

18th Annual Report 2001-2002



ANJANI
PORTLAND CEMENT LIMITED



Anjani Portland Cement Limited

BOARD OF DIRECTORS

Sri. K.V. Vishnu Raju	-	Managing Director
Sri. P.V.R.L. Narasimha Raju	-	Whole Time Director
Sri. R. Kunjithapatham		
Smt. Vanitha Datla	-	Whole Time Director
Sri. P. Jagan Mohan Reddy (APIDC Nominee)		
Sri. V.V. Rama Raju		

MANAGEMENT TEAM

Sri. R.A. Rama Raju	Vice-President (Operations)
Sri. Ch. Gandhi Raju	Chief General Manager (Marketing)
Sri. P.R. Raju	General Manager (Finance)
Sri. S.N. Raju	Chief General Manager (Works)
Sri. P. Sitharama Raju	General Manager (Mechanical)

AUDITORS

M/s. M. Anandam & Co.,
Chartered Accountants,
6549, R.P. Road,
Secunderabad - 500 003

BANKERS

State Bank of India
Punjab National Bank
The Vysya Bank Ltd.,
State Bank of Hyderabad

REGISTERED OFFICE

"Sitha Nilayam",
153, Dwarakapuri Colony,
Panjagutta,
Hyderabad - 500 082

FACTORY

Chintalapalem (Village),
Mellacheruvu (Mandalam),
Nalgonda (District)
Andhra Pradesh



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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Wednesday, the 18th September, 2002, at 11.00 A.M. 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 Profit and Loss Account for the year ended 31st March, 2002, and the Audited Balance Sheet and the Cash Flow as at that date, Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of Sri. V.V. Rama Raju, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

M/s. M. Anandam & Company, Chartered Accountants, Secunderabad, are the retiring Auditors of the Company, being eligible have offered themselves for re-appointment.

SPECIAL BUSINESS:

4. Alteration of Articles of Association

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

RESOVLED THAT, pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, the following clauses be inserted by amending the Articles of Association.

- A) Insert the following Heading and Article alongwith the marginal notes as Article 57(1) after Article 57.:

"Dematerialisation of Securities"

- (1) For the purpose of this Article:

Definitions

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force

"Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Debentureholder" means the duly registered holders from time to time of the Debentures of the Complex.

"Participants" means a person

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registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Records" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

"Regulations" means the regulations made by the SEBI.

"Security" means such security as may be specified by the SEBI.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.

Words expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

- (2) Company to recognise interest in dematerialised securities under Depositories Act:

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

- (3) Dematerialisation of Securities:

Notwithstanding anything contained

in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

- (4) Options to receive security certificates or hold securities with Depository:

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

- (5) Securities in Depositories to be in fungible form:

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner.

- (6) Rights of Depositories and Beneficial Owners:

- (a) Notwithstanding anything to the contract contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

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- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- (7) Beneficial Owner deemed as absolute owner:
- Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- (8) Depository to furnish information:
- Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the by-laws and the Company in that behalf.
- (9) Cancellation of certificates upon surrender by a person:
- Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- (10) Option to opt out in respect of any security:
- If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.
- The Depository shall in respect of information as above make appropriate entries in its records and shall inform the Company.
- The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.
- (11) Service documents:
- Notwithstanding anything in the Act or these Articles to the contrary,

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where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

- (12) Provisions of Articles to apply to shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

- (13) Allotment of securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

- (14) Distinctive number of securities held in a Depository:

The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no shares shall be subdivided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- (15) Register and Index of Beneficial Owner:

- (a) The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debenture holders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owner maintained by a Depository under Section II Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the powers to keep in any state or country outside India a branch Register of Members resident in that state or country.
- (b) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any shares held in material form".

- B) Insert the following Heading and Article along with the marginal notes as Article 59(1) after Article 59.

Nomination Facility

1. Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.



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2. Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of, the Company shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall on the death of the Shareholder or holder of debentures of the Company or as the case may be, on the death of the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination and to appoint, in the prescribed manner, any person to become entitled to shares in, or debentures of the Company, in the event of his death, during the minority.
5. Any person who becomes a nominee by virtue of the provisions of Section 109A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either -
 - i) to be registered himself as holder of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder,
 - as the case may be, could have made.
 - ii) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
6. If the person, being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
7. All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.
8. A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or

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debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

- C) Insert the following Heading and Article along with the Marginal notes as Article 104(1) after Article 104.

Postal Ballot

The Company may decide to transact any business by passing the resolution only by postal ballot instead of transacting the business in general meeting of the

Company. Further, the Company shall get any resolution passed only by postal ballot relating to such business as may be notified by the Central Government to be conducted only by postal ballot instead of transacting the business in general meeting of the Company. Such postal ballot shall be conducted in accordance with the procedures laid down under Section 192A of the Companies Act, 1956 read with the relevant rules thereunder.

By Order of the Board

Place : Hyderabad

Date : 29.7.2002

(K. V. VISHNU RAJU)

Managing Director

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. As per SEBI's notification, the shares of the Company have to be traded in Stock exchanges, compulsorily in Demat mode, with effect from 2nd January, 2002. In view of this, the Company has entered into agreements with the Depositories, National Securities Depository Ltd., (NSDL) and Central Depository Services Ltd., (CDSL). Members are requested to note this and open Demat accounts with the registered Depository Participants and surrender their shares for dematerialisation. The members may note that share transfers, otherwise than
5. 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: 356507, 356975) for any further clarification in this regard.
5. The shares of the Company are listed with Hyderabad and Mumbai Stock Exchanges. The Listing Fee for the year 2002-2003 has been paid to the Stock Exchanges.
6. The Register of Members and share transfer books of the Company will remain closed from Thursday, the 12th September, 2002 to Wednesday, the 18th September 2002 (both days inclusive).
7. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of the shares held by them. Shareholders can avail this facility by submitting the nomination form in the format enclosed duly filled in in all respects to the Registered office of the Company.

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EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

ITEM NO.4

Consequent on the Companies Act amendment in December, 2000, by introducing the Depositories Act and relevant rules and regulations from SEBI for holding and dealing in the shares in dematerialised electronic form as notified and as may be further notified, the Articles are proposed to be amended to be in consistent with the relevant Act, rules and regulations. Hence, the resolution.

None of the Directors are concerned or interested in the said resolution.

By Order of the Board

Place : Hyderabad

Date : 29.7.2002

(K. V. VISHNU RAJU)
Managing Director

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the audited accounts and Cash Flow statement for the year ended 31st March, 2002.

Financial Results:

The Financial results for the year ended 31st March, 2002 are summarised below:

	2001 – 2002 Rs. in Lakhs	2000 – 2001 Rs. in Lakhs
Sales and other Income	<u>4,375.09</u>	<u>3,111.27</u>
Profit before Interest, depreciation & deferred revenue expenditure	<u>772.80</u>	<u>679.89</u>
Less : Interest	<u>448.62</u>	<u>426.62</u>
Profit before depreciation & deferred revenue expenditure	<u>324.18</u>	<u>253.27</u>
Less : Depreciation & deferred revenue expenditure	<u>245.59</u>	<u>241.78</u>
Profit for the year	<u>78.59</u>	<u>11.65</u>
Provision for Taxation (MAT)	<u>4.32</u>	<u>-</u>
Profit after Taxation	<u>74.27</u>	<u>11.65</u>

Review of operations and outlook:

The overall performance of your Company during the year under review was quiet satisfactory, despite adverse market conditions in the cement industry. During the year under review the cement production was 181517 MT and sales were 182762 MT as against 119300 MT and 117020 MT respectively in the corresponding

period of previous year. The performance of your company would have been much better but for the pressure on cement prices resulting in lower sales realisation and thus affecting the profitability. However, implementation of large infrastructure projects like roads, bridges, warehousing godowns besides thrust on housing schemes has helped the Company to improve its market share. Simultaneous efforts on reduction of cost of production shall facilitate your Company to improve its profitability.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provision of Section 217 (2AA) of the Companies (Amendment) Act, 2000 your Directors hereby confirm.

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- that the Directors 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;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

DIRECTORS:

Pursuant to the Provisions of Section 255