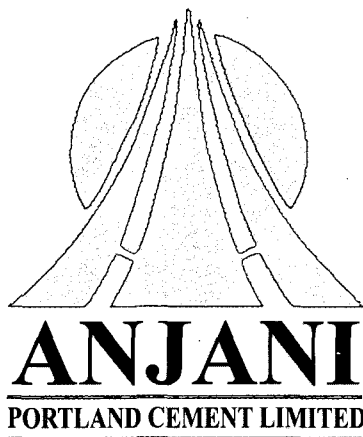


23rd Annual Report 2006-2007

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Anjani Portland Cement Limited

BOARD OF DIRECTORS

K.V. Vishnu Raju	-	Managing Director
P.V.R.L. Narasimha Raju	-	Whole-time Director
Vanitha Datla	-	Whole-time Director
R. Kunjithapatham	-	Independent Director
V.V. Rama Raju	-	Independent Director
S. V. Kanaka Seshu	-	(APIDC Nominee)

MANAGEMENT TEAM

S.N. Raju	Vice President (Works)
Ch. Gandhi Raju	Chief General Manager (Marketing)
P. Sitharama Raju	Senior General Manager (Mechanical)
P.Rajendra Babu	General Manager (Finance) & Company Secretary

AUDITORS

M/s. 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

REGISTERED OFFICE

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

FACTORY

Chintalapalem (Village),
Mellacheruvu (Mandalam),
Nalgonda (District)
Andhra Pradesh - 508 246.

Registrars & Share Transfer Agents :

M/s. Sathguru Management Consultants (Pvt.) Ltd. Plot No. 15, Hindi Nagar, Panjagutta,
Hyderabad - 500 034. Phone No(s) : 23356507, 23356975
E-mail : sta@sathguru.com



Anjani Portland Cement Limited

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Friday, the 28th September 2007 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, 2007, 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. R. Kunjithapatham, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. **To consider and if thought fit, to pass with or without modification the following Resolution as a special resolution.**

RESOLVED THAT in partial modification of the Resolution No.4 passed in the Annual General Meeting held on 8th September, 2006 in regard to appointment and remuneration of Mr. K.V. Vishnu Raju, Managing Director and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, the consent of the Company be and is hereby given for the payment of 1.5% of the net profits of the Company as Commission with effect from 01.04.2007 for the remaining period of his tenure in addition to the remuneration approved in the Annual General Meeting held on 8th September 2006, subject to the total remuneration not exceeding the overall limits specified in Sec. 198 of the Act.

Anjani Portland Cement Limited



6. **To consider and if thought fit, to pass with or without modification the following Resolution as a special resolution.**

"RESOLVED THAT in partial modification of the Resolution No.5 passed in the Annual General Meeting held on 8th September, 2006 in regard to appointment and remuneration of Mr. P.V.R.L. Narasimha Raju, Whole Time Director and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, the consent of the Company be and is hereby given for the payment of 1% of the net profits of the Company as Commission with effect from 01.04.2007 for the remaining period of his tenure in addition to the remuneration approved in the Annual General Meeting held on 8th September 2006, subject to the total remuneration not exceeding the overall limits specified in Sec. 198 of the Act.

7. **To consider and if thought fit, to pass with or without modification the following Resolution as a special resolution.**

"RESOLVED THAT in partial modification of the Resolution No.6 passed in the Annual General Meeting held on 8th September, 2006 in regard to appointment and remuneration of Mrs. Vanitha Datla, Whole Time Director and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, the consent of the Company be and is hereby given for the payment of 1% of the net profits of the Company as Commission with effect from 01.04.2007 for the remaining period of her tenure in addition to the remuneration approved in the Annual General Meeting held on 8th September 2006, subject to the total remuneration not exceeding the overall limits specified in Sec. 198 of the Act.

By Order of the Board

Place : Hyderabad
Date : 30.07.2007

P. Rajendra Babu
General Manager (Finance) &
Company Secretary

Anjani Portland Cement Limited

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 25th September, 2007 to Friday, the 28th September, 2007 (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 28th September, 2007 and as per list of beneficial ownership furnished by depositories for this purpose for shares held in Electronic Form.
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. Sathguru Management Consultants (Pvt) Limited directly for processing. The members may contact the Registrar & Share Transfer Agents of the Company (Ph: 23356507, 23356975) for any further clarification in this regard.
7. The shares of the Company are listed with Hyderabad and Mumbai Stock Exchanges. The Listing Fee for the year 2007 - 2008 has been paid to the Stock Exchanges.
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 and being eligible seeking reappointment is as under :
 Mr. R. Kunjithapatham :
 Mr. R. Kunjithapatham aged about 75 years is a well known technocrat in the cement industry. He has over 47 years of experience in the cement industry and is widely acknowledged as one of the best cement experts in the country. He started his career in Dalmia Cements Ltd., and then went on to become Technical Director in Chettinad Cements Ltd.
 Subsequently he became the Chairman and Managing Director of Sri Vishnu Cement Ltd., and is one of the founder directors and Technical Advisor to the Raasi Group, which comprised of Raasi Cement Ltd., and Sri Vishnu Cement Ltd.,
 Name of the other Companies in which he is a Director
 1. Vennar Ceramics Ltd.,
 2. Tamilnadu Cements Corporation Ltd.,
 3. Design Tribe Pvt. Ltd.,
 The resolution is commended for adoption. None of the Directors except R. Kunjithapatham is deemed to be interested in this resolution.



Anjani Portland Cement Limited

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

ITEM NO.5

Sri. K.V. Vishnu Raju, Managing Director of the Company was paid a fixed salary of Rs. 75,000/- per month in addition to perquisites for the financial year 2006-07. In view of the increase in turnover and profitability of the Company and in line with the general industry norms, the Board of Directors and Remuneration Committee of the Company approved the payment of commission as mentioned in the resolution, in accordance with the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956.

None of the Directors of the Company except Mr. K.V.Vishnu Raju by himself and Mrs. Vanitha Datla, Director, being his relative is interested in the said resolution.

ITEM NO.6

Sri. P.V.R.L. Narasimha Raju, Whole Time Director of the Company was paid a fixed salary of Rs. 60,000/- per month in addition to perquisites for the financial year 2006-07. In view of the increase in turnover and profitability of the Company and in line with the general industry norms, the Board of Directors and Remuneration

Committee of the Company approved the payment of commission as mentioned in the resolution, in accordance with the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956.

None of the Directors of the Company except Mr. P.V.R.L. Narasimha Raju is interested in the said resolution.

ITEM NO.7

Mrs. Vanitha Datla, Whole Time Director of the Company was paid a fixed salary of Rs. 60,000/- per month in addition to perquisites for the financial year 2006-07. In view of the increase in turnover and profitability of the Company and in line with the general industry norms, the Board of Directors and Remuneration Committee of the Company approved the payment of commission as mentioned in the resolution, in accordance with the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956.

None of the Directors of the Company except Mrs. Vanitha Datla by herself and Mr. K.V. Vishnu Raju, Managing Director, being her relative is interested in the said resolution.

Anjani Portland Cement Limited

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the audited accounts and Cash Flow Statement for the year ended 31st March 2007.

FINANCIAL RESULTS:

The Financial results for the year ended 31st March, 2007 are summarised below:

	2006 - 2007	2005 - 2006
	Rs. in Lakhs	Rs. in Lakhs
Sales / Income	8913.94	5162.93
Profit before		
Interest, Depreciation	1847.12	527.10
Less : Interest	363.96	292.00
Less : Depreciation	228.09	215.03
Profit for the year	1255.07	20.07
Provision for Taxation (MAT)	0.87	0.66
Prior period expenses	1.29	9.04
Fringe Benefit Tax	4.79	3.16
Deferred Tax	(2.11)	5.51
Profit after Taxation	1250.23	1.70
Appropriations :		
General Reserve	50.00	—
Dividend	183.90	—
Dividend Tax	31.25	—

Review of Operations :

The management is pleased to inform that the plant performance was good during year under review. The Company has achieved a record production of 297000 M.T. of cement compared to previous year's cement production of 215613 M.T. The Company registered a surge in sales volume of 335473 M.T.

of cement and clinker, showing an increase of 24.88% compared to previous year sale of 268627 M.T.

There has been a continuous emphasis on reduction and control of costs and enhancement of volumes. The Company is in the process of continually increasing the capacities by modernization and upgradation. Balancing equipment and pollution reduction equipment have been installed to increase capacities and to reduce pollution. Your Company believes in achieving significant growth in volumes and turnover and diversifying it's risks in the coming years.

In line with our modernization and diversification plans, the Company has acquired a grinding unit in an open auction conducted by A.P.I.D.C. This acquisition will augment the Company's grinding capacity.

The Company is also in the process of acquiring M/s. Hitech Print Systems Ltd., a modern Security Press situated at Vijayawada as a wholly owned subsidiary. M/s. Hitech Print Systems Ltd., is a profit making and dividend paying Company and is in the business of printing Security Documents and Business Forms.

Future outlook:

Globalization of the Indian economy has thrown-up new challenges and opportunities for the Indian Cement Industry. Globally, India has retained it's 2nd position in cement production, though per-capita consumption has reached 115 Kgs., as against the world average of 250Kgs. The capacity utilisation in the industry during the fiscal 2006-2007 has touched 94% and cement despatches have crossed an all time high of 155 Million M.T. The continued emphasis on infrastructure development by the Government and the Private sector coupled with a good growth in G.D.P. will continue to create a demand for cement and the Management is confident of increasing it's sales volumes and profit margins in the years to come.



Anjani Portland Cement Limited

Dividend:

Considering the Company's current year's profitability your directors are pleased to recommend for your consideration a maiden dividend of Rs.1/- per equity share for the year ended 31st March, 2007 which would entail a cash outflow of Rs. 183.90 Lakhs and dividend distribution tax amounting to Rs. 31.25 Lakhs.

Fixed Deposits:

The aggregate amount of deposits accepted by the Company stood at Rs. 2,26,08,000/- and matured and unclaimed deposits as on 31st March, 2007 were NIL.

Directors:

In accordance with the provisions of the Companies Act, 1956 and in terms of Articles of Association of the Company Shri. R. Kunjithapatham retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement:

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

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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;

- c) 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;
- d) that the Directors have prepared the accounts for the financial year ended 31st March, 2007 on a 'going concern' basis.

Subsidiary:

The Annual Report, for the year ended 31.3.2007 of the subsidiary company, M/s. Vennar Ceramics Ltd., is annexed to the Balance Sheet of your Company as at 31.3.2007. A statement on your company's interest in the subsidiary is also annexed hereto.

Corporate Governance:

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this Report.

Auditors:

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

Observations made by auditors are self explanatory and are given in notes on accounts.

Particulars of Employees:

There are no employees in the organisation coming under the provisions of section 217 (2A) of the company act 1956 read with the companies (Particulars of employees) Rules, 1975 as amended.



Anjani Portland Cement Limited

Energy, Technology and Foreign Exchange:

Additional information on 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 particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto in Forms A, B & C which are part of this report.

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 viz., State Bank of India, Punjab National Bank, State Bank of Hyderabad and Indian Overseas Bank, Dealers, Stockists, Customers, Suppliers and Share holders of the Company for their valuable support to the Company.

For and on behalf
of the Board of Directors

K.V. Vishnu Raju
Managing Director

P.V.R.L. Narasimha Raju
Whole-time Director

Place : Hyderabad
Date : 11.05.2007

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Anjani Portland Cement Limited

ANNEXURE FORMING PART OF DIRECTORS' REPORT

FORM - "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION:

	Current Year 2006 - 2007	Previous Year 2005 - 2006
01. ELECTRICITY		
a. Purchased Units (KWH-Lacs)	275.78	246.22
Total Amount (Rs. in Lacs)	951.40	891.29
Rate/Unit (in Rs.)	3.45	3.62
b. Own Generation		
Through DG - Units (in Lacs)	Nil	Nil
Units/Ltr of Diesel	-	-
Cost/Unit (in Rs.)	-	-
02. COAL:		
Quantity (MT)	47892	41877
Total Cost (Rs. in Lacs)	1086.92	820.82
Average Rate (Rs. per tonne)	2270	1960

B. CONSUMPTION PER UNIT OF PRODUCTION

Product-OPC (in MT)		
Electricity (KWH/T of Cement)	88.36	95.84
Coal (%)	17.79	17.40

FORM - "B"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)

No R & D was carried out and no expenses were incurred on R & D.

FORM - "C"

FOREIGN EXCHANGE EARNING & OUTGO

a) There are no activities relating to exports and the Company has no immediate plans for export of the product.

b) Total Foreign Exchange :	Current Year 2006 - 2007	Previous Year 2005 - 2006
Used (Rs. in Lakhs)	9.04	Nil
Earned (Rs. in Lakhs)	Nil	Nil