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24th Annual Report 2007-2008

ANJANI

ANJANI PORTLAND CEMENT LIMITED

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BOARD OF DIRECTORS

K.V. Vishnu Raju	--	Chairman & Managing Director
P.V.R.L. Narasimha Raju	--	Executive Director
Vanitha Datla	--	Whole-time Director
V.V. Rama Raju	--	Director
R.A. Rama Raju	--	Director (from 31.10.2007)
P.S. Ranganath	--	Director (from 31.01.2008)
R. Kunjithapatham	--	Director (upto 31.10.2007)
S.V. Kanaka Seshu	--	APIDC Nominee (upto 31.01.2008)

MANAGEMENT TEAM

S.V.S. Shetty	Chief Executive Officer
S.N. Raju	Vice President (Works)
Ch.Gandhi Raju	Chief General Manager (Marketing)
P. Rajendra Babu	Chief General Manager (Finance) &Company Secretary
P.Sitharama Raju	Senior General Manager (Mechanical)
P.S. Raju	Group General Manager (HR & MS)

AUDITORS

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

REGISTERED OFFICE

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

BANKERS

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

FACTORY

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

Registrars & Share Transfer Agents :

M/s. Sathguru Management - Consultants (Pvt.) Ltd. Plot No. 15, Hindi Nagar, Punjagutta, Hyderabad - 500 034. Phone No(s) : 040-23356507, 23356975
E-mail : sta@sathguru.com

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NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Wednesday, the 24th day of September, 2008 at 11.00 A.M. at Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad to transact the following business:

ORDINARY BUSINES

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008, 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. V.V. Rama Raju, 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 modifications, the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. R.A. Rama Raju be and is hereby appointed as Director of the Company, liable to retire by rotation.

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. P.S. Ranganath be and is hereby appointed as Director of the Company, liable to retire by rotation.

By order of the Board

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

Place : Hyderabad
Date : 23.6.2008

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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 20th September, 2008 to Wednesday, the 24th September, 2008 (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 24th September, 2008 and as per list of beneficial ownership furnished by depositories for this purpose for shares held in Electronic Form.

6. Members are requeted 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: 040-23356507, 23356975) for any further clarification in this regard.

8. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2008 - 2009 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 lease 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".

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

ITEM NO.5

Mr. R.A. Rama Raju was appointed as an Additional Director of the Company at the Board Meeting held on 31.10.2007 and as per provisions of Section 260 of Companies Act, 1956 he holds office as a Director up to the date of this Annual General Meeting. Company has received Notice from a member alongwith deposit of Rs.500/-, as required by Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. R.A. Rama Raju as a Director. According to Article 120 of the Articles of Association of the Company the director shall be liable to retire by rotation.

None of the Directors of the Company except Mr. R.A. Rama Raju is interested in the said resolution.

Your Directors recommend the resolution for approval.

ITEM NO.6

Mr. P.S. Ranganath was appointed as an Additional Director of the Company at the Board Meeting held on 31.01.2008 and as per provisions of Section 260 of Companies Act, 1956 he holds office as a Director up to the date of this Annual General Meeting. Company has received Notice from a member alongwith deposit of Rs.500/- , as required by Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. P.S. Ranganath as a Director. According to Article 120 of the Articles of Association of the Company the director shall be liable to retire by rotation.

None of the Directors of the Company except Mr. P.S. Ranganath is interested in the said resolution.

Your Directors recommend the resolution for approval.

By order of the Board

Place : Hyderabad
Date : 23.6.2008

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

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the audited accounts and Cash Flow statement for the year ended 31st March, 2008.

Financial Results:

The Financial results for the year ended 31st March, 2008 are summarised below:

	2007- 2008 Rs. in Lakhs	2006 - 2007 Rs. in Lakhs
Sale / Income	13565.80	8913.94
Profit before Interest,Depreciation	3273.50	1847.12
Less : Interest	655.72	363.96
Less : Depreciation	312.89	228.09
Profit for the year	2304.89	1255.07
Provision for Taxation	373.85	0.87
Prior period expenses	–	1.29
Fringe Benefit Tax	7.33	4.79
Deferred Tax	292.59	(2.11)
Profit after Taxation	1631.12	1250.23
Appropriations:		
General Reserve	90.00	50.00
Dividend	275.84	183.90
Dividend Tax	46.88	31.25

Review of Operations:

The Company has achieved a record production of 407851 M.T of Cement compared to previous year's production of 297000 M.T. of Cement registering an increase of 37.32%.

The gross sales for the financial year under review were at Rs.135.53 Crores as against Rs 88.93 Crores for the previous financial year registering an increase of 52.41%. The Profit before tax of Rs. 23.05 Crores and Profit after tax of Rs. 16.31 Crores for the financial year under review as against Rs.12.55 Crores and Rs.12.50 Crores respectively for the previous financial year have improved by 83.66% and 30.48% respectively.

Dividend:

The Directors recommend payment of dividend of Rs.1.50 per equity share of Rs.10/- each for the year ended 31st March, 2008, as against Rs. 1.00 per equity share in the previous year.

Fixed Deposits:

The aggregate amount of deposits accepted by the Company stood at Rs. 176.73 Lakhs and matured and unclaimed deposits as on 31st March, 2008 were NIL.

Directors:

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

Mr. R.A. Rama Raju and Mr. P.S. Ranganath, who were appointed as Additional Directors on 31.10.2007 & 31.1.2008 respectively also retire at this Annual General Meeting. Pursuant to the provisions of Section 257 of the Companies Act, 1956, they are eligible for appointment.

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The detailed profile of the above directors is given under the head "Corporate Governance".

During the year Mr. R. Kunjithapatham and Mr. S.V. Kanaka Seshu resigned as Directors w.e.f. 31.10.2007 & 31.1.2008 respectively.The Board takes this opportunity to thank them for their valuable contribution during the tenure of their directorship.

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 had 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, 2008 on a 'going concern' basis.

Subsidiary Companies:

The statement pursuant to Section 212 of the Company's Act, 1956, containing details of subsidiaries of the Company, forms part of the Annual Report.

In view of the exemption received from the Central Government, vide letter No.47/278/2008-CL-III,dated 23.5.2008, the audited statement of accounts, the reports of the Board of Directors and the Auditors of the Subsidiary companies are not annexed as required under Section 212 (8) of the Companies Act, 1956. On receipt of written request from any shareholder, a copy of the full report and the accounts of the subsidiaries will be provided. These documents will be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours.

Consolidated Financial Statements:

Yours Directors have pleasure in attaching the consolidated financial statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges. These statements were prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accounts of India in this regard.

The Auditors' Report to the Board of Directors does not contain any qualifications.

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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.

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.

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, 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
Chairman and Managing Director

Place : Hyderabad
Date : 23.6.2008

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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 2007 - 2008	Previous Year 2006 - 2007
01. ELECTRICITY			
a.	Purchases:		
	Units (in Lacs)	330.46	275.78
	Total Amount (Rs. in Lacs)	1141.17	951.40
	Rate/Unit (in Rs.)	3.45	3.45
b.	Own Generation		
	Through DG – Units (in Lacs)	NIL	NIL
	Units/Ltr of Diesel	---	---
	Cost/Unit (in Rs.)	---	---
02. COAL:			
	Quantity (MT)	57858	47892
	Total Cost (Rs. in Lacs)	1517.71	1086.92
	Average Rate (Rs. per tonne)	2623	2270

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity (KWH/T of Cement)	82.68	88.36
Coal (%)	20.71	17.79

FORM – "B"

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

No R & D 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 2007 - 2008	Previous Year 2006 - 2007
Used (Rs. in Lakhs)	57.90	9.04
Earned (Rs. in Lakhs)	Nil	Nil

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Corporate Governance Report

The Company has implemented the Code of Corporate Governance during the financial year in terms of Clause 49 of the listing agreement entered into by the Company with the stock exchanges.

1. A brief statement on Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance aims at assisting the management of the Company in the efficient conduct of the business and in meeting its responsibilities to all the share holders. The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as:

* Fair and transparent business practices,
* Effective Management Control by Board
* Adequate representation of promoter, executive and independent directors on the Board.
* Accountability for performance
* Monitoring of executive performance by the Board.
* Compliance of Laws.
* Transparent and timely disclosure of financial and management information.

2. Board of Directors:

The Board of the Company consists of six Directors, three of whom are Independent and Non-Executive Directors.

The details of Composition and categories of Directors are given in Table 1.

Table 1

Sr. No.	Name of the Director	Category
1.	Mr. K. V. Vishnu Raju	Chaiman and Managing Director & Executive
2.	Mr. P.V. R.L. Narasimha Raju	Executive Director & Executive
3.	Mrs. Vanitha Datla	Whole-Time Director & Executive
4.	Mr. V.V. Rama Raju	Independent and Non-Executive
5.	Mr. R.A. Rama Raju	Independent and Non-Executive
6.	Mr. P.S. Ranganath	Independent and Non-Executive

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