



**Anjani Portland Cement Limited**

# **30th Annual Report**

## **2013-14**



**today, tomorrow and forever..**



30<sup>th</sup> Annual Report 2013 - 14

[www.anjaniment.com](http://www.anjaniment.com)

# Anjani Portland Cement Limited

## Board of Directors

Mrs. Geetha Muthiah		Managing Director (from 04.06.2014)
Mr. B. Ramesh		Additional Director (from 16.05.2014)
Mr. P. Gopal		Additional Director (from 16.05.2014)
Mr. V. Subramanian		Additional Director (from 16.05.2014)
Mr. K. V. Vishnu Raju		Director
Mr. P. V. R. L. Narasimha Raju		Director
Mr. R. A. Rama Raju		Director (upto 16.05.2014)
Mr. P. S. Ranganath		Director (upto 16.05.2014)
Mr. P. V. Subba Rao		Director (upto 16.05.2014)
Mr. P. Ramachandra Raju		Director (upto 16.05.2014)

## Management Team

Mr. N. Venkata Raju		Vice President (Works)
Mr. Ch. Gandhi Raju		Vice President (Marketing)
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)
Mrs. Anu Nair		Company Secretary (from 04.06.2014)

### Registered Office

SithaNilayam,  
153, Dwarakapuri Colony,  
Punjagutta,  
Hyderabad – 500 082

### Corporate Office

Anjani Cement Centre,  
Plot No.7 & 8, D.No. 8-2-248/1/7,  
NagarjunaHills Main Road,  
Punjagutta, Hyderabad – 500 082.

### Statutory Auditors

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

### Cost Auditors

Narasimha Murthy & Co.,  
3-6-365, 104 & 105, Pavani Estate  
Himayat Nagar,  
Hyderabad – 500029, TS.

### Factory

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

### Internal Auditors

M. Bhaskara Rao & Co.,  
Chartered Accountants, 5-4, 5<sup>th</sup> Floor,  
"kautilya", 6-3-652, Somajiguda,  
Hyderabad – 500 482

### Registrars & Share Transfer Agents

Kavy Computershare Pvt. Ltd.,  
Plot No.17 to 24, VithalRao Nagar,  
Madhapur, Hyderabad – 500081

### Bankers

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

# Table of Contents



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Notice		05
Directors' Report		14
Corporate Governance Report		20
Auditors' Report		27
Balance Sheet		32
Statement of Profit and Loss		33
Cash Flow Statement		34
Significant Accounting Policies		35
Note to Accounts		37
Attendance and Proxy Form		47





**ANJANI PORTLAND CEMENT LIMITED**

CIN:L26942TG1983PLC004323

RegdOffice :SithaNilayam, 153 Dwarakapuri Colony, Punjagutta, Hyderabad, Telangana 500082

**Notice**

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Anjani Portland Cement Limited will be held on Wednesday, the 10th day of September, 2014, at 11.00 AM at Bhaskara auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad 500063, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Statement for the year ended 31<sup>st</sup> March 2014 the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. K. V. Vishnu Raju, (DIN 00480361) who retires by rotation and being eligible, seeks re-appointment.
3. To appoint a Director in place of Mr.P. V. R. L Narasimha Raju, (DIN 00480511) who retires by rotation and being eligible seeks re-appointment.
4. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution,

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time M/s Ramanatham & Rao, Chartered Accountants (Firm Registration Number 002934-S) be and are hereby appointed as Auditors of the company to hold office from the conclusion of the Thirtieth Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of ₹ 4,00,000 lakhs (Rupees Four Lakhs only) plus applicable taxes, if any, besides reimbursement of out of pocket expenses."

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to provisions of Section 149 and Section 152 and all other provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014(including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Geetha Muthiah, (holding DIN: 03450246) who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 16, 2014 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting and in respect of whom, the Company has received a notice from a member under Section 160 of the Companies Act 2013, be and is hereby appointed as a Director of the Company.

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and the Schedule V and other applicable provisions (including any Statutory modifications or any enactments thereof for the time being in force) of the Companies Act, 2013 and subject to the approval of the Financial Institutions/Banks wherever required, the Consent of the Company be and is hereby accorded to the appointment of Mrs. Geetha Muthiah (DIN 03450246), as the Managing Director of the Company for a period of Five years with effect from the 04<sup>th</sup> June, 2014 subject to the provisions of the Articles of Association of the Company and control, superintendence and direction of the Board of Directors of the Company, who are hereby authorized to delegate to her such further powers of substantial management of the Company as they may deem fit."

**"RESOLVED FURTHER THAT** Mrs. Geetha Muthiah, Managing Director be paid a remuneration by way of commission which shall not exceed 5 % of the net profits of the company for each year during the tenure of her office."



**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits, in any financial year, the Board of Directors of the Company may sanction the minimum remuneration payable to Mrs. Geetha Muthiah, Managing Director, such that the remuneration payable to her shall not exceed the maximum limits prescribed under sub-section II (A) of Section II of Part II of Schedule V of the Companies Act, 2013, based on the Effective Capital of the Company.”

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

**“RESOLVED THAT** pursuant to provisions of Section 149, 152 and all other provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. B. Ramesh (DIN 01854178) who was appointed as an Additional Director of the Company with effect from May 16, 2014 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as a Non - Executive Director of the Company who is liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement Mr. P. Gopal (DIN 06630431) who was appointed as an Additional Director of the Company with effect from May 16, 2014 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a member under Section 160 of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years with effect from the date of his appointment at the ensuing Annual General Meeting, and that he is not liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement Mr. V. Subramanian (DIN 06693099) who was appointed as an Additional Director of the Company with effect from May 16, 2014 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a member under Section 160 of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years with effect from the date of his appointment at the ensuing Annual General Meeting, and that he is not liable to retire by rotation.”

10. To ratify the remuneration payable to Cost Auditors for the year 2014-15 by passing the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** subject to Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) plus applicable Service Tax and out of pocket expenses, payable to M/s K. Narasimha Murthy (Firm Registration Number 000042) Cost Auditors for audit of cost records of the product manufactured by the company for the year ending 31<sup>st</sup> March 2015 as approved by the Audit Committee and Board of Directors of the Company be and is hereby ratified.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013

(corresponding Section 293 (1) (d) of the Companies Act, 1956) and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the provisions of the Articles of Association of the Company and in supersession of the Ordinary Resolution passed by the Members of the Company at the Extra Ordinary General Meeting held on 7th January, 2009, consent of the Company be and is hereby accorded to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the financial institutions, Company's Bankers and / or from any person or persons, firms bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured which may exceed the aggregate of the paid up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of ₹ 300 Crores (Rupees Three Hundred Crores Only)

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do and perform all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

12. To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without modifications.

**"RESOLVED THAT** pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013 (corresponding Section 293 (1) (a) of the Companies Act, 1956) and all other applicable provisions, if any, of the Companies Act, 2013 and in supersession of the Ordinary Resolution passed by the Members of the Company at the 9<sup>th</sup> Annual General Meeting on 29<sup>th</sup> September 1993, consent of the company be and is hereby accorded to the Board of Directors of the Company to create mortgages/charges/hypothecation in any manner whatsoever on all or any of the immovable and movable properties, other assets and whole or substantially the whole of the undertaking(s) of the Company present and future, ranking pari-passu or otherwise and/or second and/or subservient and/or subordinate to the mortgages/charges/hypothecation already created or to be created in future by the company for securing any loans and/or advances and/or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finances for purchase of assets and/or for the business of the Company or for the working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills discounting scheme or in favour of trustees for Debentureholders / Bondholders, FCCB holders that may be appointed hereafter, as security for the debentures/ bonds/ FCCBs that may be issued by the Company, on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amount consented by the Company by the Resolution passed at this meeting pursuant to Section 180 (1) (c) of the Companies Act, 2013 i.e. ₹ 300 crores (Rupees Three Hundred Crores Only) together with interest thereon and further interest, if any, cost, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/Bond/FCCB holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolution and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company."

By order of the Board  
B. Ramesh  
Chairman

Date: 12<sup>th</sup> August 2014

Place: Chennai



## NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting for the item Number 5 to 12 is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/reappointment as directors are also annexed.
2. NOTES: (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered office, not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc, must be supported by appropriate resolutions /authority as applicable. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the share capital of the company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 05.09.2014 to Wednesday, 10.09.2014 (both days inclusive).
4. Information relating to Directors proposed to be appointed and those retiring by rotation and seeking re-appointment at this meeting, as required under Clause 49 (G) (i) of the Listing Agreement with Stock Exchange is annexed to the Notice.
5. The company has appointed M/s. Karvy Computershare Pvt. Ltd as the Registrar and Share Transfer Agent to undertake all investor servicing activities, both demat and physical segments. All concerned are requested to send their documents and address all their correspondence directly to above Registrars.
6. As per Section 205 A of the Companies Act, 1956, the unclaimed dividend amounts out of the Dividend declared for the financial year ended 31<sup>st</sup> March 2007 shall be transferred to the Investor Education and Protection Fund of the Central Government after the expiry of 7 years from the date of transfer to Unpaid Dividend Account.
7. Shareholders holding shares in physical form are requested to notify change of address, if any, to the Share Transfer Agents (STA) of the Company, Karvy Computershare Pvt. Ltd., 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 immediately. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, NECS particulars etc., to their respective depository participants. Bank details as furnished by the respective depository participants to the Company would be used for the purpose of distribution of dividend either through payment instrument or NECS. The company would not entertain any request from such members for change / deletion of such Bank details. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the concerned shareholders
8. In terms of provisions of Section 101 and 136 of the Companies Act, 2013 and Rules made there-under, Shareholders who have opted to receive the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, by registering their e-mail addresses with the Company or whose e-mail addresses are made available to the Company by the Depositories, are being sent with such documents in the electronic form. As a Shareholder of the Company, you are entitled to be furnished, free of cost, with the copies of such documents upon receipt of requisition from you to that effect. Physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

## 9. PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Ballot Paper. Your folio/DP Client ID will be your User-ID.

User – ID	<p>For Members holding shares in Demat Form:-</p> <ul style="list-style-type: none"> <li>• For NSDL :- 8 Character DP ID followed by 8 Digits Client ID</li> <li>• For CDSL :- 16 digits beneficiary ID</li> </ul> <p>For Members holding shares in Physical Form:-</p> <ul style="list-style-type: none"> <li>• Event no. followed by Folio Number registered with the company</li> </ul>
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Password	Your Unique password is printed on the Ballot Paper / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. **1800-3454-001** for any further clarifications.
- iv) Members can cast their vote online from 4<sup>th</sup> September 2014 @ 11.00 AM to 6<sup>th</sup> September 2014 @ 6.00 PM
- v) After entering these details appropriately, click on “LOGIN”.
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the ‘Event’ i.e., ‘**Company Name**’.
- ix) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ABSTAIN’ for voting .Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select ‘ABSTAIN’
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”.A confirmation box will be displayed .If you wish to confirm your vote, click on “OK”, else to change your vote, click on “ CANCEL “and accordingly modify your vote.
- xii) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.

Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name\_ Event no.”.

## 10. Special Notice of Resolution under Section 115 of the Companies Act, 2013 for Appointment of Auditors.

M/s M. Anandam & Co., Chartered Accountants retire at the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed for a further term. A Notice has been received from a Shareholder under Section 140 read with Section 115 of the Companies Act, 2013 proposing a resolution for appointment of M/s Ramanatham & Rao, Chartered Accountants (Regn No- 002934-S) as Auditors of the company. The subject resolution is appearing as Item No 4 in the Notice convening the Annual General Meeting which forms part of this Annual Report. M/s Ramanatham & Rao have also given their consent to act as Auditors, if appointed, and confirmed that the Appointment, if made, would be in compliance with Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The Board commends the Ordinary Resolution set out at number 4 for approval by shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all the material facts relating to the special business mentioned in the accompanying notice.

**Item No 5&6**

Mrs. Geetha Muthiah was appointed as an Additional Director of the Company by the Board at its Meeting held on 16th May, 2014. In terms of Section 161 of the Companies Act, 2013 she holds office till the date of the ensuing AGM and is eligible for re-appointment. Notice under Section 160 of the Companies Act 2013, along with the requisite deposit has been received from a member signifying his intention to propose the candidature of Mrs. Geetha Muthiah as a Director of the Company.

Mrs. Geetha Muthiah is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Board of Directors of the company at its meeting held on June 4, 2014, has subject to the approval of members, appointed Mrs. Geetha Muthiah as Managing Director, for a period of 5 years and be paid a remuneration by way of commission which shall not exceed 5 % of the net profits of the company for each year during the tenure of her office.

However in the event of loss or inadequacy of profits, in any financial year the remuneration paid to her shall not exceed the maximum limits prescribed under sub-section II (A) of Section II of Part II of Schedule V of the Companies Act, 2013, based on the Effective Capital of the Company

The Board commends the Ordinary Resolution set out at number 5& 6 for approval by shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

**Item No 7**

The Board of Directors of the company appointed pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the company, Mr. B. Ramesh as an additional Director of the company with effect from May 16, 2014.

In terms of provisions of Section 161(1) of the act, Mr. B. Ramesh would hold office upto the date of the ensuing Annual General Meeting.

The company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. B. Ramesh for the office of Director of the company.

Mr. B. Ramesh is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board commends the Ordinary Resolution set out at number 7 for approval by shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

**Item No 8 & 9**

The Board of Directors of the company appointed pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the company, Mr. P. Gopal and Mr. V. Subramanian as additional Directors of the company with effect from May 16, 2014.

In terms of provisions of Section 161(1) of the act, Mr. P. Gopal and Mr. V. Subramanian would hold office upto the date of the ensuing Annual General Meeting.

The company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. P. Gopal and Mr. V. Subramanian for the office of Independent Director of the company.

Mr. P. Gopal and Mr. V. Subramanian are not disqualified from being appointed as directors in terms of Section 164 of the Act and have given their consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its board. As per the said Section 149, an independent director can

hold office for a term up to 5 consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. P. Gopal and Mr. V. Subramanian that they meet the criteria of independence as prescribed under Sub-Section (6) of Section 149 of the act and under Clause 49 of the Agreement.

In the opinion of the Board of Directors of the company Mr. P. Gopal and Mr. V. Subramanian fulfil the conditions in the Companies Act, 2013 and rules made thereunder as Independent Directors and they are independent of the Management of the company.

The Board commends the Ordinary Resolution set out at number 8 & 9 for approval by shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these resolutions.

#### Item No 10

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board shall appoint a Cost Accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration of for such Cost Auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendations of Audit Committee at its meeting held on on 16<sup>th</sup> May 2014, the Board has considered and approved appointment of M/s K. Narasimha Murthy (Firm Registration Number 000042) for conduct of Cost Audit at a remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) plus applicable Service Tax and out of pocket expenses for the Financial year ending 31<sup>st</sup> March 2015.

The Board commends the Ordinary Resolution set out at number 10 for approval by shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these resolutions.

#### Item No 11 & 12

At the 9<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 1993 and at the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> January 2009, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293 (1) (a) and (d) of the Companies Act, 1956, authorized the Board to:

- i. Create a mortgage or charge or hypothecation on the Company's assets in favour of lending agencies and trustees to secure the amounts borrowed including interest, charges, etc. payable thereon; and
- ii. Borrow monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of ₹ 300 Crores (Rupees Three Hundred Crores) at any point of time.

Section 180 of the Companies Act, 2013 ('the Act') was notified on September 12, 2013. Under the said section, the above powers of the Board are required to be exercised only with the consent of the Company by way of a Special Resolution. The Ministry of Corporate Affairs ("MCA") had vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Section 293 (1) (a) and (d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said creation of a mortgage or charge for the said borrowings and for the borrowings limit is, therefore, now being sought, by way of Special Resolutions, pursuant to and only in compliance with the provisions of Section 180 (1) (a) and (c) of the Companies Act, 2013 respectively.

The Board commends the Special Resolutions at Item No. 11 & 12 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

#### **INSPECTION OF DOCUMENTS**

The following documents will be kept at the Registered Office of the Company during its working hours and are open for inspection by the members until 48 hours before the AGM

(1) Memorandum of Association & Articles of Association

(2) The Notice received under Section 160 of the Companies Act, 2013 proposing Mrs. Geetha Muthiah, Mr. B. Ramesh, Mr. P. Gopal and Mr. V. Subramanian as mentioned in Resolution No. 5, 7, 8 and 9 respectively.

(3) The Notice received under Section 115 of the Companies Act, 2013 for the appointment of M/s Ramnathan & Rao, Chartered Accountants as Auditors of Company as mentioned in Resolution No. 4

## Annexure as required under Clause 49 (IV) (G) of the Listing Agreement.

### Details of Directors Seeking Appointment/ Re-appointment at the Annual General Meeting.

1. Particulars	Mrs. Geejha Muthiah	Mr. P. Gopal	Mr. V. Subramanian	Mr. K. V. Vishnu Raju	Mr. P.V.R.L Narasimha Raju
2. Date of Birth	17/02/1977	12/03/1970	15/06/1964	31/01/1964	13/01/1964
3. Date of Appointment	16 <sup>th</sup> May 2014	16 <sup>th</sup> May 2014	16 <sup>th</sup> May 2014	23 <sup>rd</sup> August 1999	23 <sup>rd</sup> August 1999
4. Qualifications	B.E	Diploma, Mechanical Engineering , Industry Pollution and Control	B.E	M.S	B.com
5. Expertise in Specific Functional Area	Associated with Industry and other businesses for nearly more than a decade.	Wide experience in the industry with 21 years of experience	Wide experience in the industry with 32 years of experience	Over 2 decades of experience in the cement industry.	Over 2 decades of experience in the cement industry
6. Directorships held in other companies	Cheffinad Educational Institutions	Marvel Cements Private Limited Imperial Cement Private Limited Cheffinad International Bulk Terminal Private Limited	Nil	Hitech Print Systems Ltd. Anjani Projects& Construction Ltd. Raasi Enterprises Ltd Anjani Cement (Karnatak)Ltd SaiAdityaFoods & Retail (P) Ltd., Gorinta Hotels (P) Ltd.,	Hitech Print Systems Ltd. Yennar Ceramics Ltd. Anjani Projects& Construction Ltd. Raasi Enterprises Ltd Anjani Cement (Karnatak)Ltd
7. Memberships/ Chairmanships of Committees of other companies	Nil	NIL	NIL	Audit Committee, Member Raasi Enterprises Ltd	Audit Committee and Remuneration Committee Member Raasi Enterprises Ltd
8. Number of Shares held in the Company	Nil	Nil	Nil	2320129	Nil



30<sup>th</sup> Annual Report 2013 - 14

# Directors Report

Your Directors take pleasure in presenting the Thirtieth Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

## FINANCIAL RESULTS:

(₹ In Lakhs)

	Current Year Ended 31/03/2014	Previous Year Ended 31/03/2013
Revenue from Operations (Gross)	32378.13	33195.49
Profit before Interest, Depreciation	2370.76	5368.10
Less: Interest	3587.7	3471.10
Less: Depreciation	1490.91	1433.79
Profit/(Loss) Before Tax	(2707.84)	463.21
Provision for Taxation including deferred Tax	(773.01)	154.10
Profit/(Loss) after Taxation	(1934.84)	309.11
<b>Appropriations</b>		
General Reserve	--	--
Dividend	--	--
Dividend Tax	--	--

## DIVIDEND

The Company has incurred a loss during the current year and hence does not any recommend any dividend for the financial year ended 31<sup>st</sup> March, 2014. However the Company is hopeful of better results in the coming year.

## PRODUCTION AND SALES FOR THE YEAR (in MT)

Cement Produced	-	801105
Clinker Produced	-	718402
Cement and Clinker Sales	-	857318

## OPERATIONS

This is covered under the topic Management Discussion and Analysis.

## MANAGEMENT DISCUSSION AND ANALYSIS

### a) Economy and Developments

Cement sector can certainly look forward to revival of growth in its consumption which has been languishing for the last 3-4 years at very low levels.

Indian cement industry, which is second only to China, has over 340 million tonnes of capacity but the capacity utilisation of the major cement manufacturers of the building material has been far from encouraging.

### b) Opportunities, Threats, Risks, Concerns and Outlook

The Government has chosen to focus on the housing and infrastructure sectors as a means to kick-start economy. The Indian cement sector is expected to witness positive growth in coming years, with demand set to increase at a CAGR of more than 8 % in 2015–16, according to data available. The report further observed, after analysing the regional trend of cement consumption, that the Southern region is creating maximum demand, which is expected to increase in future. The cement industry in India is globally competitive as the industry continues to witness positive trends such as cost control, continuous technology up gradation and increased construction activities. India's cement industry needs to nearly double its manufacturing capacity by 2025, according to reports.

c) **Segment wise or Product Performance**

The Company has only one business segment and that is manufacturing and sale of cement .Given below are the Product wise production figures for the financial year 2013-14

Grades of Cement	Quantity in M.T
OPC-43 grade and 53 grade	508572
PPC	292533

d) **Internal Control System and their adequacy**

The Company has got an adequate system of internal control in place commensurate with the size of its operation and is properly designed to protect and safeguard the assets of the company. There is a proper system for recording all transactions which ensures that every transaction is properly authorized and executed according to norms.

The company has also appointed M/s M. Bhaskara Rao & Co., Chartered Accountants as Internal Auditors to conduct the Systems and Compliance Audit of the Company.

e) **Financial Performance in comparison to Operational Performance**

The Company has produced a quantity of 801105 MT cement during the current financial year as compared to the previous year production of 837993 MT of cement a decrease of 4.4 %. The quantity of cement sold during the year under review stands at 801020 MT compared to 840782 MT during the previous financial year showing a decrease of 4.7%.

The gross sales for cement in terms of value during the year under review were at ₹ 30480.98 (lakhs in ₹) as against ₹ 32040.35 (lakhs in ₹) during the previous financial year, a decrease of 5%.

f) **Material Development in Human Resources/Industrial Relations front , including number of people employed**

The Industrial relation during the current year has been cordial and contributed to mutual development. Various Seminars, counselling sessions, training etc, were conducted to improve the quality of manpower available thereby increasing the productivity and efficiency of the personnel employed in the company.

The number of personnel employed in the company is Regular – 306 and Contract – 252.

**FIXED DEPOSITS:**

As at 31st March, 2014, fixed deposits accepted by the Company from public aggregated Rs. 560.98 Lakhs which are within the limits prescribed under the Companies Act, 1956.

**CORPORATE UPDATES - OPEN OFFER:**

The erstwhile Promoters of the company had entered into a Share Purchase Agreement with Chettinad Cement Corporation Limited on 12th March, 2014. Chettinad Cement Corporation Limited agreed to acquire upto a maximum of 75% of the total Equity Share Capital and voting power from the erstwhile Promoters of the company and Public Shareholders through an Open Offer as per SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("SAST Regulation"), at a price of Rs. 61.75/- per Equity Share of Rs. 10/- each.

Chettinad Cement Corporation Limited thereafter made applications to SEBI for an Open Offer to acquire upto 26% of the Total Equity Share Capital of our company from our Public Shareholders. Chettinad Cement Corporation Limited then acquired 9010901 Equity Shares comprising of 49% of the Equity Share Capital of the company, from the erstwhile Promoters in May 2014 and nominated majority Directors in the Board of the Company, thereby acquiring control over the affairs of the Company.

The Open Offer to the Public Shareholders of our Company as per SAST Regulations opened on the 26<sup>th</sup> June, 2014 and ended on the 9<sup>th</sup> July, 2014. In the Open Offer, Chettinad Cement Corporation Limited acquired 3141752 validly tendered Equity Shares of our Company, comprising 17% of its Total Share Capital, from our Public Shareholders. Chettinad Cement Corporation Limited currently hold 66% of the Total Equity Share Capital of our Company.

With the acquisition of the Equity Shares of our Company in the Open Offer, our company has become a subsidiary of Chettinad Cement Corporation Limited.



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under 217 (1)(e) of the Companies Act, 1956 are set out in an annexure to this report.

**SUBSIDIARY COMPANY:**

The Company had divested 100% of its investment in

- Hitech Print Systems Ltd – Subsidiary Company
- Vennar Ceramics Ltd. –Associate Company

during the financial year under review.

The decision was made after taking into consideration the need to focus on only the core activities of the company.

**STATUTORY INFORMATION REGARDING EMPLOYEES**

There are no employees in the organization coming under the provisions of section 217 (2A) of the Companies Act, 1956.

**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 judgments 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.

**CORPORATE GOVERNANCE:**

As per the provisions of the listing agreement with the Bombay Stock Exchange where the Company's Equity shares are listed, a report on Corporate Governance is annexed hereto.

**DIRECTORS:**

Mr. R. A Rama Raju, Mr. P. S Ranganath, Mr. P. V Subba Rao and Mr. P. R Raju resigned from the Board of your company with effect from 16<sup>th</sup> May, 2014. The Board places on record its appreciation for the services rendered by all of the above mentioned directors.

Mrs. Geetha Muthiah, Mr. B. Ramesh, Mr. V Subramanian and Mr. P. Gopal have been appointed as Additional Directors on the Board of your company with effect from 16<sup>th</sup> May, 2013 and hold office till the ensuing Annual General Meeting.

Mr. K.V Vishnu Raju has resigned from the post of Chairman cum Managing Director and Mr. P. V. R. L Narasimha Raju has resigned from the post of Executive Director with effect from 4<sup>th</sup> June 2014. They continue to act as Non- executive Directors in the company

Mrs. Geetha Muthiah was appointed as Managing Director with effect from 4<sup>th</sup> June 2014.

Mr. K. V Vishnu Raju and Mr. P. V .R. L Narasimha Raju retire from office by rotation and being eligible offer themselves for re-appointment.

**AUDITORS:**

M/s M. Anandam & Co., Chartered Accountants retire at the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed for a further term. A Notice has been received from a Shareholder under Section 140 read with Section 115 of the Companies Act, 2013 proposing a resolution for appointment of M/s Ramanatham & Rao, Chartered Accountants (Firm Registration No 002934-S) as Auditors of the company. The subject resolution is appearing

as Item No 4 in the Notice convening the Annual General Meeting which forms part of this Annual Report. M/s Ramanatham & Rao have also given their consent to act as Auditors, if appointed, and confirmed that the Appointment, if made, would be in compliance with Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The Cost Audit of the Company is conducted by M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad.

The Cost Audit Report/Compliance report for the financial year 2012-13 was due to be filed by 27<sup>th</sup> September 2013. As the MCA stipulated that same had to be filed under the Extensible Business Reporting Language [XBRL] mode, the Cost Audit Report and the Compliance Report, in Form I and Form A, respectively, for the Financial Year 2012-13 have been filed with the Central Government in the prescribed mode on 10<sup>th</sup> September, 2013

The Cost Audit Report and the Compliance Report for the financial year 2013-14 is due to be filed within 180 days from the closure of the financial year in XBRL mode and will be filed within the stipulated time.

**CAUTIONARY STATEMENT:**

Statements made in this report, including those stated under the caption “Management Discussion and Analysis” describing the company’s objectives, expectations or projections may constitute “forward looking statements” within the meaning of applicable securities laws and regulations.

Important factors that could influence Company’s operations include global and domestic supply and demand conditions affecting the selling price of finished goods, availability of inputs and their prices, changes in government regulations, tax laws, economic developments within the country and outside and other factors such as litigations and Industrial relations.

The Company assumes no responsibilities in respect of the forward looking statements which may undergo changes in the future on the basis of subsequent developments, information or events.

**ACKNOWLEDGEMENT:**

The Board of Directors wish to thank all the shareholders statutory bodies and departments of the State and Central Government and Bankers, Suppliers, Customers and all employees for their valuable support to the company.

For and on Behalf of the Board  
**B. Ramesh**  
Chairman

Place : Chennai

Date : 12<sup>th</sup> August 2014



# Annexure Forming Part of Director's Report

Disclosure under sub-section 1(e) of Section 217 of the Companies Act, 1956

## A. CONSERVATION OF ENERGY

### a) Energy conservation measures taken:

1. Modification of System
2. Optimization of Process
3. Alternative fuel used.
4. Reduction in use of Thermal Energy

### b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy

1. Alternative fuels consumed in the year is 23400 MT, reducing the consumption of traditional fossil fuel "Coal", in an attempt to conserve natural resources. Continuation of such practice.
2. Study of Compressor and material feeding system to optimize production and reduce power consumption

### c) Impact of measures of (a) and (b) above on reduction of energy consumption and consequent impact on the cost of production of goods.

As mentioned in Form A

### d) Total energy consumption and energy consumption per unit of production

As per Form A

## B. TECHNOLOGY ABSORPTION

As per Form B

## C FOREIGN EXCHANGE EARNING AND OUTGO

Nil

## FORM - "A"

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Year ended 2013 - 2014	Year ended 2012 - 2013
<b>A. POWER AND FUEL CONSUMPTION:</b>			
1. Electricity			
Purchases	Units (Lakhs Kwh)	761.86	819.18
Total Amount	₹ in lakhs	5084.46	4529.80
Rate/ Unit	₹	6.67	5.53
2. Coal			
Purchases	Units (MT)	110997	138889
Total Amount	₹ in lakhs	5210.81	5885.61
Rate/ Unit	₹ (per tonne)	4694.55	4237.63
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
Electricity - KWH/T of Cement		93.89	95.93
Coal (%) - Per MT of Clinker		15.45	19.80

## FORM - "B"

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

#### A. RESEARCH AND DEVELOPMENT

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

#### B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION: NIL

## FOREIGN EXCHANGE EARNING & OUTGO

- a) There are no activities relating to exports or imports.  
c) Total Foreign Exchange:

	Year ended 2013 - 2014	Year ended 2012 - 2013
Used (Rs. in Lakhs)	Nil	Nil
Earned (Rs. in Lakhs)	Nil	Nil

30<sup>th</sup> Annual Report 2013 - 14

# Annexure to Directors Report

## REPORT ON CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

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

**The company is committed to adopting fair, transparent and ethical governance practices.**

The Company's philosophy on Corporate Governance aims at ethical corporate behavior and assisting the management of the Company in the efficient conduct of the business and in meeting its responsibilities to all the stake holders comprising of regulators, employees, customers, vendors, investors and society at large. The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices.

### 2. Board of Directors:

As on March 31, 2014, the company had Six Directors, four of whom are Independent and Non-Executive Directors. None of the Non- Executive directors are responsible for the day to day affairs of the company.

The details of Composition and categories of Directors are given below.

Name of the Director	Category
Mr. K. V. Vishnu Raju	Chairman and Managing Director ( Executive)
Mr. P. V. R. L. Narasimha Raju	Executive Director (Executive)
Mr. R. A. Rama Raju	Independent and Non-Executive
Mr. P. S. Ranganath	Independent and Non-Executive
Mr. P. V. Subba Rao	Independent and Non-Executive
Mr. P. Ramachandra Raju	Independent and Non-Executive

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which they are Directors.

**Brief Profile of Directors seeking appointment re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement has been annexed with the Notice of the meeting**

### 3. Board Procedure:

#### Board Meetings:

The details about performance of the Company, financial position, statutory compliance's, quarterly results, market environment and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information substantially complies with the requirements of the code of Corporate Governance with regard to the information to be placed before the Board of Directors.

During the financial year 2013-2014, the Board of Directors met Six times. The details of the Board Meetings held during the year are given below.

Meetings of	Date of the Meeting	Total members	Attendance by Number of members
Board of Directors	28 <sup>th</sup> May, 2013	6	5
	13 <sup>th</sup> August, 2013	6	6
	13 <sup>th</sup> November, 2013	6	5
	12 <sup>th</sup> February, 2014	6	6
	07 <sup>th</sup> March, 2014	6	6
	12 <sup>th</sup> March, 2014	6	6

Non-Executive Directors are not entitled for any remuneration other than the sitting fees. An amount of Rs.5000/- is paid towards sitting fees for attending each Board Meeting.

The details of attendance of each Director at the Board Meeting and last AGM held during the financial year 2013 - 2014 and details of number of outside directorships and committee positions held by each of the Directors are given below:

Name of the Director	Number of Board Meetings during the year 2013-14		Whether attended last AGM held on 21 <sup>st</sup> August 2013	Number of Directorships in other public companies		Number of Committee positions held in other public companies	
	Held	Attended		Member	Chairman	Member	Chairman
Mr. K. V. Vishnu Raju (Chairman and MD)	6	6	No	4	2	1	Nil
Mr. P. V. R. L. Narasimha Raju (Executive Director)	6	5	Yes	5	Nil	2	Nil
Mr. R. A. Rama Raju	6	6	Yes	Nil	Nil	Nil	Nil
Mr. P. S. Ranganath	6	6	No	Nil	Nil	Nil	Nil
Mr. P. V. Subba Rao	6	5	Yes	Nil	Nil	Nil	Nil
Mr. P. R. Raju	6	6	Yes	Nil	Nil	Nil	Nil

The Board has constituted Committees of Directors to deal with matters in detail and to monitor the activities falling within the terms of reference. The Board Committees are as follows:

#### 4. Audit Committee:

##### (i) Brief description of terms of reference

The Audit Committee shall have the following Scope and Responsibilities:

- Overview of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are true and fair, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
- Reviewing with management, the quarterly financial results before submission to the board for approval.
- Reviewing with the management, the annual financial statements before submission to the board for approval.
- Reviewing with the management, performance of Statutory and Internal Auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function including reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors regarding any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.
- To review the Risk Assessment and Management measures.
- Reviewing of Financial Statements of the Subsidiaries and Investments made by them.
- Reviewing of Management Discussion and Analysis of Financial condition and Results of Operations.
- Reviewing of statements of significant related party transactions.
- Reviewing of Internal Audit Reports relating to Internal Control Weaknesses.
- Any other items considered appropriate or necessary to have effective overview of financial reporting.

##### (ii) Meetings and Attendance:

Meetings : The Audit Committee met 4 times during the year under review on the following dates: 28.5.2013, 13.8.2013, 13.11.2013 and 12.02.2014.

The Audit Committee consists of the following Directors:

S.No.	Name of the Director	No. of meetings held	No. of meetings attended
1.	Mr. P. S. Ranganath	4	4
2.	Mr. R. A. Rama Raju	4	4
3.	Mr. P. V. Subba Rao	4	3
4.	Mr. P. R. Raju	4	4

The Audit Committee consists of 4 Non-Executive Independent Directors, and Mr. P.S. Ranganath is the Chairman of the Committee. All the members have the financial and accounting knowledge.

#### 5. Share Transfer Committee:

The details of Share Transfer Committee meetings held during the financial year under review and attendance by each of the members are as given below:

S.No.	Name of the Director	No. of meetings held	No. of meetings attended
1.	Mr. K. V. Vishnu Raju	8	8
2.	Mr. P. V. R. L. Narasimha Raju	8	7
3.	Mr. R. A. Rama Raju	8	8
4.	Mr. P. R. Raju	8	8

Mr. P. R. Raju an Independent Director is the Chairman of the Committee.

Mr. M. B. Suneel, Company Secretary of the Company is the Compliance Officer.

#### 6) Remuneration Committee:

- a) This Committee comprises of the following Non-Executive and Independent Members of the Board.

Mr. P. S. Ranganath

Mr. R. A. Rama Raju

Mr. P. V. Subba Rao

Mr. P. R. Raju

- b) Terms of Reference:

To fix the remuneration payable to Managerial Personnel and such other matters as may be entrusted from time to time.

Mr. P. S. Ranganath, an Independent Director is the Chairman of the Committee.

Remuneration Committee did not meet during the year as there was no consideration of remuneration to Whole Time Directors.

#### 7. General Body Meetings:

Year	Location	Date	Time
2010 -2011	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad	23 <sup>rd</sup> September, 2011	11.00 A.M.
2011 -2012	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad	25 <sup>th</sup> July, 2012	11.00 A.M.
2012 -2013	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad	21 <sup>st</sup> August, 2013	11.00 A.M.

There were no Special Resolution passed in the previous three Annual General Meetings :

#### 8. Disclosures:

Disclosure regarding materially significant related party transactions:

No transaction of material nature has been entered into by the Company with its promoters, directors

or the management, subsidiaries or relatives etc., that may have potential conflict with the interest of the Company.

Disclosure of non-compliance by the Company:

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the year.

#### 9. CEO / CFO Certification:

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required by clause 49 of the Listing Agreement.

#### 10. Means of Communication :

The quarterly/half yearly results of the Company were published during the financial year under review in leading newspapers namely, Business Standard and Andhra Prabha (Regional language).

Management Discussion and Analysis Report forms part of this Annual Report.

#### 11. Shareholder Information:

This Annual Report includes yearly financial statement, key financial data and a section on Shareholder information giving required information.

##### a. Annual General Meeting

The Thirtieth Annual General Meeting ("the AGM") of the Company will be held on the Wednesday the 10<sup>th</sup> day of September 2014 11.00 A.M. at Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad.

##### b. Dates of Book Closure :

The Register of Members and share transfer will remain closed from Friday, the 5<sup>th</sup> September, 2014 to Wednesday, the 10<sup>th</sup> September, 2014 (both days inclusive) .

##### c. Listing on Stock Exchange

Listed with the BSE ( Scrip Code 518091)

##### d. Registrar and Share Transfer Agents :

M/s. Karvy Computershare Pvt. Ltd., Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081 were appointed as Depository Registrars for dematerialised shares and Physical form of share transfers and share holder related services.

##### e. Share Transfer System

The share transfer committee attends to share transfer formalities once in a 15 days, Demat requests as normally confirmed within an average period of 10 days, from the date of receipt, subject to the documents being valid and complete in all respects.

##### f. Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an annexure to the Directors' Report.

##### g. Financial Calendar Year Ending 2014 - 2015

March 31

##### h. Shareholder Statistics and Distribution of Shareholdings as on 31<sup>st</sup> March, 2014 was as follows:

Category (No. of shares)	No. of Shareholders		No. of Shares		% to Total Equity	
	Physical	Demat	Physical	Demat	Physical	Demat
	(A)	(B)	(A)	(B)	(A)	(B)
1 - 500	4625	2842	719263	436971	3.91	2.38
501 - 1000	122	282	101350	233509	0.55	1.27
1001 - 2000	28	208	44650	344188	0.24	1.87
2001 - 3000	17	56	44700	145428	0.24	0.79
3001 - 4000	11	38	38110	139610	0.21	0.76
4001 - 5000	10	24	47560	114404	0.27	0.62
5001 - 10000	10	45	68554	329531	0.37	1.79
10001 & above	8	60	772050	14809719	4.20	80.53
<b>Total</b>	<b>4831</b>	<b>3555</b>	<b>1836237</b>	<b>16553360</b>	<b>9.99</b>	<b>90.01</b>
<b>Grand Total (A+B)</b>	<b>8386</b>		<b>18389597</b>			

30<sup>th</sup> Annual Report 2013 - 14



- i. The monthly high and low share quotations of your company during the Financial Year 2013-14 as traded on the Bombay Stock Exchange Ltd., are given below:

BSE Scrip Code : 518091 BSE Scrip ID : APCL

S.No	Month	High (Rs.)	Low (Rs.)
1	April, 2013	24.00	16.65
2	May, 2013	24.40	17.20
3	June, 2013	23.60	15.80
4	July, 2013	18.00	13.05
5	August, 2013	19.80	13.50
6	September, 2013	19.95	14.35
7	October, 2013	20.40	15.20
8	November, 2013	19.00	17.05
9	December, 2013	29.75	18.00
10	January, 2013	39.30	31.20
11	February, 2014	46.10	36.25
12	March, 2014	60.70	47.00

#### Dematerialisation of Shares

Trading in Company's shares is permitted only in dematerialised form for all investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its share holders. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialised form. Over 90% of the Company's shares are now held in electronic form.

The ISIN of Dematerialised shares of the Company allotted by the NSDL & CDSL is "INE071F01012"

- j. Investor Correspondence

The Company's Share Department provides assistance to shareholders.

Any query relating to shares and requests for transactions such as transmissions and duplicate share certificates, non-receipt of Annual Report, etc., may please be taken up with the share department of the Company.

Any requests for transactions such as transfers, dematerialisation of shares, change of Address, nomination facilities, may please be taken up with the Registrar & Share Transfer Agents of the Company

M/s. Karvy Computershare (Pvt) Ltd.,  
Plot No.17 to 24, VithalRao Nagar,  
Madhapur, Hyderabad - 500 081  
Phone No(s) : 040-23420815 to 24

#### Unclaimed Dividend

The following table shows the details of Dividend relating to financial years 2006-07 to 2011-12 and the due dates on which the unclaimed/ un-encashed dividend amount dividend amounts with respect to the same have to be remitted into IEPF. Members who have not yet encashed their dividend warrants(s) pertaining to the Final Dividend for the financial year 2006-07 and onwards are requested to make their claims without any delay to M/s. Karvy Computershare (Pvt) Ltd.

Financial Year	Date of Declaration	Dividend (%)	Due date of Transfer to IEPF
2006-07	28-09-2007	10	02-11-2014
2007-08	24-09-2008	15	27-10-2015
2008-09	25-09-2009	15	28-10-2016
2009-10	28-09-2010	10	01-11-2017
2010-11	23-09-2011	8	27-10-2018
2011-12	25-07-2012	12	28-08-2019

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## Declaration on Code of Conduct

I, K.V. Vishnu Raju, Chairman and Managing Director of Anjani Portland Cement Ltd., hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2014 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

**K.V. Vishnu Raju**  
Chairman and Managing Director

Place : Secunderabad  
Date : 16.05.2014

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# Auditors' Report on Corporate Governance

To the Members of Anjani Portland Cement Ltd.,

We have examined the compliance of conditions of Corporate Governance by Anjani Portland Cement Limited for the year ended March, 31<sup>st</sup>, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March, 31<sup>st</sup>, 2014, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. ANANDAM & CO.,  
Chartered Accountants,

S. Venkateswarlu  
Partner  
M. No. 022790

Place : Secunderabad

Date : 16.05.2014

# Independent Auditors' Report

To the Members of

Anjani Portland Cement Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **Anjani Portland Cement Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 8/2014 dated 4<sup>th</sup> April 2014 issued by ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 8/2014 dated 4<sup>th</sup> April 2014 issued by Ministry of Corporate Affairs;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm Regn.No.000125S)

S. Venkateswarlu  
Partner  
M. No. 022790

Place: Secunderabad  
Date: 16<sup>th</sup> May 2014

# Annexure

Re: Anjani Portland Cement Limited

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i.
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. The Company has not disposed off any substantial part of its fixed assets during the year.
- ii.
  - a. The inventories have been physically verified during the year by the management at reasonable intervals excepting for the material lying with third parties (which have been substantially confirmed). In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of its inventories. The material variances where ever noticed on physical verification of stock has been properly dealt within the books of accounts.
- iii.
  - a. The company has granted interest free unsecured loans to six parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2697.68 Lakhs and the year-end balance of loan granted is Rs. 1128.68 Lakhs.
  - b. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
  - c. In respect of loans granted by the Company, repayments of principal amount are regular.
  - d. There are no overdue amounts as at the year end.
  - e. The Company has taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2565.93 lakhs and year-end balance of loans taken is Rs. 2136.37 lakhs.
  - f. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima – facie prejudicial to the interest of the company.
  - g. In respect of loan taken by the Company, the repayments of principal amount are regular.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control systems.
- v.
  - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975,

30<sup>th</sup> Annual Report 2013 - 14

with regard to the deposits accepted from the public. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal of the company.

- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. In respect of statutory dues:
- a. According to the records of the Company, the undisputed statutory due including Provident Fund, Employees State Insurance, Income tax, service tax, excise duty, sales tax and cess have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.
- b. According to the records of the company and the information and explanations given to us, the following are the particulars of dues on account of Income tax & Excise tax matters that have not been deposited on account of dispute as on 31<sup>st</sup> March, 2014:

Name of the statute	Nature of Dues	Amount to the extent not paid (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	180.32	April 2006 to September 2010	Customs, Excise and Service Tax Appellate Tribunal Bangalore
Customs Act, 1962	Customs Duty	9.16	2011-12	Commissioner of Customs (Appeals), Visakhapatnam

- x. The Company has no accumulated losses and has incurred cash losses during the financial year and not incurred cash losses in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions & banks.
- xii. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiv. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the company has given guarantees for loans taken by its erstwhile subsidiary company and associate company from bank/ financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- xvii. In our opinion and according to the information and explanation given to us and on overall examination of balance sheet of the company, we are of the opinion that there are no funds raised for short term basis that have been used for long term investment.

- xviii. During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not raised any money by way of issue of debentures during the year, hence paragraph (xix) of the order is not applicable to the company.
- xx. According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence this clause is not applicable to the company.
- xxi. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm Regn.No.000125S)

S. Venkateswarlu  
Partner  
M. No. 022790

Place: Secunderabad  
Date: 16<sup>th</sup> May 2014





# Balance Sheet

as at 31<sup>st</sup> March, 2014

₹ in Lakhs

Particulars	Note	31st March 2014	31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	1838.96	1838.96
(b) Reserves and Surplus	3	4280.49	6215.33
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	7170.34	15870.77
(b) Deferred tax liabilities (Net)	5	475.40	1354.61
(c) Other Long term liabilities	6	175.29	212.76
(d) Long term provisions	7	196.13	107.83
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	7416.03	5081.92
(b) Trade payables	9	3779.38	1913.17
(c) Other current liabilities	10	7512.58	5582.24
(d) Short-term provisions	11	25.98	52.32
<b>Total</b>		<b>32870.58</b>	<b>38229.91</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	21373.80	23085.43
(ii) Capital work-in-progress		25.62	28.08
(b) Non-current investments	13	-	1885.34
(c) Long term loans and advances	14	558.45	393.79
<b>(2) Current assets</b>			
(a) Current investments	15	4.49	-
(b) Inventories	16	3037.74	3986.19
(c) Trade receivables	17	1564.37	2357.63
(d) Cash and Bank balances	18	491.44	382.42
(e) Short-term loans and advances	19	5804.67	6111.03
(f) Other Current Assets	20	10.00	-
<b>Total</b>		<b>32870.58</b>	<b>38229.91</b>
Significant Accounting Policies	1		

As Per our report of even date

**For M. Anandam & Co**  
Chartered Accountants

**S. Venkateswarlu**  
Partner  
Membership No : 022790

Place: Secunderabad  
Date :16.05.2014

For and on behalf of the Board

**K. V. Vishnu Raju**  
Chairman & Managing Director

**P. V. R. L. Narasimha Raju**  
Executive Director

**M. B. Suneel**  
Company Secretary

## Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2014

₹ in Lakhs

Particulars	Note	31st March 2014	31st March 2013
<b>INCOME</b>			
I. Revenue from operations	21	28062.91	28803.99
II. Other Income	22	212.33	90.29
<b>Total Revenue (I + II)</b>		<b>28275.24</b>	<b>28894.27</b>
<b>EXPENDITURE</b>			
Cost of Materials consumed	23	4139.62	4274.83
Purchase of Traded Goods		59.54	107.08
Changes in inventories of finished goods and work-in-progress	24	401.84	(875.76)
Employee benefits expense	25	1446.87	1342.26
Finance Costs	26	3538.06	3445.68
Depreciation	12	1490.91	1433.79
Other Expenses	27	19906.24	18703.19
<b>Total Expenses</b>		<b>30983.09</b>	<b>28431.06</b>
<b>Profit/(Loss) before tax</b>		<b>(2707.84)</b>	<b>463.21</b>
<b>Tax expense:</b>			
Current tax		-	92.68
Less : MAT Credit Entitlement		-	92.68
Net Current tax		-	-
Tax for the earlier years		106.22	1.14
Deferred tax		(879.23)	152.96
<b>Profit/(Loss) After Tax</b>		<b>(1934.84)</b>	<b>309.11</b>
Earnings per equity share:	30		
(1) Basic		(10.52)	1.68
(2) Diluted		(10.52)	1.68
Significant Accounting Policies	1		

As Per our report of even date

**For M. Anandam & Co**  
Chartered Accountants

**S. Venkateswarlu**  
Partner  
Membership No : 022790

Place: Secunderabad  
Date : 16.05.2014

For and on behalf of the Board

**K. V. Vishnu Raju**                      **P. V. R. L. Narasimha Raju**  
Chairman & Managing Director      Executive Director

**M. B. Suneel**  
Company Secretary

30<sup>th</sup> Annual Report 2013 - 14

# Cash Flow Statement

for the year ended 31st March, 2014

₹ in Lakhs

	31st March 2014		31st March 2013	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit/(Loss) before Tax	(2707.84)		463.21	
Adjustment for :				
Depreciation	1490.91		1433.79	
Interest and Finance charges	3538.06		3471.10	
Loss/(profit) in Sale of Fixed Asset	(95.28)		1.32	
Loss/(Gain) on account of exchange difference	4.01		(4.17)	
Bad Debts Written off	76.19		118.01	
Obsolete Stock written off	420.47		-	
Impairment Loss	360.67		-	
Diminution in value of current Investments	1.39		-	
Operating Profit Before Working Capital Changes	3088.58		5483.26	
Changes in Working Capital				
(Increase)/Decrease in Inventories	343.04		(1029.81)	
(Increase)/Decrease in Trade Receivables	717.07		(380.67)	
(Increase)/Decrease in Loans and Advances	228.85		(207.92)	
Increase/(Decrease) in Current Liabilities	3104.60		902.06	
Cash Generated from Operations	7482.14		4766.92	
Direct taxes paid	(83.02)		(410.27)	
<b>Net Cash Flow from Operating Activities</b>		7399.12		4356.65
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets including Capital Work in Progress	(500.69)		(746.53)	
Sale Proceeds from Fixed Assets	423.16		8.52	
Sale proceeds of Investments	1965.00		(238.39)	
Purchase of Current Investments (REC bonds)	(5.88)		-	
<b>Net Cash Flow from Investing Activities</b>		1881.61		(976.40)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds / (Repayment) of Hire Purchase Loans	(3.89)		(0.24)	
Proceeds from Long Term Borrowing	(1712.75)		(1673.86)	
Dividend Paid	-		(220.68)	
Corporate Dividend Tax paid	(35.80)		-	
Inter corporate deposit received	2050		-	
Increase / (Decrease ) in Cash Credit Utilisation	284.11		1403.43	
(Repayment) / Proceeds from Unsecured Loans	(6233.85)		627.60	
Interest Paid	(3519.07)		(3494.37)	
Net increase in statutory Restricted Account balances	(0.22)		(7.33)	
<b>Net Cash Flow from Financing Activities</b>		(9171.47)		(3365.45)
<b>D) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:</b>		<b>109.24</b>		<b>14.80</b>
Cash and Cash Equivalents at the beginning of the year		341.73		326.93
Cash and Cash Equivalents at the end of the year		450.97		341.73
<b>Cash and Cash Equivalents :</b>				
Cash and Cash Equivalents as above		450.97		341.73
Balances in Statutory Restricted Accounts		40.47		40.69
Cash and Cash Equivalents (Note 18)		<b>491.44</b>		<b>382.42</b>

Note: Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's classification.

As Per our report of even date

**For M. Anandam & Co**  
Chartered Accountants

**S. Venkateswarlu**  
Partner  
Membership No : 022790

Place: Secunderabad  
Date :16.05.2014

For and on behalf of the Board

**K. V. Vishnu Raju**  
Chairman & Managing Director

**M. B. Suneel**  
Company Secretary

**P. V. R. L. Narasimha Raju**  
Executive Director

# Significant Accounting Policies

## Note – 1 : Significant Accounting Policies:

### 1) Basis of Preparation:

The financial statements have been prepared to comply with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with general circular 8/2014 dated 4<sup>th</sup> April 2014 issued by ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 2) Revenue Recognition:

Income from sale of goods is recognized at the point of dispatch to customers except in the case of consignment agents where the revenue is recognized only after sale is effected by the consignment agent. Sale value includes Excise Duty and freight wherever applicable.

### 3) Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / installed / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities/creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets up to the time they are completed.

### 4) Depreciation:

Depreciation on fixed assets has been provided on the straight line method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

### 5) Investments:

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature.

Current investments are valued at the cost or market value whichever is lower.

### 6) Borrowing Costs:

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

### 7) Accounting for Leases:

Rentals in respect of leased premises are charged to profit and loss account.

### 8) Inventories:

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.

### 9) Employee Benefits:

#### a) Defined Contribution Plan:

Retirement benefits in the form of Provident Fund are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds become due.

**b) Defined Benefit Plan****Compensated absences:**

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the Balance Sheet date. Actuarial gains / losses are immediately recognized in the Profit & Loss Account.

**Super Annuation:**

Retirement benefits in the form of Superannuation Fund are defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution to the respective funds are due. The Company has created an approved Superannuation Fund and accounts for the contribution made to LIC against an insurance policy taken with them. There are no other obligations other than the contribution payable to the funds.

**Gratuity:**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The company has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by LIC.

**10) Taxes on Income:****a) Current Tax:**

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provisions of the Income Tax Act, 1961.

**b) Deferred Tax:**

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period/s, subject to the consideration of prudence.

**11) Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account

**12) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

**13) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

**14) Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use, the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

## Note 2 : Share Capital

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>AUTHORIZED CAPITAL</b>		
1000000 14% Cumulative Redeemable Preference Shares of ₹10/- each	100.00	100.00
30000000 Equity Shares of ₹10 each	3000.00	3000.00
	3100.00	3100.00
<b>ISSUED CAPITAL</b>		
18394463 Equity Shares of ₹10 each fully issued	1839.45	1839.45
<b>SUBSCRIBED &amp; PAID UP CAPITAL</b>		
18389597 Equity Shares of ₹10 each fully issued	1838.96	1838.96
<b>Total</b>	<b>1838.96</b>	<b>1838.96</b>

### 2.1. The details of shareholders holding more than 5% shares in the company

Name of the Shareholder	31st March 2014		31st March 2013	
	% of share holding	Number of Shares	% of share holding	Number of Shares
K. V. Vishnu Raju	39.31	7228916	39.31	7228916
K. Ramavathy	6.51	1196600	6.51	1196600

## Note 3 : Reserve & Surplus

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Capital Reserve	20.00	20.00
<b>General Reserve</b>	500.00	500.00
Surplus		
Opening balance	5695.33	5386.22
Add : Net profit/(loss) transferred from Statement of Profit & Loss	(1934.84)	309.11
<b>Total</b>	<b>3760.49</b>	<b>5695.33</b>
<b>Total</b>	<b>4280.49</b>	<b>6215.33</b>

## Note 4 : Long Term Borrowings

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Secured Loans</b>		
Term Loans from Banks	5280.00	7417.36
Vehicle Loans	5.32	9.21
<b>Unsecured Loans</b>		
Public Deposits	-	438.49
From Related Parties	-	338.99
From Other Parties	1885.02	7666.72
<b>Total</b>	<b>7170.34</b>	<b>15870.77</b>

4.1. Term loans are secured by a first/joint equitable mortgage by deposit of title deeds, with State Bank of India, leader of consortium bankers, of all the Company's immovable properties, both present and future and hypothecation of all movable assets (other than book debts) ranking pari-passu with the charges created in favour of the Consortium Bankers, State Bank of India, Punjab National Bank, Indian Overseas Bank, and State Bank of Hyderabad. The term loans are further secured by the personal guarantee of Chairman and Managing Director and Executive Director.

### 4.2. The scheduled maturity of the Long term borrowings summarised as under:

₹ in Lakhs

Particulars	2013-14			
	Term Loans	Vehicle Loans	Unsecured Loans	
			Related Parties	Others
In the Second year	764.00	5.32	Nil	862.60
Third to Fifth Year	4516.00	-	Nil	1022.42
<b>Total</b>	<b>5280.00</b>	<b>5.32</b>	<b>Nil</b>	<b>1885.02</b>

Particulars	2012-13			
	Term Loans	Vehicle Loans	Unsecured Loans	
			Related Parties	Others
In the Second year	1740.00	9.21	-	2892.91
Third to Fifth Year	5677.36	-	338.99	4773.82
<b>Total</b>	<b>7417.36</b>	<b>9.21</b>	<b>338.99</b>	<b>7666.73</b>

The scheduled maturity of the public deposits is summarised as under:

Particulars	31st March, 2014	31st March, 2013
Repayable after 3 years	Nil	438.49

**Note 5 : Deferred Tax Liabilities (Net)**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation	2111.51	1119.29
Employee Benefits	94.26	51.77
	2205.77	1171.06
<b>Deferred Tax Liability</b>		
Depreciation	2681.17	2525.67
<b>Deferred Tax liabilities (Net)</b>	<b>475.40</b>	<b>1354.61</b>

**Note 6 : Other Long Term Liabilities**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Capital Creditors	175.29	212.76
<b>Total</b>	<b>175.29</b>	<b>212.76</b>

**Note 7 : Long Term Provisions**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Provision for Employee Benefits</b>		
Gratuity	101.83	55.74
Leave Encashment	57.70	26.86
Superannuation	36.60	25.23
<b>Total</b>	<b>196.13</b>	<b>107.83</b>

**Note 8 : Short Term Borrowings**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Secured</b>		
<b>Loans from Banks</b>		
Cash Credit Facilities	5366.03	5081.92
<b>Unsecured</b>		
<b>Loans from Related Party</b>		
Anjani Projects & Constructions Limited	2050.00	-
<b>Total</b>	<b>7416.03</b>	<b>5081.92</b>

**Note 8.1:** Cash Credit facility with consortium Banks is secured by hypothecation of stocks of raw materials, stock in progress, finished goods, spares and book debts and second charge on Fixed Assets and personal guarantee of Chairman & Managing Director and Executive Director.

**Note 9 : Trade Payables**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Dues to micro and small enterprises	Nil	Nil
Other suppliers	3779.38	1913.17
<b>Total</b>	<b>3779.38</b>	<b>1913.17</b>

**Note 9.1:** Out of the said amount ₹ NIL (Previous year ₹ NIL) pertains to Micro, Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Developments Act, 2006 based on the information available with the company.

## Note 10 : Other Current Liabilities

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Current maturities of long term debts - Secured	2137.80	1713.20
Current maturities of long term debts - Unsecured*	1502.76	1177.42
Advance from Customers	1326.86	669.83
<b>Others</b>		
Expenses	616.54	396.50
Statutory Dues	125.12	162.67
Duties & Taxes Payable	1486.46	1218.93
Current Account Credit Balance	56.11	-
Interest Accrued Due on Long term debts	147.63	113.12
Interest Accrued & Not Due	7.20	22.71
Unclaimed Dividend**	40.47	40.69
Salaries & Wages Payable	65.63	67.17
<b>Total</b>	<b>7512.58</b>	<b>5582.24</b>

Note : \* Represents the advances/deposits from share holders, friends, relatives and others which are renewed year after year.

\*\* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.

## Note 11 : Short Term Provisions

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Provision For Employee Benefits:</b>		
Leave encashment, Gratuity & Others	25.98	16.52
Corporate Dividend Tax	-	35.80
<b>Total</b>	<b>25.98</b>	<b>52.32</b>

## Note 12 : Fixed Assets - Tangible Assets

₹ in Lakhs

Particulars	Gross Block			Depreciation				Net Block		
	As at 31.03.2013	Additions	Deductions/ Disposals	As at 31.03.2014	As at 31.03.2013	For the Year	On Deletions	As at 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land	1063.08	75.21	299.24	839.05	-	-	-	-	839.05	1063.08
Buildings	2504.55	127.57	-	2632.12	429.75	72.16	-	501.91	2130.21	2074.80
Plant & Equipment (Refer Note 12.1)	25470.86	276.40	460.83	25286.44	5982.14	1349.94	69.27	7262.80	18023.64	19488.73
Vehicles	287.91	17.57	56.93	248.55	126.20	26.22	23.84	128.58	119.97	161.71
Office Equipment	327.49	6.40	0.03	333.89	136.45	33.78	-	170.23	163.66	191.04
Furniture & Fixtures	139.20	-	-	139.20	33.12	8.81	-	41.93	97.27	106.08
<b>Total</b>	<b>29793.10</b>	<b>503.15</b>	<b>817.03</b>	<b>29479.25</b>	<b>6707.66</b>	<b>1490.91</b>	<b>93.11</b>	<b>8105.46</b>	<b>21373.80</b>	<b>23085.44</b>
Previous Year	28168.40	1641.69	17.00	29793.09	5280.98	1433.79	7.11	6707.66	23085.44	22887.42

**12.1:** Include assets held for sale shown under 'other current assets' (Refer note 12): Gross Block ₹414.50 Lakhs, Accumulated depreciation ₹43.83 Lakhs and Net block ₹ 370.67 lakhs.



**Note 13 : Non Current Investments**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Long term - Unquoted</b>		
<b>Investments in Subsidiary Company</b>		
Hitech Print Systems Ltd C.Y Nil (PY 1500000) Equity Share face value of ₹10/- each	-	1200.00
<b>Investments in Associate Company</b>		
Vennar Ceramics Ltd C.Y Nil (PY 735000) Equity Shares face value of ₹ 10/- each	-	685.34
<b>Total</b>	<b>-</b>	<b>1885.34</b>

**Note 14 : Long Term Loans and Advances**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Unsecured, Considered Good :</b>		
Capital Advances	170.05	61.36
Deposits with Government Department	364.83	321.44
Employee Advances	17.33	9.10
Other Deposits	6.24	1.89
<b>Total</b>	<b>558.45</b>	<b>393.79</b>

**Note 15 : Current Investments**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Investments in Bonds</b>		
48 nos. of Renewable energy Bonds	4.49	-
<b>Total</b>	<b>4.49</b>	<b>-</b>

**Note 16 : Inventories**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Raw Materials	135.20	60.08
Packing Material	23.19	57.84
Stores & Spares	768.24	1439.61
Coal & Fuel	368.80	284.51
Work-In-Progress	1539.67	1835.40
Finished Goods	202.64	308.75
<b>Total</b>	<b>3037.74</b>	<b>3986.19</b>

**Note 17 : Trade Receivables**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Outstanding for a period exceeding six months from the date they are due from payment</b>		
-Unsecured, Considered Good :	97.98	83.11
<b>Others</b>		
- Unsecured, Considered Good :	1466.39	2274.52
<b>Total</b>	<b>1564.37</b>	<b>2357.63</b>

**Note 18 : Cash & Bank Balances**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Cash at Bank	170.31	99.34
Earmarked Balances*	40.47	40.69
Deposit Accounts**	252.76	199.89
Cash on hand	27.90	42.50
<b>Total</b>	<b>491.44</b>	<b>382.42</b>

\* Earmarked balances represents unclaimed Dividend

\*\* Represents margin money deposits against BG's &amp; LC's

## Note 19 : Short Term Loans and Advances

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Loans &amp; Advances to related parties</b>		
<b>Unsecured, Considered Good :</b>		
<b>Others</b>		
CENVAT receivable	121.66	70.28
Deposits With Govt Departments	304.55	659.15
Incentives Receivable	2674.08	2268.96
Advances - Suppliers	262.14	987.31
Deposits & Other Advances	172.49	190.32
Advances to employees and others	5.33	36.41
Advance Tax Paid ( Net of Provision for Tax) *	326.87	138.38
MAT Credit Entitlement	808.88	921.61
<b>Total</b>	<b>5804.67</b>	<b>6111.03</b>

\* Includes ₹ 295.35 Lakhs paid under protest (Previous Year ₹ 195.93 Lakhs)

## Note 20 : Other Current Assets

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Assets Held for Sale (Refer Note 12)	10.00	-
<b>Total</b>	<b>10.00</b>	<b>0.00</b>

## Note 21 : Revenue from Operations

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Sale of Products - Gross	31899.07	32811.12
Other Operating Revenue	479.06	384.37
<b>Total</b>	<b>32378.13</b>	<b>33195.49</b>
Less : Excise Duty	4315.22	4391.50
<b>Total</b>	<b>28062.91</b>	<b>28803.99</b>
<b>Details of products sold</b>		
1. Cement	30480.98	32040.35
2. Clinker	1418.09	770.77
<b>Total</b>	<b>31899.07</b>	<b>32811.12</b>

## Note 22 : Other Income

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Interest on Deposits	71.86	50.94
Other Income	45.19	39.35
Profit on Sale of Investments	79.66	-
Profit on Sale of Assets	15.62	-
<b>Total</b>	<b>212.33</b>	<b>90.29</b>

## Note 23 : Cost of Materials Consumed

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Raw Materials</b>		
i) Limestone	1622.07	1713.19
ii) Laterite	1.66	32.25
iii) Gypsum	599.17	559.96
iv) Iron Ore	65.18	30.46
v) Fly Ash	433.78	506.11
Packing Materials	1417.76	1432.86
<b>Total</b>	<b>4139.62</b>	<b>4274.83</b>

**Note 24 : Changes in inventories**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Inventories (Opening)</b>		
Finished Goods	308.75	378.96
Work-in-progress	1835.40	889.43
<b>Sub Total (A)</b>	<b>2144.15</b>	<b>1268.39</b>
<b>Inventories (Closing)</b>		
Finished Goods	202.64	308.75
Work-in-progress	1539.67	1835.40
<b>Sub Total (B)</b>	<b>1742.31</b>	<b>2144.15</b>
<b>Changes in Inventories (A-B)</b>	<b>401.84</b>	<b>(875.76)</b>

**Note 25 : Employee benefits expense**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Salaries & Wages	1202.51	1114.89
Contribution to Provident Fund & Other funds	124.43	91.74
Employees welfare expenses	72.70	62.77
Directors' Remuneration	47.23	72.86
<b>Total</b>	<b>1446.87</b>	<b>1342.26</b>

**Note 26 : Finance Costs**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Interest expense	3281.33	3316.68
Other Borrowing Costs	256.73	129.00
<b>Total</b>	<b>3538.06</b>	<b>3445.68</b>

**Note 27 : Other Expenses**

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Manufacturing Expenses</b>		
Power & Fuel	10295.27	9880.53
Stores & Spares	827.12	493.21
Obsolete Stores & Spares written off	420.47	-
Direct Manufacturing Expenses	349.25	339.66
Repairs & Maintenance		
Plant & Machinery	205.38	234.75
Buildings	10.82	11.92
Others	46.52	42.42
<b>Sub Total (A)</b>	<b>12154.83</b>	<b>11002.49</b>
<b>Selling &amp; Distribution Expenses</b>		
Freight Charges	1425.47	1759.64
Freight on Consignment Sales	2403.00	2784.25
Product Promotion expenses	93.78	271.05
Trade Discounts	2640.55	2088.62
Bad debts Written off	76.19	118.01
<b>Sub Total (B)</b>	<b>6638.99</b>	<b>7021.57</b>
<b>Administrative Expenses</b>		
Insurance	32.80	36.13
Rent	88.43	85.29
Rates & Taxes	11.02	23.07
Traveling & Conveyance Expenses	150.25	154.28
Printing & Stationery	10.77	9.77
Communication Expenses	15.85	16.85

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Office Maintenance	208.27	173.56
Auditors Remuneration	8.73	7.73
Legal & Professional Charges	164.48	136.24
Loss on Sale of Asset	-	1.32
Diminution in value of current Investment	1.39	-
Secretarial Expenses	6.10	9.47
Foreign exchange Loss	4.01	-
Bank Charges	49.64	25.42
Impairment of Assets	360.67	-
<b>Sub Total (C)</b>	<b>1112.42</b>	<b>679.13</b>
<b>Total (A) + (B) + (C)</b>	<b>19906.24</b>	<b>18703.19</b>

**Note 27.1:** There is an increase in consumption of stores and spares when compared to previous year on account of Repairs and maintenance of Old Plant and Machinery.

**Note 27.2:** There is an increase in cost of power and fuel, due in increase in tariff rate and Fuel Surcharge levied by APCPDCL.

**Note 27.3:** Impairment of asset relates to old DG set which is out dated and not in a usable condition and held for sale (Ref Note No 12).

**Note 27.4:** Obsolete stores and spares written off relates to assets impaired and held for sale.

### Note 28 : Payments to Auditors

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Audit Fees	4.00	4.00
Tax Audit fee	1.50	1.50
For Certification	1.60	1.60
Out of Pocket Expenses	1.11	0.63
<b>Total</b>	<b>8.21</b>	<b>7.73</b>

### Note 29 : Expenditure in Foreign Currency on account of

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Packing Material	40.20	Nil
Coal	136.02	271.95
<b>Total</b>	<b>176.22</b>	<b>271.95</b>

### Note 30 : Earning Per Share (EPS)

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
Loss for the Year after tax	(1,934.84)	309.11
Number of Equity Shares	18389597	18389597
Earnings Per Share (Basic and Diluted)	(10.52)	1.68
Face Value of each Equity Share	10	10

### Note 31 : Related Party Disclosure :

#### A) Relationship

- a) Subsidiary/Associate Company
  - i. Vennar Ceramics Ltd- (Upto 06.03.2014)
  - ii. Hitech Print Systems Limited (Upto 06.03.2014)
- b) Key Management Personnel
  - i. Sri. K.V. Vishnu Raju, Managing Director
  - ii. Sri P.V.R.L. Narsimha Raju, Executive Director
- c) Relatives of Key Management Personnel
  - i. Smt. K. Ramavathy (Spouse of Managing Director)
  - ii. Sri. K.S.N. Raju (Father of Managing Director)

d) Enterprises owned or significantly influenced by Key Management Personnel (KMP)

- i. Sai Aditya foods & Retail Pvt Ltd
- ii. Anjani Projects & Constructions Ltd
- iii. Sri Vishnu Educational Society
- iv. Anjani Cement (Karnatak) Ltd
- v. Raasi Entreprises Ltd
- vi. Vennar Ceramics Ltd
- vii. Hitech Print Systems Limited

B) The following transactions are carried out with related parties in the course of business

₹ in Lakhs

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary	Associate	Enterprises significantly influenced by KMP	Total
Purchases			18.45 (16.74)	118.25 -	146.25 (178.61)	282.95 (195.35)
Sales			1.67 (4.21)	54.05 (48.18)	171.54 (173.42)	227.26 (225.81)
Remuneration	16.92 (72.86)					16.92 (72.86)
Office Rent	27.61 (24.57)	34.39 (30.13)			6.12 (6.12)	68.12 (60.82)
Interest		56.97 (37.08)				56.97 (37.08)
Loans Taken	465.00 (131.00)	32.60 (111.35)			2050.00	2547.60 (242.35)
Loans Repaid	428.00 (82.00)	176.50 (7.00)				604.50 (89.00)
Investments					(238.39)	- (238.39)
Sale of Investments					1965.00	1965.00
Advances Given					- (125.00)	- (125.00)
Sale of Assets					340.63	340.63

Figures in bracket ( ) represent pervious year.

## Note 32 : Contingent Liabilities and Commitments

### (1) Contingent Liabilities

₹ in Lakhs

Particulars	31st March 2014	31st March 2013
<b>Claims against the Company not acknowledged as debt:</b>		
Disputed Liability in respect of Tax demands	Nil	83.02
Disputed Liability in respect of CENVAT Credit	180.32	180.32
Disputed Liability in respect of FSA charges payable to APCPDCL	43.50	43.50
Disputed Demand charges payable to AP Transco	25.39	25.39
Disputed Penal charges payable to AP Transco	381.22	Nil
Disputed Liability in respect of Customs relating to Coal	9.16	Nil
Corporate Guarantee given to erstwhile Subsidiary and Associate Companies	4448.00	3486.37
<b>(2) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	387.32	250.31

### Note 33 : Value of Imported and Indigenous Raw Materials and Consumables Stores

₹ in Lakhs

Particulars	Raw Material				Consumable stores			
	2013-14		2012-13		2013-14		2012-13	
	%	In ₹	%	In ₹	%	In ₹	%	In ₹
Imported	-	-	-	-	-	-	-	-
Indigenous	100%	2796.98	100%	2982.40	100%	10400.59	100%	725.67

### Note 34

The company operates in single business segment of Cement only, hence segment reporting is not applicable as per AS 17.

### Note 35

We have recorded all known liabilities in the financial statements. The Company has not received any intimations from suppliers regarding their status under the micro, small and medium enterprises development act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

### Note 36 : Employee Benefits:

₹ in lakhs

#### i) Defined Contribution Plan :

Sl. No	Particulars	31st March, 2014	31st March, 2013
1	Company's Contribution to Provident Fund	76.08	64.40
2	Company's Contribution to Superannuation Fund	48.80	33.64
	<b>Total</b>	<b>124.88</b>	<b>98.04</b>

#### ii) Defined Benefit Plan

Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2014 and recognised in the financial statements in respect of Employee Benefit Schemes:

#### I. Actuarial Assumptions

Sl. No	Particulars	31st March, 2014		31st March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Discount Rate	8.00%	8.00%	8.00%	8.00%
2	Salary Escalation	4.00%	4.00%	4.00%	4.00%

#### II. Components of Employer Expenses

₹ in Lakhs

Sl. No	Particulars	31st March, 2014		31st March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Current Service Cost	9.57	10.25	8.13	2.31
2	Interest Cost	7.55	2.48	6.86	1.86
3	Employee Contributions	-	-	-	-
4	Expected Return on planned assets	-	-	(3.02)	-
5	Net Actuarial (Gains) / Losses	22.67	21.67	12.12	3.59
6	Past service Cost	-	-	-	19.04
7	Settlement / Curtailment (Gain)	-	-	-	-
8	<b>Total Expenses</b>	<b>39.79</b>	<b>34.40</b>	<b>24.09</b>	<b>26.80</b>

The Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 23.

**III. Net Assets / (Liability) recognized in the Balance Sheet.**
**₹ in Lakhs**

Sl. No	Particulars	31st March, 2014		31st March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present value of Defined Benefit obligation as at the end of the year	134.18	65.38	94.39	30.98
2	Fair value of plan as at the end of the year	26.24	-	34.65	-
3	Funded Status (surplus / (Deficit) )	(107.94)	(65.38)	(59.74)	(30.98)
4	Net Assets / (Liability) recognized in the balance sheet	(107.94)	(65.38)	(59.74)	(30.98)

**IV. Change in obligation during the year**
**₹ in Lakhs**

Sl. No	Particulars	31st March, 2014		31st March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of obligations at the beginning of the year	85.51	30.98	85.76	23.22
2	Current Service Cost	18.45	10.25	8.13	2.31
3	Interest Cost	7.55	2.48	6.86	1.86
4	Settlement / Curtailment (Gain)	-	-	-	-
5	Past Service Cost	-	-	-	19.04
6	Employee Contributions	-	-	-	-
7	Actuarial (Gain) / Losses on obligation	(22.67)	(21.67)	(12.12)	3.64
8	Benefits paid	(10.19)	-	(3.12)	(19.09)
9	Present Value of obligation at the end of the year	78.65	22.04	85.51	30.98

**V. Change in Fair value of the assets**
**₹ in Lakhs**

Sl. No	Particulars	31st March, 2014		31st March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Fair value of the plan assets at the beginning of the year	34.65	-	34.75	-
2	Expected return on planned assets	-	-	3.02	-
3	Contributions	-	-	-	-
4	Benefits paid	(10.19)	-	(3.12)	-
5	Actuarial Gain / (Loss) on plan assets	Nil	-	Nil	-
6	Fair value of the plan assets at the end of the year	24.46	-	34.65	-

**Note 37**

Previous year figures have been reclassified /regrouped and rearranged wherever necessary.

As Per our report of even date

**For M. Anandam & Co**  
Chartered Accountants

**S. Venkateswarlu**  
Partner  
Membership No : 022790

Place: Secunderabad  
Date :16.05.2014

For and on behalf of the Board

**K. V. Vishnu Raju**  
Chairman & Managing Director

**P. V. R. L. Narasimha Raju**  
Executive Director

**M. B. Suneel**  
Company Secretary

**ANJANI PORTLAND CEMENT LIMITED**

CIN:L26942TG1983PLC004323  
 RegdOffice :SithaNilayam, 153 Dwarakapuri Colony,  
 Punjagutta, Hyderabad, Telangana 500082  
 Phone 91 40 23353096 Website: [www.anjanicement.com](http://www.anjanicement.com)

**ATTENDANCE SLIP**

(To be presented at the entrance)

**30<sup>th</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 10, 2014 AT 11.00 A.M**

Bhaskara Auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad 500063.

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

..... ✂ .....

**ANJANI PORTLAND CEMENT LIMITED**

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 Punjagutta, Hyderabad, Telangana 500082  
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**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No/ Client Id No : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Anjani Portland Cement Limited, hereby appoint

1. Name : \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_ Signature. \_\_\_\_\_

or failing him

2. Name : \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_ Signature. \_\_\_\_\_

or failing him

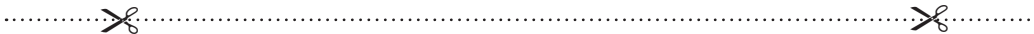
3. Name : \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_ Signature. \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company to be held on Wednesday, 10<sup>th</sup> September, 2014 at 11.00 a.m. at Bhaskara Auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad 500063 and at any adjourned meeting thereof in respect of such resolutions as are indicated below.

30<sup>th</sup> Annual Report 2013 - 14





1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.
2. Re-appointment of Mr. K. V. Vishnu Raju as Director of the Company.
3. Re-appointment of Mr. P. V. R. L Narasimha Raju as Director of the Company.
4. Appointment of Auditors
5. Appointment of Mrs. Geetha Muthiah as Director
6. Appointment of Mrs. Geetha Muthiah as Managing Director
7. Appointment of Mr. B. Ramesh as Non-Executive Director
8. Appointment of Mr. P. Gopal as Independent Director
9. Appointment of Mr. V. Subramanian as Independent Director
10. Approval of Remuneration to Cost-Auditors
11. Approval under Section 180 (1)(c) of the Companies Act
12. Approval under Section 180 (1)(a) of the Companies Act

Signed this \_\_\_\_ day of \_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_

Signature of Proxy Shareholder \_\_\_\_\_



**Notes**This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a member.



## **Anjani Portland Cement Limited**

### **Corporate Office**

Anjani Cement Centre,  
Plot No.7 & 8, D.No. 8-2-248/1/7,  
Nagarjuna Hills Main Road,  
Punjagutta, Hyderabad - 500 082.

t : 040 2335 3096 / 106

f : 040 2335 3093

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[www.anjaniment.com](http://www.anjaniment.com)