



Andhra Cements Limited

DUNCAN GOENKA

70th Annual Report 2008-2009

BOARD OF DIRECTORS

- | | |
|-----------------------------|---------------------------|
| 1. Shri. G P GOENKA | - Chairman |
| 2. Shri. J JAYARAMAN | - Director |
| 3. Shri. K N BHANDARI | - Director |
| 4. Dr. A L ANANTHANARAYANAN | - Director |
| 5. Dr. SUSHIL CHANDRA | - Director |
| 6. Shri. M S RAMAKRISHNA | - Director |
| 7. Shri. SHRIVARDHAN GOENKA | - Executive Director |
| 8. Shri. R. K. BHARGAVA | - Director |
| 9. Shri. AMITAVA MONDAL | - Director |
| 10. Shri. RAKESH KUMAR | - Special Director - BIFR |
| 11. Shri. P C NALWAYA | - Managing Director |

**COMPANY SECRETARY
& GM - LEGAL**

Mr. G. TIRUPATHI RAO

AUDITORS**Brahmayya & Co.,**
Chartered Accountants
Vijayawada**Lodha & Co.,**
Chartered Accountants
Secunderabad.**BANKERS**Bank of Baroda
Canara Bank
Andhra Bank
Syndicate Bank
Vijaya Bank
State Bank of India**FINANCIAL INSTITUTIONS**Housing Development Finance
Corporation Ltd.(HDFC)Infrastructure Development
Finance Company Ltd.(IDFC)**REGISTERED OFFICE**Durga Cement Works
Durgapuram
Dachepalli - 522 414
Guntur (A.P)**UNITS**Durga Cement Works (DCW)
Durgapuram, Dachepalli
Guntur (Dist.) (A.P)Visaka Cement Works(VCW)
Durganagar Post,
Visakhapatnam (A.P)**DEMAT REGISTRARS
& SHARE TRANSFER AGENTS**CIL Securities Ltd.
214, Raghav Ratna Towers
Chirag Ali Lane, Abids
Hyderabad - 500 001
Ph: 040-23202465**Contents:****Page No.**

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Andhra Cements Limited

NOTICE

NOTICE is hereby given that the Seventieth Annual General Meeting of the Members of the Company will be held on Tuesday, the 25th August, 2009 at 12.30 PM at the Registered Office of the Company at Durga Cement Works, Durgapuram, Dachepalli – 522 414, Guntur District (AP) to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.S. Ramakrishna, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R.K. Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Amitava Mondal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri J. Jayaraman, who was appointed as an additional Director of the Company by the Board of Directors, with effect from 16th June, 2009, who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 in writing proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retirement by rotation."

7. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the following new Articles 65A to 65 D be inserted after the existing article 65 of the Articles of Association of the Company ("the AOA").

- 65A. The Board shall have the right to issue shares/securities/other financial instruments including convertible warrants, preference shares, debentures (convertible/non-convertible) etc., on preferential basis or otherwise subject to the compliance of applicable rules, regulations and statutory provisions prescribed in this regard from time to time.



65B In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles the Company in General Meeting, subject to the provisions of the Act and the Regulations framed by the Securities and Exchange Board of India (SEBI) and/or any other Statutory Authority may determine that any shares/securities/other financial instruments including convertible warrants, preference shares, debentures (convertible / non-convertible) etc., (whether forming part of the original in such proportions and on such terms and conditions and either at a premium or at par, or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

65C The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, except that the necessary quorum shall be five persons at least holding or representing by proxy one-tenth of the issued shares of that shares.

65D The rights conferred upon the holders of the shares/securities/other financial instruments including convertible warrants, preference shares, debentures (convertible/non-convertible) etc., of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by the terms of issue of the shares/securities/other financial instruments including convertible warrants, preference shares, debentures (convertible/non-convertible), etc., of that class, be deemed to be varied by the creation or issue of further shares/securities/other financial instruments including convertible warrants, preference shares, debentures (convertible/non-convertible) etc., ranking pari passu therewith.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things, and file such forms as it may in its absolute discretion deem necessary and think fit to give effect to this resolution".

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

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs.140,00,00,000/- (Rupees One hundred and forty Crores) divided into 13,50,00,000 Equity Shares of Rs.10/- each and 5,00,000



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Cumulative Redeemable Preference Shares of Rs.100/- each, to Rs.170,00,00,000/- (Rupees One hundred and seventy Crores) divided into 16,50,00,000 Equity Shares of Rs.10/- each and 5,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each and that Clause V of the Memorandum of Association of the company be altered accordingly."

9. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 5 of the Articles of Association of the Company be substituted by the following Article 5 :

One hundred and seventy Crores) divided into 16,50,00,000 Equity Shares of Rs.10/- each and 5,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each. "

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things, and file such forms as it may in its absolute discretion deem necessary and think fit to give effect to this resolution"

10. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as "the Act") and subject to the relevant provisions of the Memorandum & Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed, the applicable regulations/ guidelines/ clarifications issued by The Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), all other applicable laws, regulations and subject to approval of the lenders, if any, and subject to all such approvals, permission or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, from time to time, in one or more tranches, warrants entitling the holder(s) thereof to subscribe, from time to time, the equity shares of the Company (hereinafter referred to as 'the Securities') to such independent investor as specified in the explanatory statement, whether or not they are members of the Company, by way of preferential issue in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion; provided that the aggregate number of resultant equity shares of the Company to be issued against warrants shall not exceeds



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65,00,000 fully paid equity shares of face value of Rs.10/- each, at a price not being less than the higher of the following:

- (i) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the "relevant date", or
- (ii) The average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "relevant date".

The relevant date for the purpose shall be 26th July, 2009.

RESOLVED FURTHER THAT the resultant equity shares to be issued and allotted upon exercise of right attached to the warrants in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company and be listed on stock exchange where the shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue or allotment of aforesaid Securities and listing thereof with the stock exchange as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the Securities, utilization of the issue proceeds and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board, in its absolute discretion, may deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to seek any further consent or approval of the Members or otherwise to and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make on its own accord or to accept such amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee of directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."

11. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as "the Act") and subject to the relevant provisions of the Memorandum & Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and in accordance with the applicable



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regulations/ guidelines/clarifications issued by The Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), all other applicable laws, regulations and subject to approval of the lenders, if any, and subject to all such approvals, permission or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot (a) 15,00,000 Secured Optionally Convertible Debentures-A (OCD-A) of face value of Rs.100/- each, to Housing Development Finance Corporation Limited ("HDFC") & Infrastructure Development Finance Company Limited ("IDFC"), for an amount not exceeding Rs.15 crores, and (b) 15,00,000 Secured Optionally Convertible Debentures -B (OCD-B) of Rs.100/- each, to Housing Development Finance Corporation Limited ("HDFC"), for an amount not exceeding Rs.15 crores from time to time, in one or more tranches, upon such terms and conditions as may be deemed appropriate by the Board, by way of preferential issue which are convertible into equity shares on such date(s) as per the terms of the issue but anyway not later than 18 months from the date of allotment, as may be determined by the Board in its absolute discretion; at a price not being less than the higher of the following:

- (iii) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the "relevant date", or
- (iv) The average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "relevant date".

The relevant date for the purpose shall be 26th July, 2009.

RESOLVED FURTHER THAT the resultant equity shares to be issued and allotted upon exercise of right attached to the OCDs in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company and be listed on stock exchange where the shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue or allotment of aforesaid shares and listing thereof with the stock exchange as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the shares, utilization of the issue proceeds and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board, in its absolute discretion, may deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to seek any further consent or approval of the Members or otherwise to and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.



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RESOLVED FURTHER THAT the Board be and is hereby authorized to make on its own accord or to accept such amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee of directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."

12. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as "the Act") and subject to all such approvals, permission or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board in respect of issue of Secured Non Convertible Debentures (NCDs) of face value not exceeding Rupees Ten Crore in favour of Housing Development Finance Corporation Limited ("HDFC") such that only in the event of default by the Company under the lending arrangement, HDFC at its option may be able to convert the facility to ordinary equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulation at the time of such conversion.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board of Directors and the Company is hereby authorized to do all such actions, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares to HDFC.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the Lenders pursuant to its exercising the right of conversion shall rank pari passu in all respects with the then existing equity shares of the Company and be listed on the Stock Exchange where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee of directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."



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13. To consider and if thought fit, to pass, with or without any modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as "the Act") and subject to all such approvals, permission or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed as the Board, which expression shall be deemed to include any authority which constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board in respect of availing of Rupee Term Loan (RTL) of an amount not exceeding Rupees Five Crore from Infrastructure Development Finance Company Limited ("IDFC") such that only in the event of default by the Company under the lending arrangement, IDFC at its option may be able to convert the facility to ordinary equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulation at the time of such conversion.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board of Directors and the Company is hereby authorized to do all such actions, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares to IDFC.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the Lenders pursuant to its exercising the right of conversion shall rank pari passu in all respects with the then existing equity shares of the Company and be listed on the Stock Exchange where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee of directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."

By Order of the Board

Place: Hyderabad

Date : 24.07.2009

G. TIRUPATHI RAO

Company Secretary & GM – Legal

Registered Office:

Durga Cement Works

Durgapuram, Dachepalli – 522414

Guntur District (AP)



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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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy form duly completed must be lodged at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.
3. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
4. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment / reappointment at the meeting are annexed.
5. Members are requested to notify immediately their change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Share Transfer Registrars in respect of their shareholding in physical segment by mentioning folio nos. etc.
6. *Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.*
7. The Register of Members and Share Transfer Books of the Company will remain closed from 20.08.2009 to 25.08.2009 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
8. Members desiring any information as regards the accounts are requested to write to the Company at least 10 days before the date of the Meeting, so as to enable the Management to keep the information ready.
9. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
10. M/s CIL Securities Ltd, 214, Raghava Ratna Towers, Chirag Ali lane, Abids, Hyderabad – 500001, Tel No. 040-23202465, Fax No. 040-23203028, continues to act as RTA to undertake all investor-servicing activities for the share in demat and physical segments. Investors are requested to write to RTA on all share related matters i.e transfer, transmission, change of address, nomination, power of attorney, demat / remat etc.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF
THE COMPANIES ACT, 1956**

Item No. 6

Shri J. Jayaraman was nominated by Bank of Baroda and withdraws his nomination w.e.f 16.06.2009. Considering the valuable services rendered by Shri J. Jayaraman during his tenure as a Nominee of Bank of Baroda, he was inducted as Additional Director of the Company w.e.f 16.06.2009. As per the provisions of Section 260 of the Companies Act, 1956, and he holds office only upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice under section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500/- proposing their candidature as Director of the Company.