
20. According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence this clause is not applicable to the company.
21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For **M Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

**MV Ranganath**  
Partner  
M.No.28031

Place : Hyderabad  
Date : 04.08.2011

**Balance Sheet as at 31<sup>st</sup> March, 2011**

₹ in Lakhs



	Schedule	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>I Sources of Funds</b>					
<b>1. Shareholders' Funds</b>					
a. Share Capital	1	1838.96		1838.96	
b. Reserves & Surplus	2	4582.25	6421.21	4695.62	6534.58
<b>2. Loan Funds</b>					
a. Secured Loans	3	15727.14		14117.89	
b. Unsecured Loans	4	8472.50	24199.64	5773.66	19891.55
<b>3. Deferred Tax Liability</b>					
			961.65		927.69
<b>Total</b>			<b>31582.50</b>		<b>27353.82</b>
<b>II Application of Funds</b>					
<b>1. Fixed Assets</b>					
Gross Block	5	27326.32		24389.27	
Less: Accumulated Depreciation		3900.05		2627.09	
Net Block		23426.27		21762.18	
Capital Work in Progress		40.83	23467.10	24.56	21786.74
<b>2. Investments</b>					
	6		1646.95		1646.95
<b>3. Current Assets Loans and Advances</b>					
a. Inventories	7	3378.21		1233.54	
b. Sundry Debtors		1487.47		1116.28	
c. Cash and Bank Balances		227.49		259.86	
d. Loans and Advances		3873.29		3120.46	
		8966.46		5730.14	
<b>Less : Current Liabilities &amp; Provisions</b>					
a. Liabilities	8	2756.41		1886.63	
b. Provisions		(258.40)		(76.62)	
		2498.01		1810.00	
<b>Net Current assets</b>			6468.45		3920.13
<b>Total</b>			<b>31582.50</b>		<b>27353.82</b>
<b>Notes to the Accounts</b>	15				

The Schedules referred to above form an integral part of the Balance Sheet

As Per our report of even date

For and on behalf of the Board

**For M Anandam & Co**  
Chartered Accountants

**K V Vishnu Raju**  
Chairman and  
Managing Director

**PVRL Narasimha Raju**  
Executive Director

**MV Ranganath**  
Partner  
M.No 28031

**RVA Narasimha Rao**  
Chief Financial Officer

 Place : Hyderabad  
Date : 04.08.2011

## Profit and Loss Account for the Year Ended 31<sup>st</sup> March, 2011

₹ in Lakhs

	Schedule	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>Income</b>					
Sales	9	22379.87		15147.05	
Less: Taxes & Duties		4910.35		2884.22	
Net Sales			17469.52		12262.83
Increase/(Decrease) in Inventories	10		1667.37		145.05
Other Income	11		513.83		433.59
<b>Total</b>			<b>19650.72</b>		<b>12841.47</b>
<b>Expenditure</b>					
Material Consumption	12	3757.57		3233.67	
Manufacturing, Administrative & Selling Expenses	13	11898.74		6595.28	
Interest & other Finance Charges	14	2590.14		533.75	
Depreciation		1274.78		399.46	
<b>Total</b>			<b>19521.23</b>		<b>10762.16</b>
<b>Profit before Tax :</b>			129.49		2079.31
<b>Provision for Taxation :</b>					
Current Tax		21.52		302.04	
Tax for the earlier years		16.40			
Deferred Tax		33.96	71.88	608.34	910.38
<b>Profit After Tax</b>			<b>57.61</b>		<b>1168.93</b>
Balance brought forward from Previous year			4415.62		3491.13
			<b>4473.23</b>		<b>4660.06</b>
<b>Appropriations</b>					
Transfer to General Reserve		-		30.00	
Provision for Dividend		147.12		183.90	
Provision for Dividend Tax		23.86	170.98	30.54	244.44
Balance Carried to Balance Sheet			<b>4302.25</b>		<b>4415.62</b>
Basic and Diluted Earnings Per Equity Share of ₹ 10/- each			0.31		6.35

The Schedules referred to above form an integral part of the Profit & Loss Account

As Per our report of even date

**For M Anandam & Co**  
Chartered Accountants

**MV Ranganath**  
Partner  
M.No 28031

Place : Hyderabad  
Date : 04-08-2011

For and on behalf of the Board

**K V Vishnu Raju**  
Chairman and  
Managing Director

**RVA Narasimha Rao**  
Chief Financial Officer

**PVRL Narasimha Raju**  
Executive Director

## Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2011



	Year Ended 31 <sup>st</sup> March, 2011		Year Ended 31 <sup>st</sup> March, 2010	
	₹ In Lakhs		₹ In Lakhs	
<b>a. Cash Flow From Operating Activities:</b>				
Net Profit before Tax	129.49		2,079.30	
Adjustment for				
Depreciation	1,274.78		399.46	
Interest and Finance charges	2,590.14		533.75	
MAT Credit Entitlement	(21.52)		(302.04)	
Interest Income	(22.29)		(12.55)	
Operating Profit Before Working Capital Changes	3,950.60		2,697.92	
Changes in Working Capital				
- (Increase)/Decrease in Inventories	(2,144.67)		(397.48)	
- (Increase)/Decrease in Sundry Debtors	(371.19)		(273.48)	
- (Increase)/Decrease in Loans and Advances	(752.83)		(1,000.76)	
- Increase/(Decrease) in Current Liabilities	659.15		375.08	
Cash Generated from Operations	1,341.07		1,401.28	
Direct taxes paid	(160.33)		(917.65)	
Net Cash Flow from Operating Activities		1,180.74		483.63
<b>b. Cash Flow from Investing Activities</b>				
Inflow/(Outflow)				
Interest received	22.29		12.55	
Net Purchase of Fixed Assets	(2,937.05)		(16,594.24)	
(Increase) / Decrease in Capital work In Progress	(16.27)		1,746.91	
Net Cash Flow from Investing Activities		(2,931.03)		(14,834.78)
<b>c. Cash Flow From Financing Activities</b>				
Inflow / (Outflow)				
Proceeds / (Repayment) of Hire Purchase Loans	(22.77)		(6.14)	
Proceeds from Long Term Borrowing	(109.29)		11,285.94	
Increase / (Decrease) in Cash Credit Utilisation	1,741.31		1,384.03	
(Repayment) / Proceeds from Unsecured Loans	2,698.84		2,232.05	
Interest Paid	(2,590.14)		(533.75)	
Net Cash Flow from Financing Activities		1,717.95		14,362.13
<b>d. Net Increase / (Decrease) In Cash And Cash Equivalents</b>		(32.35)		10.96
Cash and Cash Equivalents at the Commencement of the year		259.86		248.87
Cash and Cash Equivalents at the close of the year		227.49		259.86

Note: Previous year's figures have been regrouped and recast wherever necessary to conform to current year's classification.

**For M Anandam & Co**  
Chartered Accountants

**MV Ranganath**  
Partner  
M.No 28031

Place : Hyderabad  
Date : 04.08.2011

For and on behalf of the Board  
**K V Vishnu Raju**  
Chairman and Managing Director

**RVA Narasimha Rao**  
Chief Financial Officer

**PVRL Narasimha Raju**  
Executive Director

## Schedules to Accounts

₹ in Lakhs

Schedule-1 : Share Capital	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>Authorised</b>				
1000000 14% Cumulative Redeemable Preference Shares of ₹ 10/- each		100.00		100.00
30000000 Equity Shares of ₹ 10 each (P.Y 20000000 Equity Shares of ₹ 10 each)		3000.00		2000.00
		<b>3100.00</b>		<b>2100.00</b>
<b>Issued Capital</b>				
18394463 Equity Shares of ₹ 10 each fully issued		1839.45		1839.45
<b>Subscribed and Paid Up</b>				
18389597 Equity Shares of ₹ 10 each fully paid up		1838.96		1838.96
		<b>1838.96</b>		<b>1838.96</b>

Schedule-2 : Reserves & Surplus	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Capital Subsidy		20.00		20.00
General Reserve				
As per the last Balance Sheet	260.00		230.00	
Add : Transfer during the year	-	260.00	30.00	260.00
Profit & Loss Account		4302.25		4,415.62
		<b>4582.25</b>		<b>4695.62</b>

Schedule-3 : Secured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Term Loans		12037.06		12146.35
Working Capital Loans		3,644.68		1,903.37
Others		45.40		68.17
		<b>15727.14</b>		<b>14117.89</b>

Schedule-4 : Unsecured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Public Deposits		250.51		137.10
Unsecured Loans		8221.99		5636.56
		<b>8,472.50</b>		<b>5,773.66</b>

**Schedule-5 : Fixed Assets**

₹ in Lakhs

Assets	Gross Block			Depreciation			Net Block		
	As at 01.04.2010	Additions	Deletions	As at 31.03.2011	As at 01.04.2010	For the year	On Deletions	As at 31.03.2011	As at 31.03.2010
Free hold Land	358.44	355.86	-	714.30	-	-	-	714.30	358.44
Buildings	2058.40	68.09	-	2126.49	229.83	60.80	-	1835.86	1828.57
Plant & Machinery	21562.85	2298.22	-	23861.07	2275.82	1158.12	-	20427.12	19287.02
Vehicles	220.08	12.20	8.20	224.08	65.72	22.04	1.82	138.14	154.36
Office Equipment	137.46	127.81	-	265.27	45.83	28.08	-	191.36	91.63
Furniture & Fixtures	52.05	83.07	-	135.12	9.89	5.74	-	119.49	42.16
Sub Total	24389.27	2945.25	8.20	27326.32	2627.09	1274.78	1.82	23426.27	21762.18
Capital Work in Progress	24.56	40.83	24.56	40.83	-	-	-	40.83	24.56
Total	24413.83	2986.08	-	27367.15	2627.09	1274.78	-	23467.10	21786.74
Previous Year	9566.50	16640.55	-	24413.83	2227.63	399.46	-	21762.18	7338.86

## Schedules to Accounts

₹ in Lakhs

Schedule 6 : Investments	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>Unquoted (Non Trade)</b>				
Shares in M/s Vennar Ceramics Ltd. 4966070 Equity Shares of ₹ 10/- each		446.95		446.95
Shares in M/s Hitech Print Systems Ltd 1500000 Equity Shares of ₹ 10/- each		1,200.00		1,200.00
		<b>1,646.95</b>		<b>1,646.95</b>

Note : 1) M/s Vennar Ceramics Ltd & M/s Hitech Print Systems Ltd. are Subsidiary Companies.

Schedule- 7 : Current Assets, Loans & Advances	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>A. Current Assets</b>				
<b>a. Inventories</b> (As certified and Valued by the Management)				
i. Raw materials	78.62		23.44	
ii. Packing material	39.56		26.83	
iii. Stores & spares	713.48		627.10	
iv. Coal	469.13		146.13	
v. Work-in-process	1654.17		342.15	
vi. Finished goods	423.25		67.90	
		3378.21		1233.54
<b>b. Sundry Debtors</b>				
Debts outstanding for a period exceeding six months : Considered Good				
Unsecured	91.24		63.48	
Other Debtors : Considered Good				
Secured	109.59		87.49	
Unsecured	1286.65	1487.48	965.31	1116.28
<b>c. Cash and Bank Balances</b>				
Cash in hand	5.64		10.21	
Cheques in Hand	64.51		131.76	
Balance with Scheduled Banks				
in Current Accounts	129.45		60.27	
in Deposit Account	27.89	227.49	57.62	259.86
<b>B. Loans and Advances</b> (Unsecured and considered good)				
Advances and loans to Subsidiaries	403.50		363.27	
Advances recoverable in cash or in kind or for value to be received	2027.42		1341.04	
Deposit with Govt & Public Bodies	1429.81		1410.21	
Deposit - Others	12.56	3873.29	5.94	3120.46
		<b>8966.46</b>		<b>5730.14</b>

## Schedules to Accounts

₹ in Lakhs



Schedule-8 : Secured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>A. Current Liabilities</b>				
Sundry Creditors				
Dues to MSMED Enterprises	-		-	
Others	2078.42		1478.10	
Advances from Customers	633.19		387.23	
Interest Accrued but not Due	16.36		6.94	
Unclaimed Dividends *	28.44	2756.41	14.36	1886.63
<b>B. Provisions</b>				
- For Income Tax	1669.68		1648.15	
Less : Advance Taxes paid	1679.83		1535.90	
Net Income Tax		(10.15)		112.25
MAT Credit of Earlier Year	442.98		140.94	
Add : MAT Credit of Current Year	21.52	(464.50)	302.04	(442.98)
- For Proposed Dividend	147.12		183.90	
- For Dividend Tax	23.86	170.98	30.54	214.44
Provisions for Employee Benefits		45.27		39.67
		(258.40)		(76.62)
* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.		2498.01		1810.00

## Schedules to Accounts

₹ in Lakhs

Schedule- 9 : Sales	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Sale of Cement		22379.87		15147.05
		<b>22379.87</b>		<b>15147.05</b>

Schedule- 10 : Incr/(Decr) In Stocks	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Opening Stock				
Work-in-process	342.15		262.11	
Finished Goods	67.90	410.05	2.89	265.00
Closing Stock				
Work-in Process	1,654.17		342.15	
Finished Goods	423.25	2,077.42	67.90	410.05
<b>Increase/(Decrease) in Stock</b>		<b>1,667.37</b>		<b>145.05</b>

Schedule-11 : Other Income	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Interest on Deposits	22.29		12.55	
Other Income	90.64		28.57	
MAT Credit Entitlement	21.52		302.04	
Incentive receivable on Power	379.38		90.43	
		<b>513.83</b>		<b>433.59</b>

Schedule - 12 : Material Consumption	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Raw Materials Consumed		2423.43		2255.95
Packing Materials Consumed		995.20		670.31
Stores & Spares Consumed		338.95		307.42
		<b>3757.57</b>		<b>3233.67</b>

## Schedules to Accounts

₹ in Lakhs



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Schedule-13 : Manufacturing Administrative & Selling Expenses	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>Manufacturing Expenses</b>				
Power & Fuel	6348.13		3756.75	
Direct Manufacturing Expenses	323.92		337.23	
Repairs & Maintenance				
- Plant & Machinery	122.18		125.65	
- Buildings	5.34		5.54	
- Others	45.93	6845.50	38.44	4263.61
<b>Employee Cost</b>				
Salaries & wages	707.97		550.25	
Contribution to Provident Fund & Other funds	82.39		64.29	
Employees welfare expenses	91.09	881.45	66.78	681.32
<b>Administrative Expenses</b>				
Directors Remuneration	60.03		76.03	
Insurance	37.37		21.65	
Rent	69.56		30.10	
Rates & Taxes	19.40		7.68	
Traveling & Conveyance Expenses	138.40		115.85	
Printing & Stationery	16.95		16.07	
Communication Expenses	16.08		15.17	
Office Maintenance	139.66		98.16	
Auditors Remuneration	6.51		6.34	
Legal & Professional Charges	125.35		49.95	
Loss on Sale of Asset	0.11			
Share Transfer & Other Secretarial Expenses	9.93	639.35	8.93	445.93
<b>Selling &amp; Distribution Expenses</b>				
Freight Charges	701.32		304.34	
Freight on Consignment Sales	1377.22		339.39	
Product Promotion expenses	262.61		176.59	
Trade Discounts	1191.29	3532.44	384.10	1204.42
<b>Total</b>		<b>11898.74</b>		<b>6595.28</b>

Schedule-14 : Interest and other Finance Charges	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
on Term Loans	1464.59		118.92	
on Working Capital	328.87		116.88	
on Other Loans	711.32		255.36	
Bank Charges	85.36	2590.14	42.59	533.75
		<b>2590.14</b>		<b>533.75</b>

# Schedule 15 : Significant Accounting Policies & Notes to Accounts

## Significant Accounting Policies

### 1. Basis of Preparation

The Financial Statements are prepared under the Historical cost convention on an accrual basis and are in accordance with the requirements of The Companies Act 1956 and comply with the Accounting Standards referred to in Sub Sec (3c) of Section 211 of the said Act.

### 2. Revenue Recognition

Income from sale of goods is recognized at the point of dispatch to customers except in the case of consignment agents where the revenue is recognized only after sale is effected by the consignment agent. Sale value includes Excise Duty, VAT and applicable freight.

### 3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / installed / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities/creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets upto the time they are completed.

### 4. Depreciation

Depreciation on fixed assets has been provided on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

### 5. Investments

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature.

Current investments are valued at the cost or market value whichever is lower.

### 6. Borrowing Costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

## 7. Accounting for Leases

Rentals in respect of leased premises are charged to profit and loss account.

## 8. Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.

## 9. Employee Benefits

### a. Defined Contribution Plan

Retirement benefits in the form of Provident Fund is defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds become due.

### b. Defined Benefit Plan

#### Compensated absences

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the Balance Sheet date. Actuarial gains / losses, are immediately recognized in the Profit & Loss Account.

#### Super Annuation

Retirement benefits in the form of Superannuation Fund is defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution to the respective funds become due. The Company has created an approved Superannuation Fund and accounts for the contribution made to LIC against an insurance policy taken with them. There are no other obligations other than the contribution payable to the funds.

#### Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by LIC.

## 10. Taxes on Income

### a. Current Tax

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provisions of the Income Tax Act, 1961.

## **b. Deferred Tax**

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period/s, subject to the consideration of prudence.

## **11. Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account

## **12. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **13. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

## **14. Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use, the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

# Notes on Accounts



## 1. Secured Loans

### a. Term Loans

Term loans are secured by a first/joint equitable mortgage by deposit of title deeds, with State Bank of India, leader of consortium bankers, of all the Company's immovable properties, both present and future and hypothecation of all movable assets (other than book debts) ranking pari-passu with the charges created in favour of the Consortium Bankers, State Bank of India, Punjab National Bank, Indian Overseas Bank, and State Bank of Hyderabad.

The term loans are further secured by the personal guarantee of Chairman and Managing Director and Executive Director.

### b. Working Capital

Cash Credit facility with consortium Banks is secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares and book debts and second charge on Fixed Assets and personal guarantee of Chairman & Managing Director and Executive Director.

## 2. Loans and Advances include an amount of ₹ 403.50 Lakhs given to Vennar Ceramics Limited, which is a 100% subsidiary company.

## 3. Outstanding dues of Micro enterprises and Small enterprises.

Information as per Notification No. GSR 719 (E) & as per "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)"

Particulars	2010-11	2009-10
The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
The amount of interest paid by the buyer in terms of Sec 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay of making payment but without adding the interest specified under the Act	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of the each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the Small enterprises, for the purpose of disallowance as a deductible expenditure Under Sec 23.	NIL	NIL

## 4. The balances of sundry creditors, sundry debtors, unsecured loans and loans and advances are subject to confirmation and reconciliation.

## 5. Segment Reporting

The Company has no reportable segments under AS-17

## 6. Contingent Liabilities not provided for in respect of

Claims against the Company not acknowledged as debt

₹ in Lakhs

Particulars	2010-11	2009-10
Disputed Liability in respect of Tax demands	95.43	Nil
Disputed Liability in respect of FSA charges payable to APCPDCL	43.50	Nil
Disputed Demand charges payable to AP Transco	25.29	25.29
<b>Total</b>	<b>165.22</b>	<b>25.29</b>

## 7. Industrial incentives

During the year the company has accounted ₹ 863.82 Lakhs as claim for industrial incentive in accordance with policy under Industrial Incentive Promotion Policy of Govt. Andhra Pradesh on account of power and sales tax, on accrual basis. Hitherto the same was recognized based on the admission of claim by respective departments.

## 8. Managerial Remuneration

₹ in Lakhs

Particulars	2010-11	2009-10
<b>Chairman &amp; Managing Director</b>		
Salary	24.00	12.95
House Rent Allowance	12.00	6.47
Children Education Allowance	1.20	0.58
Contribution to Provident Fund & Other Funds	2.88	2.90
Perquisites	-	-
Commission on Profits	-	26.67
<b>Total</b>	<b>40.08</b>	<b>49.57</b>
<b>Executive Director</b>		
Salary	14.40	7.20
House Rent Allowance	7.20	3.60
Children Education Allowance	0.48	0.24
Contribution to Provident Fund & Other Funds	1.73	1.94
Perquisites	1.20	-
Commission on Profits	-	17.77
<b>Total</b>	<b>25.01</b>	<b>30.75</b>

a. Remuneration to Managerial Persons is paid as per part II of schedule XIII of the Companies Act 1956.

## 9. Auditors Remuneration

₹ in Lakhs

Particulars	2010-11	2009-10
Audit Fee	4.00	4.00
Tax audit Fee	1.00	1.00
For Certification	1.00	1.00
Out of Pocket Expenses	0.51	0.34
Service Tax	0.62	0.24
<b>Total</b>	<b>7.13</b>	<b>6.68</b>

## 10. Defined benefit plans

As per actuarial valuation as on March 31, 2011 and recognized in the financial statements in respect of employee benefit schemes.



### a. Gratuity

The Company operates post retirement gratuity plan with LIC, the details of the plan is as follows

#### I. Actuarial Assumptions

Particulars	2010-11	2009-10
Discount Rate	8.00%	8.00%
Salary Escalation	4.00%	4.00%

#### II. Components of Employer Expenses

₹ in Lakhs

Particulars	2010-11	2009-10
Current Service Cost	6.50	4.35
Interest Cost	3.15	2.31
Employee Contributions	-	-
Expected Return on planned assets	(2.92)	(2.78)
Net Actuarial (Gains) / Losses	5.15	5.35
Past service Cost	-	-
Settlement / Curtailment (Gain)	-	-
Total Expenses	11.88	9.23

#### III. Net Assets/(Liability) recognized in the Balance Sheet.

₹ in Lakhs

Particulars	2010-11	2009-10
Present value of Defined Benefit obligation as at the end of the year	42.50	39.44
Fair value of plan as at the end of the year	32.90	32.90
Funded Status (surplus / (Deficit))	(9.60)	(6.55)
Net Assets / (Liability) recognized in the balance sheet	9.60	6.55

#### IV. Change in obligation during the year

₹ in Lakhs

Particulars	2010-11	2009-10
Present Value of obligations at the beginning of the year	39.44	28.89
Current Service Cost	7.61	4.35
Interest Cost	3.16	2.31
Settlement / Curtailment (Gain)	-	-
Past Service Cost	-	-
Employee Contributions	-	-
Actuarial (Gain) / Losses on obligation	(5.15)	5.35
Benefits paid	(2.56)	(1.45)
Present Value of obligation at the end of the year	42.50	39.44

**V. Change in Fair value of the assets**

₹ in Lakhs

Particulars	2010-11	2009-10
Fair value of the plan assets at the beginning of the year	32.90	31.57
Expected return on planned assets	2.92	2.78
Contributions	-	-
Benefits paid	(2.56)	(1.45)
Actuarial Gain / (Loss) on plan assets	Nil	Nil
Fair value of the plan assets at the end of the year	33.26	32.90

**b. Leave Encashment**

The obligation of leave encashment of the company as on March 31, 2011 is computed as under.

**I. Actuarial Assumptions**

Particulars	2010-11
Discount Rate	8.00%
Salary Escalation	4.00%

**II. Components of Employer Expenses**

₹ in Lakhs

Particulars	2010-11
Current Service Cost	-
Interest Cost	-
Employee Contributions	-
Expected Return on planned assets	-
Net Actuarial (Gains) / Losses	35.67
Past service Cost	-
Settlement / Curtailment (Gain)	-
Total Expenses	35.67

**II. Net Assets / (Liability) recognized in the Balance Sheet**

₹ in Lakhs

Particulars	2010-11
Present value of Defined Benefit obligation as at the end of the year	35.67
Fair value of plan as at the end of the year	-
Funded Status (surplus / (Deficit))	(35.67)
Net Assets / (Liability) recognized in the balance sheet	(35.67)

### III. Change in obligation during the year

₹ in Lakhs



Particulars	2010-11
Present Value of obligations at the beginning of the year	-
Current Service Cost	-
Interest Cost	-
Settlement / Curtailment (Gain)	-
Past Service Cost	-
Employee Contributions	-
Actuarial (Gain) / Losses on obligation	35.67
Benefits paid	-
Present Value of obligation at the end of the year	35.67

### IV. Change in Fair value of the assets

₹ in Lakhs

Particulars	2010-11
Fair value of the plan assets at the beginning of the year	-
Expected return on planned assets	-
Contributions	-
Benefits paid	-
Actuarial Gain / (Loss) on plan assets	-
Fair value of the plan assets at the end of the year	-

The company is providing for leave encashment on actuarial basis for the first time, hence the previous year details are not provided.

## 11. Related Party Disclosures

### a. Relationship

- **Subsidiary Companies**
  - Vennar Ceramics Limited
  - Hitech Print Systems Limited
- **Key Management Personnel**
  - Sri. K V Vishnu Raju
  - Sri. PVRL Narsimha Raju
- **Relatives of Key Management Personnel**
  - Smt. K Ramavathy
  - Sri. KSN Raju
- **Enterprises owned or significantly influenced by Key Management Personnel**
  - Sai Aditya foods & Retail Pvt Ltd
  - Anjani Projects & Constructions Ltd
  - Sri Vishnu Educational Society

**b. The following transactions are carried out with related parties in the course of business**

₹ in Lakhs

Particulars	Subsidiary Companies	Key managerial Persons	Relatives of Key managerial Persons	Enterprises of Key managerial Persons	Total
Purchases	7.08				7.08
Sales				90.08	90.08
Remuneration		65.09			65.09
Office Rent		22.68	28.24	4.32	55.24
Interest			6.84		6.84
Loans Taken		80.00	30.00		110.00
Loans Repaid		73.00			73.00
Balance outstanding at the end of the Current Year	403.50	7.00	65.50	385.88	861.88
Balance outstanding at the end of the Previous Year	363.27	0	35.50	259.70	649.47

**12. Earnings Per Share**

₹ in Lakhs

Particulars	2010-11	2009-10
Profit for the Year after tax	57.61	1168.92
Number of Equity Shares	18389597	18389597
Earnings Per Share (Basic and Diluted)	0.31	6.35
Face Value of each Equity Share	10.00	10.00

**13. Deferred Tax Liability comprises of the following**

₹ in Lakhs

Particulars	2010-11	2009-10
a. Deferred Tax Asset:		
- Opening Balance	460.48	Nil
- On account of employee benefits	10.33	8.51
- On account of unabsorbed depreciation loss	551.45	451.97
<b>Total</b>	<b>1022.26</b>	<b>460.48</b>
b. Deferred Tax Liability		
- Opening balance	1388.17	319.35
- On account of depreciation	595.74	1068.82
<b>Total</b>	<b>1983.91</b>	<b>1388.17</b>
Deferred Tax Liability (net)	961.65	927.69

14. Additional information pursuant to the provisions of paragraphs 3,4c and 4d of part II of Schedule VI of the Companies Act, 1956. (to the extent applicable)



a. Capacity & Production (Being technical matter, not verified by the auditors)

Particulars	2010-11	2009-10
Licensed	1160000 TPA	1160000 TPA
Installed Capacity	1160000 TPA	1160000 TPA
Actual Production	651278 TPA	497723 TPA

b. Turnover and Consumption of Raw Materials

Particulars	2010-11		2009-10	
	Quantity in MTs	Value in Lacs	Quantity in MTs	Value in Lacs
b) Turnover				
i) Sale of Cement	638449	22379.87	494362	15147.05
c) Details of Raw materials consumed				
i) Limestone	754825	1165.10	468333	669.51
ii) Laterite	9808	46.39	5897	27.31
iii) Gypsum	34489	395.41	27373	229.25
iv) Iron Ore	8909	32.86	950	1.76
v) Dolomite	-	-	53	0.22
v) Fly Ash	136582	502.13	114648	515.57
vi) Clinker Purchased	12500	281.54	44885	812.33
<b>Total</b>		<b>2423.43</b>		<b>2255.95</b>

c. Opening & Closing Stock of Finished Goods :

Particulars	Closing Stock		Opening Stock	
	Quantity in MTs	Value in Lacs	Quantity in MTs	Value in Lacs
Cement	16427	423.25	3599	67.90

15. Value of Imported and Indigenous Raw Materials, Consumables etc,

₹ in Lakhs

Particulars	Raw Material				Consumable stores etc.,			
	2010-11		2009-10		2010-11		2009-10	
	%	In ₹	%	In ₹	%	In ₹	%	In ₹
Imported	-	-	-	-	-	-	-	-
Indigenous	100 %	2478.61	100 %	2238.37	100 %	425.33	100 %	515.69

**Expenditure in Foreign Currency on account of**

₹ in Lakhs

Particulars	2010-11	2009-10
Raw Materials	Nil	Nil
Capital Goods	Nil	Nil
Stores and Consumables	Nil	Nil

Previous year figures have been regrouped wherever necessary to conform to this year groupings/classification.

The Schedules referred to above form an integral part of the Balance Sheet As per our report of even date attached

For and on behalf of the Board

**For M Anandam & Co**  
Chartered Accountants

**K V Vishnu Raju**  
Chairman and  
Managing Director

**PVRL Narasimha Raju**  
Executive Director

**MV Ranganath**  
Partner  
M.No 28031

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad

Date : 04-08-2011

# Annual Report 2010 - 2011



## Balance Sheet Abstract And Company's General Business Profile As at 31.03.2011

### I. Registration Details

Registration No.	: 4323	State Code	: 01
Balance Sheet Date	: 31.03.2011		

### II. Capital raised during the year (₹ in Lakhs)

Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

### III. Position of mobilization and deployment of funds (₹ in Lakhs)

Total Liabilities	: 31582.50	Total Assets	: 31582.50
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#### Sources of Funds

Paid-up Capital	: 1838.96	Reserves & Surplus	: 4582.25
Secured Loans	: 15727.14	Unsecured Loans	: 8472.50
		Deferred Tax Liability	: 961.65

#### Application of Funds

Net Fixed Assets	: 23467.10	Investment	: 1646.95
Net Current Assets	: 6468.45	Misc. Expenditure	: Nil
Pre-operative Expenses (Including interest)	: Nil		

### IV. Performance of Company (₹ in Lakhs)

Total Turnover	: 22379.87	Total Expenditure	: 22250.38
Profit before Tax	: 129.49	Profit after Tax	: 57.61
Earning per share (₹)	: 0.31	Dividend Rate	: 8%

### V. Generic Name of Principal Products of the Company

Product Description	: Item Code (ITC Code)
1. Ordinary Portland Cement	: 25231000
2. Clinker	: 25231000



Consolidated Financial Accounts of  
**Anjani Portland Cement Limited**  
2010 - 2011



# Auditors' Report on Consolidated Financial Statements



To,  
The Board of Directors  
Anjani Portland Cement Limited  
Hyderabad

1. We have examined the attached Consolidated Balance Sheet of Anjani Portland Cement Limited, its subsidiaries Vennar Ceramics Limited and Hitech Print Systems Limited as at 31st March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary "Vennar Ceramics Limited", whose financial statements reflect total asset of Rs. 1263.10 Lakhs as at 31st March, 2011 and total revenues of Rs.290.97 Lakhs. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Anjani Portland Cement Limited and its subsidiaries included in the consolidated financial statements.

5. On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of Anjani Portland Cement Limited and its subsidiaries Vennar Ceramics Limited and Hitech Print Systems Limited, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
- a. In the case of the Consolidated Balance Sheet, of the State of Affairs of Anjani Portland Cement Limited and its subsidiaries as at 31st March, 2011;
  - b. In the case of the Consolidated Profit & Loss Account, of the Consolidated results of operations of Anjani Portland Cement Limited and its subsidiaries for the year ended on that date; and
  - c. In the case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows of Anjani Portland Cement Limited and its subsidiaries for the year ended on that date.

For **M Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

**MV Ranganath**  
Partner  
M.No.28031

Place : Hyderabad

Date : 04.08.2011

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2011

₹ in Lakhs



	Schedule No.	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>I. Sources of Funds</b>					
<b>1. Shareholders Funds</b>					
a. Share Capital	1	1838.96		1838.96	
b. Reserves & Surplus	2	4772.40	6611.36	4871.89	6710.85
<b>2. Loan Funds</b>					
a. Secured Loans	3	17463.49		15462.19	
b. Unsecured Loans	4	8487.15	25950.65	5788.31	21250.51
<b>3. Deferred Tax Liability</b>			1107.81		1065.50
<b>Total</b>			<b>33669.82</b>		<b>29026.86</b>
<b>II. Application Of Funds</b>					
<b>1. Fixed Assets</b>	<b>5</b>				
a. Gross Block		32044.92		28760.88	
Less : Depreciation		6543.56		4994.52	
Net Block		25501.36		23766.36	
Add : Capital Work in Progress		253.74	25755.10	240.30	24006.66
<b>2. Goodwill</b>			295.09		295.09
<b>3. Current Assets, Loans and Advances</b>	<b>6</b>				
a. Inventories		4196.55		1664.78	
b. Sundry Debtors		2371.27		2131.79	
c. Cash and Bank Balances		297.56		281.85	
d. Loans and Advances		3871.21		3038.49	
		10736.59		7116.91	
<b>Less : Current Liabilities &amp; Provisions</b>	<b>7</b>	3116.96		2391.80	
<b>Net Current Assets</b>			7619.63		4725.11
<b>Total</b>			<b>33669.82</b>		<b>29026.86</b>
<b>Notes to the Accounts</b>					

The Schedules referred to above form an integral part of the Balance Sheet

As Per our report of even date

For and on behalf of the Board

**For M Anandam & Co**

Chartered Accountants

**K V Vishnu Raju**

Chairman and  
Managing Director

**PVRL Narasimha Raju**

Executive Director

**M V Ranganath**

Partner  
M.No 28031

**RVA Narasimha Rao**

Chief Financial Officer

Place : Hyderabad  
Date : 04-08-2011

**Consolidated Profit & Loss Account for the Year Ended 31<sup>st</sup> March, 2011** ₹ in Lakhs

	Schedule No.	31 <sup>st</sup> March 2011		31 <sup>st</sup> March 2010	
<b>Income</b>					
Sales		25468.31		17798.25	
Less: Taxes & Duties		5024.04		2979.22	
Net Sales			20444.27		14819.03
Increase/(Decrease) in Stocks	8		1721.70		147.28
Other Income	9		522.42		452.42
<b>Total</b>			<b>22688.39</b>		<b>15418.73</b>
<b>Expenditure</b>					
Material Consumption	10	5671.61		4788.28	
Manufacturing, Administrative & Selling Expenses	11	12496.29		7180.71	
Interest & other Finance Charges	12	2813.14		661.49	
Depreciation	5	1553.25		633.21	
<b>Total</b>			<b>22534.29</b>		<b>13263.69</b>
<b>Profit before Tax</b>			154.11		2155.05
<b>Provision for Taxation</b>					
Current Tax		28.14		320.81	
Earlier Tax		12.17		-	
Deferred Tax ( Income) / Expenditure		42.30	82.61	612.50	933.31
<b>Profit after Taxes</b>			71.50		1221.74
<b>Balance brought forward</b>			4591.89		3614.59
			4663.39		4836.33
<b>Appropriations:</b>					
Transfer to General Reserve		-		30.00	
Provision for Dividend		147.12		183.90	
Corporate Dividend Tax		23.86	170.98	30.54	244.44
<b>Balance Carried to Balance Sheet</b>			<b>4492.41</b>		<b>4591.89</b>
Basic & Diluted Earnings Per Equity Share of Rs 10/- each			0.39		6.64

The Schedules referred to above form an integral part of the Profit & Loss Account

As Per our report of even date

For and on behalf of the Board

**For M Anandam & Co**  
Chartered Accountants

**K V Vishnu Raju**  
Chairman and  
Managing Director

**PVRL Narasimha Raju**  
Executive Director

**MV Ranganath**  
Partner  
M.No 28031

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad  
Date : 04-08-2011

## Consolidated Cash Flow Statement For The Year Ended 31st March, 2011 ₹ in Lakhs



Particulars	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
<b>A. Cashflow from Operating Activities</b>		
Net Profit before Tax	154.11	2155.05
Adjustment for		
Depreciation	1553.25	633.21
Interest and Finance charges	2813.14	661.49
MAT Credit Entitlement	(21.52)	(302.04)
Interest Income	(24.21)	(16.49)
Loss on sale of Assets	1.33	0.00
Operating Profit Before Working Capital Changes	4476.10	3131.22
(Increase)/Decrease in Inventories	(2531.77)	(397.77)
(Increase)/Decrease in Sundry Debtors	(239.48)	(586.02)
(Increase)/Decrease in Loans and Advances	(832.72)	(1238.02)
Increase/(Decrease) in Current Liabilities	913.64	482.67
Cash Generated from Operations	1785.78	1392.08
Direct tax paid	(179.10)	(1023.88)
Net Cash Flow from Operating Activity	1606.68	368.20
<b>B. Cash Flow from Investing Activities</b>		
Inflow/(Outflow)		
Interest received	24.21	16.49
Net Purchase of Fixed Assets	(3283.84)	(17041.85)
(Increase)/Decrease in Capital Work in Progress	(13.44)	1772.17
Proceeds from sale of Fixed Assets	9.56	0.00
Net Cash Flow from Investing Activities	(3263.51)	(15253.19)
<b>C. Cash Flow from Financial Activities</b>		
Inflow / (Outflow)		
(Repayment)/ Proceeds of Other loans	(20.86)	(7.01)
Proceeds from Long Term Borrowings	90.97	11937.76
Increase / (Decrease) in cash Credit Utilisation	1931.19	1468.44
(Repayment) / Proceeds from Unsecured Loans	2698.84	2131.81
Interest Paid	(2813.14)	(661.49)
Dividend Paid	(214.44)	
Net Cash Flow from Financing Activities	1672.56	14869.51
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	15.72	(15.53)
Cash and Cash Equivalents as at the Commencement of the year	281.85	297.38
Cash & Cash Equivalents as at the close of the year	297.57	281.85

Note : Previous year's figures have been regrouped and recast wherever necessary to conform with current year's classification.

As Per our report of even date

**For M Anandam & Co**  
Chartered Accountants

**MV Ranganath**  
Partner  
M.No 28031

Place : Hyderabad  
Date : 04-08-2011

For and on behalf of the Board

**K V Vishnu Raju**  
Chairman and  
Managing Director

**RVA Narasimha Rao**  
Chief Financial Officer

**PVRL Narasimha Raju**  
Executive Director

# Consolidated Financial Statements

## Schedules to Accounts

₹ in Lakhs

Schedule-1 : Share Capital	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>Authorised</b>				
1000000 14% Cumulative Redeemable Preference Shares of ₹ 10/- each		100.00		100.00
30000000 Equity Shares of ₹ 10 each (P.Y. 20000000 Equity Shares of ₹ 10 each)		3000.00		2000.00
		3100.00		2100.00
<b>Issued Capital</b>				
18394463 Equity Shares of ₹ 10 each fully issued		1839.45		1839.45
<b>Subscribed and Paid Up</b>				
18389597 Equity Shares of ₹ 10 each fully paid up		1838.96		1838.96
		1838.96		1838.96

Schedule-2 : Reserves & Surplus	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Capital Subsidy		20.00		20.00
General Reserve				
- Opening Balance	260.00		230.00	
- Less : Current Year Transfer	-	260.00	30.00	260.00
Profit & Loss Account		4492.40		4591.89
		<b>4772.40</b>		<b>4871.89</b>

Schedule - 3 : Secured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Term Loans	13065.89		12974.92	
Working Capital Loans	4347.69		2416.50	
Others	49.92	17463.49	70.78	15462.19
		17463.49		15462.19

Schedule - 4 : Unsecured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Public Deposits		250.51		137.10
Unsecured Loans		8236.64		5651.21
		8487.15		5788.31

**Consolidated Financial Statements**  
**Schedule-5: Fixed Assets**

₹ in Lakhs

Assets	Gross Block			Depreciation			Net Block		
	As on 01.04.2010	Additions during the Year	Deletions during the Year	As on 31.3.2011	As on 01.04.2010	Additions during the Year	Deletions during the Year	As on 31.3.2011	As on 01.04.2010
Freehold Land	479.99	530.87		1010.86	-	-		1010.86	479.99
Buildings	2322.73	85.23		2407.96	296.35	69.47		2042.14	2026.38
Plant & Machinery	24957.11	2390.24		27347.35	4273.30	1338.21		21735.83	20683.80
Vehicles	274.89	16.36	13.28	277.97	92.29	27.05	4.21	162.84	182.60
Office Equipment	191.57	128.09		319.66	80.54	30.45		208.67	111.03
Furniture & Fixtures	73.21	83.07		156.28	21.13	7.08		128.08	52.09
Data Processing Equipment	461.37	63.26		524.63	230.92	80.99		212.72	230.45
Sub Total	28760.88	3297.12	13.28	32044.72	4994.52	1553.25	4.21	25501.16	23766.36
Capital Work in Progress	240.30	53.11	39.67	253.74	-	-		253.74	240.30
Total	29001.18	3350.23	52.96	32298.46	4994.52	1553.25	4.21	25754.90	24006.66
Previous Year	13731.50	17110.51	1840.84	29001.18	4361.31	633.22	0.00	24006.66	9370.18

## Consolidated Financial Statements

₹ in Lakhs

Schedule-6 : Current Assets Loans & Advances	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>A. Current Assets</b>				
<b>a) Inventories</b> (As certified and Valued by the Management).				
a) Stores and Spares	930.73		839.90	
b) Raw Material	602.77		219.26	
c) Coal & HSD Oil	469.13		146.13	
d) Packing Materials	39.56		26.83	
e) Work-in-Process	1654.17		342.15	
f) Finished Stock	500.19		90.51	
		4196.55		1664.78
<b>b) Sundry Debtors</b>				
a. Debts outstanding for a period exceeding six months:				
Unsecured Considered Good	203.15		161.19	
b. Other Debtors : Secured Considered Good				
Unsecured Considered Good	109.59		87.49	
	2058.52	2371.27	1883.10	2131.79
<b>c) Cash and Bank Balances</b>				
Cash on hand	6.42		10.21	
Cheques in Hand	64.51		131.76	
Balance with Scheduled Banks in				
- Current Accounts	148.96		122.61	
- Deposit Accounts	77.66	297.56	17.26	281.85
<b>B. Loans and Advances</b>				
Usesecured and considered good				
Advances recoverable in cash or in kind or for value to be received	2140.79		1435.70	
Deposit with Govt & Public Bodies	1557.95		1516.55	
Deposit - Others	172.47	3871.21	86.24	3038.49
		<b>10736.59</b>		<b>7116.91</b>

# Consolidated Financial Statements

₹ in Lakhs



Schedule-7 : Current Liabilities and Provisions	31st March, 2011		31st March, 2010	
<b>A. Current Liabilities</b>				
Sundry Creditors				
- Dues to MSMED Enterprises	-		-	
- Others	2,684.36		2,083.90	
Advances from customers	635.18		388.63	
Interest Accrued but not Due	16.36		6.94	
Unclaimed Dividends *	28.44	3,364.34	14.36	2,493.83
<b>B. Provisions</b>				
Income Tax	1,680.69		1,671.13	
Less : Advance Taxes paid	1,679.83	0.86	1,584.28	86.85
MAT Credit of Earlier Year	442.98		(140.94)	
Add : MAT Credit of Current Year	21.52	(464.50)	(302.04)	(442.98)
Proposed Dividend	147.12		183.90	
Dividend Tax	23.87	170.99	30.54	214.44
Employee benefits		45.27		39.66
		<b>3,116.96</b>		<b>2,391.80</b>
* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.				

## Consolidated Financial Statements

₹ in Lakhs

Schedule-8 : Increase/(Decrease) in Stocks	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Opening Stocks				
- Work-in-process	342.15		262.11	
- Finished Goods	90.51		23.27	
	432.66		285.38	
Closing Stocks				
- Work-in Process	1654.17		342.15	
- Finished Goods	500.19		90.51	
	2154.36		432.66	
<b>Increase/ ( Decrease) in Stocks</b>		<b>1721.70</b>		<b>147.28</b>

Schedule-9 : Other Income	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Interest on Deposits	24.21		16.49	
Other Income	97.31		43.46	
MAT Credit Entitlement	21.52		302.04	
Incentive on power	379.38		90.43	
		<b>522.42</b>		<b>452.42</b>

Schedule-10 : Meterial Consumption	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Raw Materials Consumed		4115.22		3599.18
Stores& Spares Consumed		484.03		830.52
Packing Material Consumed		1072.36		358.58
		<b>5671.61</b>		<b>4788.28</b>

## Consolidated Financial Statements

₹ in Lakhs



<b>Schedule-11 : Manufacturing Administrative &amp; Selling Expenses</b>	<b>31st March, 2011</b>		<b>31st March, 2010</b>	
Power & Fuel	6400.49		3806.46	
Direct Manufacturing Expenses	453.89		453.49	
Repairs & maintenance				
Buildings	6.44		12.07	
Plant & machinery	151.99		163.15	
Others	53.62	7066.43	40.22	4475.39
<b>Employee Cost</b>				
Salaries & wages	868.84		722.82	
Contribution to Provident Fund & other funds	104.44		77.18	
Staff and Workmen welfare expenses	110.96	1084.24	90.82	890.82
<b>Administrative Expenses</b>				
Directors Remuneration & Perquisites	60.03		76.03	
Insurance	44.51		24.64	
Rent, Rates & Taxes	115.62		53.06	
Travelling & Conveyance Expenses	163.56		145.81	
Printing & Stationery	11.34		12.74	
Telephone, Postal Expenses	27.40		28.18	
Office Maintenance	161.94		113.28	
Auditors Remuneration	9.98		9.41	
Legal & Professional Charges	134.64		61.27	
Share Transfer & Other Secretarial Expenses	9.93		8.93	
Loss on Sale of Vehicle	1.33		0.00	
Service Tax	0.00		0.41	
Sales Tax/Excise Duty Paid	1.05	741.33		533.76
<b>Selling &amp; Distribution Expenses</b>				
Freight Charges	2135.72		690.57	
Product Promotional expenses	267.19		185.36	
Trade Discount	1201.37	3604.29	404.80	1280.74
		<b>12496.29</b>		<b>7180.71</b>

<b>Schedule-2 : Interest And Finance Charges</b>	<b>31<sup>st</sup> March, 2011</b>		<b>31<sup>st</sup> March, 2010</b>	
on Term Loans	1527.55		147.40	
on Working Capital	408.00		175.82	
on other Loans	788.24		277.00	
Bank Charges	89.35	2813.14	61.27	661.49
		<b>2813.14</b>		<b>661.49</b>

# Schedule No:13 Significant Accounting Policies & Notes on Accounts

## A. Significant Accounting Policies

### 1. Basis of Preparation:

The Financial Statements are prepared under the Historical cost convention on an accrual basis and are in accordance with the requirements of The Companies Act 1956 and comply with the Accounting Standards referred to in Sub Sec (3c) of Section 211 of the said Act.

### 2. Revenue Recognition

Income from sale of goods is recognized at the point of dispatch to customers except in the case of consignment agents where the revenue is recognized only after sale is affected by the consignment agent. Sale value includes Excise Duty, VAT and applicable freight.

### 3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / installed / commissioned. All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities/creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets upto the time they are completed.

### 4. Depreciation

Depreciation on fixed assets has been provided on the straight line method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

### 5. Investments

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature. Current investments are valued at the cost or market value whichever is lower.

### 6. Borrowing Costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

## 7. Accounting for Leases

Rentals in respect of leased premises are charged to profit and loss account.

## 8. Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.

## 9. Employee Benefits:

### a. Defined Contribution Plan

A retirement benefit in the form of Provident Fund is defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds become due.

### b. Defined Benefit Plan

#### Compensated absences

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the Balance Sheet date. Actuarial gains / losses are immediately recognized in the Profit & Loss Account.

#### Super Annuation

A retirement benefit in the form of Superannuation Fund is defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution to the respective funds are due. The Company has created an approved Superannuation Fund and accounts for the contribution made to LIC against an insurance policy taken with them. There are no other obligations other than the contribution payable to the funds.

#### Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by LIC.

## 10. Taxes on Income

### a. Current Tax

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provisions of the Income Tax Act, 1961.

## **b. Deferred Tax**

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period/s, subject to the consideration of prudence.

### **11. Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account

### **12. Provisions, Contingent Liabilities and Contingent Asset**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **13. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and present of financial statements are prudent and reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

### **14. Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use, the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

## B. Notes on Accounts



### 1. Principles of Consolidation

- a. The Consolidated Financial Statements (CFS) are prepared on the following basis in accordance with Accounting Standard on “Consolidated Financial Statements” and (AS – 21), notified under the Companies (Accounting Standard) Rules, 2006:
- The financial statements of the Company and its subsidiary companies are combined on a line by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with AS-21.
  - The difference between the costs of investment in the subsidiaries, over the net assets as at the end of the financial year immediately preceding the year of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
  - As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Appropriate adjustments are made to the financial statements of subsidiaries, except in the case of accounting for leave encashment of Hitech print systems where it is accounted when the obligation to pay rises, when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company’s separate financial statements.
  - The financial statements of the Company and its Subsidiaries used in the consolidation are drawn upto the same reporting date i.e. March 31, 2011.
- b. The Consolidated Financial Statements (CFS) comprises the financial statements of Anjani Protland Cement Limited and its Subsidiaries as at 31.03.2011, which are as under:

Name of the Subsidiary	% of shareholding and Voting Power	
	2010-11	2009-10
Hitech Print Systems Ltd.	100%	100%
Vennar Ceramics Ltd.	100%	100%

### 2. Secured Loans

#### a. Term Loans

Term loans are secured by a first/joint equitable mortgage by deposit of title deeds, with State Bank of India, leader of consortium bankers, of all the Company’s immovable properties, both present and future and hypothecation of all movable assets (other than book debts) ranking pari-passu with the charges created in favour of the Consortium Bankers, State Bank of India, Punjab National Bank, Indian Overseas Bank, and State Bank of Hyderabad. The term loans are further secured by the personal guarantee of Chairman and Managing Director and Executive Director.

In the case of Hitech Print Systems Limited, term loans availed from Indian Bank & Axis Bank are secured by a first charge by way of hypothecation of all Inventories and Receivables both present & future, Equitable Mortgage of Factory together with building thereon, Plant & Machinery and Electrical Equipment. Term Loans are further secured by the personal guarantee of one of the Directors and Corporate Guarantee of M/s Anjani Portland Cement Ltd.

### b. Working Capital

Cash Credit facility with consortium Banks is secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares and book debts and second charge on Fixed Assets and personal guarantee of Chairman & Managing Director and Executive Director. Loans and Advances include an amount of ₹ 403.50 Lakhs given to Vennar Ceramics Limited, which is a 100% subsidiary company.

In the case of Hitech Print Systems Limited, Cash Credit facility with Indian Bank & Axis Bank are secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares, book debts and second charge on Fixed Assets. The Cash Credit facility is further secured by the personal guarantee of one of the Directors of the Company and Corporate Guarantee of M/s Anjani Portland Cement Ltd.

### 3. Outstanding dues of Micro enterprises and Small enterprises

Information as per Notification No. GSR 719 (E) & as per "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)"

Particulars	2010-11	2009-10
The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
The amount of interest paid by the buyer in terms of Sec 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay of making payment but without adding the interest specified under the Act	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of the each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the Small enterprises, for the purpose of disallowance as a deductible expenditure Under Sec 23.	NIL	NIL

4. The balances of sundry creditors, sundry debtors, unsecured loans and loans and advances are subject to confirmation and reconciliation.
5. Capital Work In Progress of M/s Vennar Ceramics Limited includes ₹ 210 lakhs being property settled out of court with M/s MSK Projects Limited.



## 6. Contingent Liabilities

₹ in Lakhs

Particulars	2010-11	2009-10
Disputed Liability in respect of Tax demands	95.43	Nil
Disputed liability in respect of sales tax demand	91.82	87.09
Disputed Liability in respect of FSA charges payable to APCPDCL	43.50	Nil
Disputed Demand charges payable to AP Transco	25.29	25.29
Bank Guarantee	47.90	41.66
<b>Total</b>	<b>303.94</b>	<b>154.04</b>

## 7. Managerial Remuneration

₹ in Lakhs

Particulars	2010-11	2009-10
Chairman & Managing Director		
Salary	24.00	12.95
HRA	12.00	6.47
Children Education Allowance	1.20	0.58
Contribution to Provident Fund & Other Funds	2.88	2.90
Perquisites	-	-
Commission on Profits	0	26.67
<b>Total</b>	<b>40.08</b>	<b>49.57</b>
Executive Director		
Salary	14.40	7.20
HRA	7.20	3.60
Children Education Allowance	0.48	0.24
Contribution to Provident Fund & Other Funds	1.73	1.94
Perquisites	1.20	-
Commission on Profits	-	17.77
<b>Total</b>	<b>25.01</b>	<b>30.75</b>

**8. Auditors' Remuneration**

₹ in Lakhs

Particulars	2010-11	2009-10
Audit Fee	6.40	6.40
Tax audit Fee	1.65	1.65
For Certification	1.00	1.00
Out of Pocket Expenses	0.51	0.34
Service Tax	0.93	0.56
<b>Total</b>	<b>10.49</b>	<b>9.95</b>

**9. Defined benefit plans:**

As per actuarial valuation as on March 31, 2011 and recognized in the financial statements in respect of post retirement gratuity plan with LIC.

**I. Actuarial Assumptions**

Particulars	2010-11
Discount Rate	8.00%
Salary Escalation	4.00%

**II. Components of Employer Expenses**

₹ in Lakhs

Particulars	2010-11
Current Service Cost	6.50
Interest Cost	3.15
Employee Contributions	-
Expected Return on planned assets	(2.92)
Net Actuarial (Gains) / Losses	5.15
Past service Cost	-
Settlement / Curtailment (Gain)	-
<b>Total Expenses</b>	<b>11.88</b>

**III. Net Assets / (Liability) recognized in the Balance Sheet.**

₹ in Lakhs

Particulars	2010-11
Present value of Defined Benefit obligation as at the end of the year	42.50
Fair value of plan as at the end of the year	32.90
Funded Status (surplus / (Deficit))	(9.60)
Net Assets / (Liability) recognized in the balance sheet	9.60

#### IV. Change in obligation during the year

₹ in Lakhs



Particulars	2010-11
Present Value of obligations at the beginning of the year	39.44
Current Service Cost	7.61
Interest Cost	3.16
Settlement / Curtailment (Gain)	-
Past Service Cost	-
Employee Contributions	-
Actuarial (Gain) / Losses on obligation	(5.15)
Benefits paid	(2.56)
Present Value of obligation at the end of the year	42.50

#### V. Change in Fair value of the assets

₹ in Lakhs

Particulars	2010-11
Fair value of the plan assets at the beginning of the year	32.90
Expected return on planned assets	2.92
Contributions	-
Benefits paid	(2.56)
Actuarial Gain / (Loss) on plan assets	Nil
Fair value of the plan assets at the end of the year	33.26

\* Since provision of gratuity on actuarial is not applicable to Vennar Ceramics at present, the same has not been included in the above.

\* Hitech Print Systems is providing for gratuity on actuarial basis for the first time, hence previous year details are not provided.

### 10. Leave Encashment

The obligation of leave encashment of the company as on March 31, 2011 is computed as under.

#### I. Actuarial Assumptions

Particulars	2010-11
Discount Rate	8.00%
Salary Escalation	4.00%

**II. Components of Employer Expenses**

₹ in Lakhs

Particulars	2010-11
Current Service Cost	-
Interest Cost	-
Employee Contributions	-
Expected Return on planned assets	-
Net Actuarial (Gains) / Losses	35.67
Past service Cost	-
Settlement / Curtailment (Gain)	-
Total Expenses	35.67

**III. Net Assets/(Liability) recognized in the Balance Sheet**

₹ in Lakhs

Particulars	2010-11
Present value of Defined Benefit obligation as at the end of the year	35.67
Fair value of plan as at the end of the year	-
Funded Status (surplus / (Deficit) )	(35.67)
Net Assets / (Liability) recognized in the balance sheet	(35.67)

**IV. Change in obligation during the year**

₹ in Lakhs

Particulars	2010-11
Present Value of obligations at the beginning of the year	-
Current Service Cost	-
Interest Cost	-
Settlement / Curtailment (Gain)	-
Past Service Cost	-
Employee Contributions	-
Actuarial (Gain) / Losses on obligation	35.67
Benefits paid	-
Present Value of obligation at the end of the year	35.67

**V. Change in Fair value of the assets**

₹ in Lakhs

Particulars	2010-11
Fair value of the plan assets at the beginning of the year	-
Expected return on planned assets	-
Contributions	-
Benefits paid	-
Actuarial Gain / (Loss) on plan assets	-
Fair value of the plan assets at the end of the year	-

\*Anjani Portland Cement Limited is providing for leave encashment on actuarial basis for the first time, hence previous year's details are not provided.

\*Since provision for leave encashment on an actuarial basis is not applicable to Vennar Ceramics at present, the same has not been included in the above.

\*Hitech Print Systems is providing for leave encashment when the obligation to pay arises hence relevant details are not included above.



## 11. Earnings Per Share:

Particulars	2010-11	2009-10
Profit for the Year after tax	71.51	1221.70
Number of Equity Shares	18389597	18389597
Earnings Per Share (Basic and Diluted)	0.39	6.64
Face Value of each Equity Share	10	10

## 12. Deferred Tax

₹ in Lakhs

Particulars	2010-11	2009-10
a) Deferred Tax Asset:		
- Opening Balance	460.48	Nil
- On account of employee benefits	10.33	8.51
- On account of unabsorbed depreciation loss	551.45	451.97
<b>Total</b>	<b>1022.26</b>	<b>460.48</b>
b) Deferred Tax Liability		
- Opening balance	1525.98	453.00
- On account of depreciation	604.08	1072.98
<b>Total</b>	<b>2130.07</b>	<b>1525.98</b>
<b>Deferred Tax Liability (net)</b>	<b>1107.81</b>	<b>1065.50</b>

\* As M/S Vennar Ceramics is availing tax holiday under section 80-IA of the Income Tax Act, 1961, it considered prudent not to provide for deferred tax during the period of tax holiday, hence not considered above.

## 13. Related Party Disclosures

### a. Relationship

#### - Key Management Personnel

- Sri. K V Vishnu Raju
- Sri PVRL Narsimha Raju
- Sri. SVS Shetty

#### - Relatives of Key Management Personnel

- Smt. K Ramavathy
- Sri. KSN Raju

- **Enterprises owned or significantly influenced by Key Management Personnel**

- Sai Aditya foods & Retail Pvt Ltd
- Anjani Projects & Constructions Ltd
- Sri Vishnu Educational Society

**b. The following transactions are carried out with related parties in the course of business** ₹ in Lakhs

Particulars	Key managerial Persons	Relatives of Key managerial Persons	Enterprises of Key managerial Persons	Total
Sales			119.11	119.11
Remuneration	65.09			65.09
Office Rent	31.02	36.57	4.32	71.91
Interest		7.59		7.59
Loans Taken	80.00	30.00		110.00
Loans Repaid	73.00			73.00
Balance outstanding at the end of the Current Year	7.15	71.67	403.31	482.13
Balance outstanding at the end of the Previous Year	0	41.68	264.99	306.67

#### 14. Segment Reporting

Segment report of M/s Anjani Portland Cement Ltd and its consolidated subsidiaries has been prepared in accordance with AS 17 "Segment Reporting" as notified under section 211 (3C) of the Companies Act.

**The Business segments of the company comprises of the following:**

Segment	Details of Business
Cement	Manufacture of Cement
Power	Gas based power generation
Printing	Security Printing

## Details of business segment

₹ in Lakhs

Particulars	Cement		Power		Printing		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Revenue							
Sales	17462.44	12257.74	288.71	204.53	2693.12	2356.76	20444.27	14819.03
Increase/(Decrease) in stocks	1667.37	145.05	0.00	0.00	(54.33)	(2.23)	1613.04	142.82
Total Revenues	19129.81	12402.79	288.71	204.53	2747.45	2358.99	22165.97	14966.31
Operating Expenses	10603.07	7497.28	208.51	125.56	1926.46	1640.84	12738.04	9263.68
Depreciation	1274.78	399.46	55.16	55.07	223.32	178.68	1553.26	633.21
Segment Operating Profit/(Loss)	7251.96	4506.05	25.04	23.90	597.67	539.47	7874.67	5069.42
Interest Expenses	2590.14	533.75	1.49	1.44	221.51	126.30	2813.14	661.49
Other Income	513.83	433.59	2.26	7.11	6.32	11.72	522.41	452.42
Other Expenses	5053.24	2331.67	23.70	27.69	352.89	345.94	5429.83	2705.30
Profit/(Loss) before tax	122.41	2074.22	2.11	1.88	29.59	78.95	154.11	2155.05
Taxation -								
Current tax	21.52	302.04	0.00	0.00	6.61	18.77	28.13	320.81
Relating to Previous year	16.40	0.00	0.00	0.00	(4.22)	0.00	12.18	0.00
Deferred tax	33.96	608.34	0.00	0.00	8.34	4.16	42.30	612.50
<b>Net Profit/(Loss) after taxation</b>	<b>50.53</b>	<b>1163.84</b>	<b>2.11</b>	<b>1.88</b>	<b>18.86</b>	<b>56.02</b>	<b>71.50</b>	<b>1221.74</b>
Other information								
Segment Assets	32030.06	27516.87	1383.12	1341.23	3299.57	3252.49	37007.91	32405.75
Segment Liabilities	27659.30	22629.24	243.58	957.30	2493.67	2108.33	30396.55	25694.87
	<b>4370.76</b>	<b>4887.63</b>	<b>1139.54</b>	<b>383.93</b>	<b>805.90</b>	<b>1144.16</b>	<b>6611.36</b>	<b>6710.88</b>

\* The company is not having any geographic segments.

15. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring in line with the parent Company's Financial Statements.

16. Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year groupings and classifications.

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board

**For M Anandam & Co**  
Chartered Accountants

**M V Ranganath**  
Partner  
M.No 28031

Place : Hyderabad

Date : 04-08-2011

**K V Vishnu Raju**  
Chairman and  
Managing Director

**R V A Narasimha Rao**  
Chief Financial Officer

**P V R L Narasimha Raju**  
Executive Director

**Statement Pursuant to Section 212  
of the Companies Act, 1956, Relation to Company's  
Interest in Subsidiary Companies**



Name of the Subsidiary Company	Vennar Ceramics Limited
1. The Financial Year of the Subsidiary Company ended on	<b>31.03.2011</b>
2. Date from which they become Subsidiary Company	<b>30.01.2001</b>
3. a. Number of Shares held by Anjani Portland Cement Limited with its nominee in the Subsidiary at the end of the financial year if the subsidiary company.	<b>49,66,070 ordinary shares of ₹ 10/- each</b>
b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company.	<b>100%</b>
4. The net aggregate amount of the Subsidiary Company Profit/(Loss) so far as it concerns the members of the Holding Company.	
a. Not dealt with in the Holding Company's Accounts	
i. For the financial year ended 31 <sup>st</sup> March, 2011.	
ii. For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary.	
b. Dealt with in the Holding Company's Accounts	
i. For the financial year ended 31 <sup>st</sup> March, 2011.	<b>₹ 2.11 Lakhs</b>
ii. For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary.	<b>₹ (110.58) Lakhs</b>

## Information of Subsidiary Companies

### Vennar Ceramics Ltd.,

As on 31.3.2011

₹ in Lakhs

a.	Share Capital	:	496.61
b.	Reserves	:	---
c.	Total Assets	:	1263.10
d.	Total Liabilities	:	1263.10
e.	Details of Investment (except in case of investment in the subsidiaries)	:	NIL
f.	Turnover	:	288.71
g.	Profit/ (Loss) before Taxation	:	2.11
h.	Prior Period Adjustments	:	--
i.	Provision for taxation	:	--
j.	Profit / (Loss) after taxation	:	2.11
k.	Proposed Dividend	:	NIL

For and on behalf of the Board

**K V Vishnu Raju**  
Chairman and Managing Director

**PVRL Narasimha Raju**  
Executive Director

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad

Date : 04-08-2011

**Statement Pursuant To Section 212  
of the Companies Act, 1956, Relation To Company's  
Interest in Subsidiary Companies**



Name of the Subsidiary Company	Hitech Print Systems Limited
1. The Financial Year of the Subsidiary Company ended on	<b>31.03.2011</b>
2. Date from which they become Subsidiary Company	<b>22.07.2007</b>
3. a. Number of Shares held by Anjani Portland Cement Limited with its nominee in the Subsidiary at the end of the financial year if the subsidiary company.	<b>15,00,000 ordinary shares of ₹ 10/- each</b>
b. Extent of interest of Holding Company at he end of the financial year of the Subsidiary Company.	<b>100%</b>
4. The net aggregate amount of the Subsidiary Company Profit/(Loss) so far as it concerns the members of the Holding Company.	
a. Not dealt with in the Holding Company's Accounts	
i. For the financial year ended 31 <sup>st</sup> March, 2011.	
ii. For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary.	
b. Dealt with in the Holding Company's Accounts	
i. For the financial year ended 31 <sup>st</sup> March, 2011.	<b>₹ 11.79 Lakhs</b>
ii. For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary.	<b>₹ 342.25 Lakhs</b>

## Information of Subsidiary Companies

### Vennar Ceramics Ltd.,

As on 31.3.2011  
₹ in Lakhs

a.	Share Capital	:	496.61
b.	Reserves	:	---
c.	Total Assets	:	1263.10
d.	Total Liabilities	:	1263.10
e.	Details of Investment (except in case of investment in the subsidiaries)	:	NIL
f.	Turnover	:	288.71
g.	Profit/ (Loss) before Taxation	:	2.11
h.	Prior Period Adjustments	:	--
i.	Provision for taxation	:	--
j.	Profit / (Loss) after taxation	:	2.11
k.	Proposed Dividend	:	NIL

For and on behalf of the Board

**K V Vishnu Raju**  
Chairman and Managing Director

**PVRL Narasimha Raju**  
Executive Director

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad  
Date : 04-08-2011

## Form for ECS Mandate / Bank Mandate

**M/s. Sathguru Management Consultants Private Ltd**

**Unit: Anjani Portland Cement Limited**

Plot No. 15, Hindi Nagar, Near Sai Baba Temple

Punjagutta, Hyderabad 500 034

Dear Sir,

I/We \_\_\_\_\_ do hereby authorize Anjani Portland Cement Limited to

- Credit my dividend amount directly to my Bank Account as per details furnished by Electronic Clearing Service (ECS) - ECS Mandate\*
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate\*

(\*Strike out whichever is not applicable)

Folio No. \_\_\_\_\_

(From share held in physical form)

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

(For share held in electronic form)

- a. Name of First holder \_\_\_\_\_
- b. Bank Name \_\_\_\_\_
- c. Branch Name \_\_\_\_\_
- d. Branch Address (for ECS Mandate only)  
& Telephone No. of Branch \_\_\_\_\_
- e. Bank Account Number \_\_\_\_\_
- f. Account Type (Savings / Current) \_\_\_\_\_
- g. 9 Digit Code Number of the bank &  
Branch as appearing on the MICR  
Cheque (for ECS Mandate only) \_\_\_\_\_

I hereby declare that particulars given above the correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Anjani Portland Cement Limited will not be held responsible.

Place :

Date :

\_\_\_\_\_  
Signature of first named shareholder

Note :

(as per specimen lodged with the Company)

1. Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.



## Anjani Portland Cement Ltd

Regd. Office: "Sitha Nilayam", 153, Dwarakapuri Colony  
Panjagutta, Hyderabad 500 082

### Twenty Seventh Annual General Meeting Attendance Slip

Folio No \_\_\_\_\_ DP ID No\* \_\_\_\_\_ Client ID No\* \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I hereby record my presence at the Twenty Seventh Annual General Meeting of the Company to be held on Friday, the 23<sup>rd</sup> September, 2011 at 11.00 AM at Bhaskara Auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad 500 063

Name of the Shareholder :

Name of the Proxy :

Signature of Shareholder / proxy :

\* Applicable for investors holding shares in electronic form

**Note:** Only shareholders of the Company or their proxies will be allowed to attend the meeting.

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## Anjani Portland Cement Ltd

Regd. Office: "Sitha Nilayam", 153, Dwarakapuri Colony  
Panjagutta, Hyderabad 500 082

### Proxy Form

Folio No \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

(To be filled by the Shareholder)

I/We being a Member/Member (s) \_\_\_\_\_

of **Anjani Portland Cement Limited** hereby appoint \_\_\_\_\_

of failing him/her \_\_\_\_\_ of \_\_\_\_\_

As my/our proxy to vote for me/us and on my/our \_\_\_\_\_

behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Friday the 23<sup>rd</sup> September, 2011 at 11.00 AM and at any adjournment thereof.

Affix ₹ 1.00  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Note : This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



## Notes

## Notes