ANJANI CEMENT

Anjani Portland Cement Limited



27th Annual Report 2010 - 2011

Mana Anjani



"Mentoring" - Anjani's way of enriching employees skill.



"Internal Brand Building" - way of working at Anjani Cement



Homage to Founder Chairman - Launching of Dr. B V Raju Memorial Scheme for Anjani Cement dealers.



27th Annual Report

2010 - 2011

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.

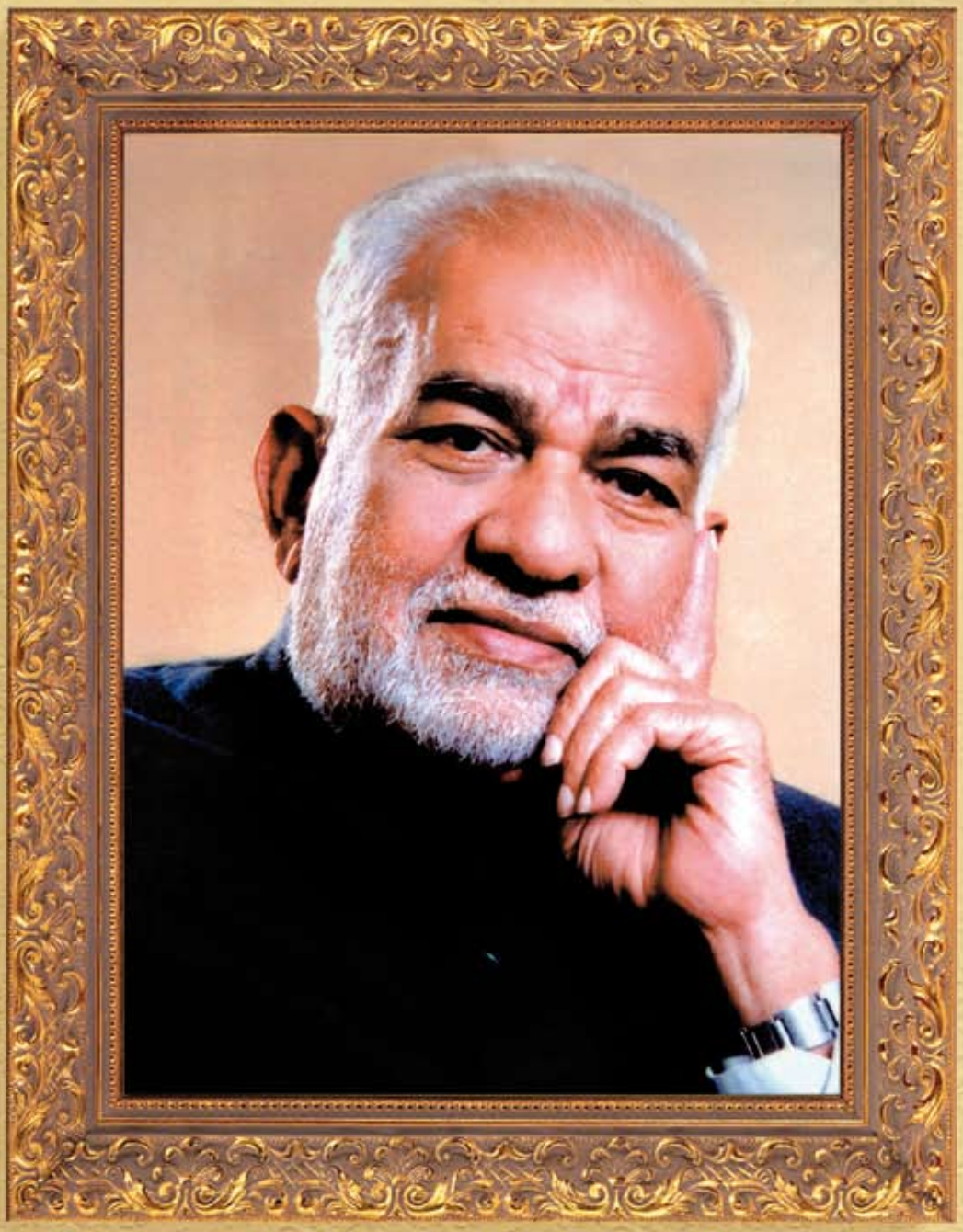
Auditors : M Anandam & Co., Chartered Accountants, 7 'A', Surya Towers S.P. Road, Secunderabad 500 003.

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, Punjgutta Hyderabad 500 034, Phone No(s) : 040 3016 0333, 3016 0225
email : sta@sathguru.com



Padma Bhushan Dr. BV Raju

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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 23rd 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 31st 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 20th September, 2011 to Friday, the 23rd 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 23rd 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 31st March, 2011.

Financial Results

The Financial results for the year ended 31st 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
Appropriations		
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 31st March, 2011.