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Anjani Portland Cement Limited

Corporate Office

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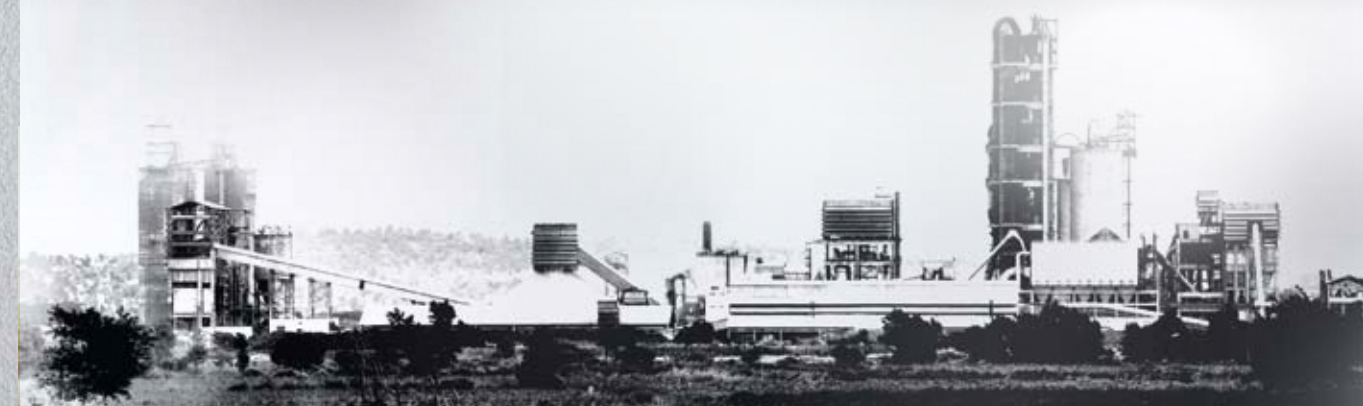
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Anjani Portland Cement Limited



29th Annual Report 2012-13



Anjani cement | **clean** cement | **green** cement | **environ** cement !!!



29th Annual Report 2012 - 13

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Anjani Portland Cement Limited

Board of Directors

Mr. K V Vishnu Raju	Chairman & Managing Director
Mr. PVRL Narasimha Raju	Executive Director
Mr. R A Rama Raju	Director
Mr. P S Ranganath	Director
Mr. P V Subba Rao	Director
Mr. P R Raju	Director

Management Team

Mr. SVS Shetty	Chief Executive Officer (upto 30.04.2013)
Mr. Ch. Gandhi Raju	Vice President (Marketing)
Mr. A Siva Sankar Reddy	Vice President (Finance) (from 21.12.2012)
Mr. N Venkata Raju	Asst. Vice President (Works)
Mr. P S Raju	Group General Manager (HR & MS)
Mr. P Ganapathi Raju	Sr. General Manager (Q.A)
Mr. M Nagabhushana Rao	Sr. General Manager (Mechanical)
Mr. K V Gopala Raju	General Manager (Purchase)
Mr. D V Subba Raju	General Manager (E & I)
Mr. Ch S S Varma	General Manager (P & C)

Registered Office

153, Sitha Nilayam
Dwarakapuri Colony, Punjagutta
Hyderabad 500 082, AP.

Corporate Office

Anjani Cement Centre
Plot No. 7 & 8, Nagarjuna Hills
Punjagutta, Hyderabad 500 082, AP.

Factory

Chintalapalem (V), Mellacheruvu (M)
Nalgonda (Dt) 508 246, AP.

Registrars & Share Transfer Agents

Karvy Computershare Pvt. Ltd.
Plot No.17 to 24, Viithal Rao Nagar
Madhapur, Hyderabad 500081, AP.

Statutory Auditors

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

Cost Auditors

Narasimha Murthy & Co.
3-6-365, 104 & 105, Pavani Easte
Himayatnagar, Hyderabad 500 029, AP.

Internal Auditors

M. Bhaskara Rao & Co.
Chartered Accountants, 5-4, 5th Floor
"Kautilya", 6-3-652, Somajiguda
Hyderabad 500 482

Bankers

State Bank of India
Punjab National Bank, Indian Overseas Bank
State Bank of Hyderabad

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Notice

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Wednesday, the 21st day of August, 2013, at 11.00 AM at Bhaskara Auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that Date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. P V Subba Rao, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. R A Rama Raju, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

By order of the Board

K V Vishnu Raju

Chairman & Managing Director

Place : Hyderabad

Date : 28.5.2013

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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 Saturday, the 17th August, 2013 to Wednesday, the 21st August, 2013 (both days inclusive).
5. Pursuant to the provisions of Section 205 A of the Companies Act, 1956 as amended, dividend for the financial year ended 31st March, 2007 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the "Investor Education and Protection Fund" of the Central Government. Members are advised to write to the Company regarding their unclaimed dividend.
6. 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. Karvy Computershare Pvt. Ltd., directly for processing. The members may contact the Registrar & Share Transfer Agents of the Company (Ph: 040-23420815 to 23420824) for any further clarification in this regard.
7. The shares of the Company are listed with Bombay Stock Exchange Ltd. The Listing Fee for the year 2013 - 2014 has been paid to the Stock Exchange.
8. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
9. 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.
10. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the Directors retiring by rotation 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 Ninth Annual Report together with the Audited Accounts and Cash Flow statement for the financial year ended 31st March 2013.

Financial Results

The Financial results for the year ended 31st March, 2013 are summarised below:

	₹ in Lakhs	
	2012-13	2011-12
Revenue from operations (Gross)	33195.49	33629.91
Profit before Interest, Depreciation	5368.10	6581.31
Less : Interest	3471.10	3376.83
Less : Depreciation	1433.79	1383.27
Profit before Tax	463.21	1821.21
Provision for Taxation including deferred Tax	154.10	240.76
Profit after Taxation	309.11	1580.45
Appropriations		
General Reserve	-	240.00
Dividend	-	220.68
Dividend Tax	-	35.80

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Review of Operations

The company has produced a quantity of 8,37,993 MT of cement during the current financial year compared to the previous year production of 7,89,174 MT of cement registering an increase of 6%. The quantity sold during the year under review stands at 8,40,872 MT compared to the quantity of 7,94,528 MT during the previous financial year showing an increase of 6%.

The gross sales in terms of value during the year under review were at ₹ 32811.12 Lakhs as against ₹ 33062.32 Lakhs during the previous financial year. Similarly the Profit Before Tax for the current financial year amounts to ₹ 463.21 Lakhs against ₹1821.21

Lakhs during the previous financial year. The profit after tax for the year under review stands at ₹ 309.11 Lakhs compared to ₹1580.45 Lakhs during the previous financial year.

It can be observed while there is an improvement in the performance in the physical terms, there is a decline in financial terms during the year under review compared to the previous year because of decrease in sale price.

The higher production and sale in terms of quantity has not helped the company to post a better performance compared to the previous year. During the year 2012-13 the sale price has gone down substantially due to excess capacities over demand in consumption. The average increase in unit charges of power stands at about 38% (current year cost per unit is ₹5.53 while ₹4.00 during the previous year). Further there was a set back to cement industry in Andhra Pradesh due to non supply of sand on account of High Court intervention for a period of six months. This has resulted to force the company to sell its product in other states and there by the margins have come down due to higher cost of freight.

But for the increase in these costs, the company would have been in a much better position during the year 2012-13. Inspite of the increase in these fuel costs and volatile market conditions, the company could perform on par with other cement companies due to higher production and sales quantities.

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. Although the year under review was quite discouraging it is hoped that the situation would improve better for the coming year.

The statistics available show that there is negative growth in AP for cement demand by about 3% during the year 2012-13 compared to the positive growth of 2 % in the year 2011-12 and 12% during 2010-11. The company could over come the impact of this negative growth by expanding its marketing network in neighbouring states by increasing the sale in those states.

Dividend

The Directors have not recommended any dividend since the resources are required for the continuance of the business.

Fixed Deposits

The aggregate amount of deposits accepted by the Company stood at ₹451.49 Lakhs. Deposits matured and unclaimed as on 31st March, 2013 were NIL.

Directors

In accordance with the provisions of the Companies Act, 1956 and in terms of Articles of Association of the Company Mr. P V Subba Rao and Mr. R A Rama Raju 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. Appropriate accounting policies have been selected 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. Proper and sufficient care has been taken 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. The annual accounts have been prepared on a going concern basis.

Subsidiary Companies

Ministry of Corporate Affairs (MCA) has issued a General Circular No.2/2011, Dt. 8th February, 2011, deciding to grant a general 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 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.