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## Balance Sheet Abstract And Company's General Business Profile As at 31.03.2011

### I. Registration Details

Registration No.	: 4323	State Code	: 01
Balance Sheet Date	: 31.03.2011		

### II. Capital raised during the year (₹ in Lakhs)

Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

### III. Position of mobilization and deployment of funds (₹ in Lakhs)

Total Liabilities	: 31582.50	Total Assets	: 31582.50
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#### Sources of Funds

Paid-up Capital	: 1838.96	Reserves & Surplus	: 4582.25
Secured Loans	: 15727.14	Unsecured Loans	: 8472.50
		Deferred Tax Liability	: 961.65

#### Application of Funds

Net Fixed Assets	: 23467.10	Investment	: 1646.95
Net Current Assets	: 6468.45	Misc. Expenditure	: Nil
Pre-operative Expenses (Including interest)	: Nil		

### IV. Performance of Company (₹ in Lakhs)

Total Turnover	: 22379.87	Total Expenditure	: 22250.38
Profit before Tax	: 129.49	Profit after Tax	: 57.61
Earning per share (₹)	: 0.31	Dividend Rate	: 8%

### V. Generic Name of Principal Products of the Company

Product Description	: Item Code (ITC Code)
1. Ordinary Portland Cement	: 25231000
2. Clinker	: 25231000



Consolidated Financial Accounts of  
**Anjani Portland Cement Limited**  
2010 - 2011



# Auditors' Report on Consolidated Financial Statements



To,  
The Board of Directors  
Anjani Portland Cement Limited  
Hyderabad

1. We have examined the attached Consolidated Balance Sheet of Anjani Portland Cement Limited, its subsidiaries Vennar Ceramics Limited and Hitech Print Systems Limited as at 31st March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary "Vennar Ceramics Limited", whose financial statements reflect total asset of Rs. 1263.10 Lakhs as at 31st March, 2011 and total revenues of Rs.290.97 Lakhs. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Anjani Portland Cement Limited and its subsidiaries included in the consolidated financial statements.

5. On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of Anjani Portland Cement Limited and its subsidiaries Vennar Ceramics Limited and Hitech Print Systems Limited, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
- a. In the case of the Consolidated Balance Sheet, of the State of Affairs of Anjani Portland Cement Limited and its subsidiaries as at 31st March, 2011;
  - b. In the case of the Consolidated Profit & Loss Account, of the Consolidated results of operations of Anjani Portland Cement Limited and its subsidiaries for the year ended on that date; and
  - c. In the case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows of Anjani Portland Cement Limited and its subsidiaries for the year ended on that date.

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

**MV Ranganath**  
Partner  
M.No.28031

Place : Hyderabad

Date : 04.08.2011

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2011

₹ in Lakhs



	Schedule No.	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>I. Sources of Funds</b>					
<b>1. Shareholders Funds</b>					
a. Share Capital	1	1838.96		1838.96	
b. Reserves & Surplus	2	4772.40	6611.36	4871.89	6710.85
<b>2. Loan Funds</b>					
a. Secured Loans	3	17463.49		15462.19	
b. Unsecured Loans	4	8487.15	25950.65	5788.31	21250.51
<b>3. Deferred Tax Liability</b>			1107.81		1065.50
<b>Total</b>			<b>33669.82</b>		<b>29026.86</b>
<b>II. Application Of Funds</b>					
<b>1. Fixed Assets</b>	5				
a. Gross Block		32044.92		28760.88	
Less : Depreciation		6543.56		4994.52	
Net Block		25501.36		23766.36	
Add : Capital Work in Progress		253.74	25755.10	240.30	24006.66
<b>2. Goodwill</b>			295.09		295.09
<b>3. Current Assets, Loans and Advances</b>	6				
a. Inventories		4196.55		1664.78	
b. Sundry Debtors		2371.27		2131.79	
c. Cash and Bank Balances		297.56		281.85	
d. Loans and Advances		3871.21		3038.49	
		10736.59		7116.91	
<b>Less : Current Liabilities &amp; Provisions</b>	7	3116.96		2391.80	
<b>Net Current Assets</b>			7619.63		4725.11
<b>Total</b>			<b>33669.82</b>		<b>29026.86</b>
<b>Notes to the Accounts</b>					

The Schedules referred to above form an integral part of the Balance Sheet

As Per our report of even date

For and on behalf of the Board

**For M Anandam & Co**

Chartered Accountants

**K V Vishnu Raju**

Chairman and  
Managing Director

**PVRL Narasimha Raju**

Executive Director

**M V Ranganath**

Partner  
M.No 28031

**RVA Narasimha Rao**

Chief Financial Officer

Place : Hyderabad  
Date : 04-08-2011

**Consolidated Profit & Loss Account for the Year Ended 31<sup>st</sup> March, 2011** ₹ in Lakhs

	Schedule No.	31 <sup>st</sup> March 2011		31 <sup>st</sup> March 2010	
<b>Income</b>					
Sales		25468.31		17798.25	
Less: Taxes & Duties		5024.04		2979.22	
Net Sales			20444.27		14819.03
Increase/(Decrease) in Stocks	8		1721.70		147.28
Other Income	9		522.42		452.42
<b>Total</b>			<b>22688.39</b>		<b>15418.73</b>
<b>Expenditure</b>					
Material Consumption	10	5671.61		4788.28	
Manufacturing, Administrative & Selling Expenses	11	12496.29		7180.71	
Interest & other Finance Charges	12	2813.14		661.49	
Depreciation	5	1553.25		633.21	
<b>Total</b>			<b>22534.29</b>		<b>13263.69</b>
<b>Profit before Tax</b>			154.11		2155.05
<b>Provision for Taxation</b>					
Current Tax		28.14		320.81	
Earlier Tax		12.17		-	
Deferred Tax ( Income) / Expenditure		42.30	82.61	612.50	933.31
<b>Profit after Taxes</b>			71.50		1221.74
<b>Balance brought forward</b>			4591.89		3614.59
			4663.39		4836.33
<b>Appropriations:</b>					
Transfer to General Reserve		-		30.00	
Provision for Dividend		147.12		183.90	
Corporate Dividend Tax		23.86	170.98	30.54	244.44
<b>Balance Carried to Balance Sheet</b>			<b>4492.41</b>		<b>4591.89</b>
Basic & Diluted Earnings Per Equity Share of Rs 10/- each			0.39		6.64

The Schedules referred to above form an integral part of the Profit & Loss Account

As Per our report of even date

For and on behalf of the Board

**For M Anandam & Co**  
Chartered Accountants

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

**PVRL Narasimha Raju**  
Executive Director

**MV Ranganath**  
Partner  
M.No 28031

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad  
Date : 04-08-2011

## Consolidated Cash Flow Statement For The Year Ended 31st March, 2011 ₹ in Lakhs



Particulars	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
<b>A. Cashflow from Operating Activities</b>		
Net Profit before Tax	154.11	2155.05
Adjustment for		
Depreciation	1553.25	633.21
Interest and Finance charges	2813.14	661.49
MAT Credit Entitlement	(21.52)	(302.04)
Interest Income	(24.21)	(16.49)
Loss on sale of Assets	1.33	0.00
Operating Profit Before Working Capital Changes	4476.10	3131.22
(Increase)/Decrease in Inventories	(2531.77)	(397.77)
(Increase)/Decrease in Sundry Debtors	(239.48)	(586.02)
(Increase)/Decrease in Loans and Advances	(832.72)	(1238.02)
Increase/(Decrease) in Current Liabilities	913.64	482.67
Cash Generated from Operations	1785.78	1392.08
Direct tax paid	(179.10)	(1023.88)
Net Cash Flow from Operating Activity	1606.68	368.20
<b>B. Cash Flow from Investing Activities</b>		
Inflow/(Outflow)		
Interest received	24.21	16.49
Net Purchase of Fixed Assets	(3283.84)	(17041.85)
(Increase)/Decrease in Capital Work in Progress	(13.44)	1772.17
Proceeds from sale of Fixed Assets	9.56	0.00
Net Cash Flow from Investing Activities	(3263.51)	(15253.19)
<b>C. Cash Flow from Financial Activities</b>		
Inflow / (Outflow)		
(Repayment)/ Proceeds of Other loans	(20.86)	(7.01)
Proceeds from Long Term Borrowings	90.97	11937.76
Increase / (Decrease) in cash Credit Utilisation	1931.19	1468.44
(Repayment) / Proceeds from Unsecured Loans	2698.84	2131.81
Interest Paid	(2813.14)	(661.49)
Dividend Paid	(214.44)	
Net Cash Flow from Financing Activities	1672.56	14869.51
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	15.72	(15.53)
Cash and Cash Equivalents as at the Commencement of the year	281.85	297.38
Cash & Cash Equivalents as at the close of the year	297.57	281.85

Note : Previous year's figures have been regrouped and recast wherever necessary to conform with current year's classification.

As Per our report of even date

**For M Anandam & Co**  
Chartered Accountants

**MV Ranganath**  
Partner  
M.No 28031

Place : Hyderabad  
Date : 04-08-2011

For and on behalf of the Board

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

**RVA Narasimha Rao**  
Chief Financial Officer

**PVRL Narasimha Raju**  
Executive Director

# Consolidated Financial Statements

## Schedules to Accounts

₹ in Lakhs

Schedule-1 : Share Capital	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>Authorised</b>				
1000000 14% Cumulative Redeemable Preference Shares of ₹ 10/- each		100.00		100.00
30000000 Equity Shares of ₹ 10 each (P.Y. 20000000 Equity Shares of ₹ 10 each)		3000.00		2000.00
		3100.00		2100.00
<b>Issued Capital</b>				
18394463 Equity Shares of ₹ 10 each fully issued		1839.45		1839.45
<b>Subscribed and Paid Up</b>				
18389597 Equity Shares of ₹ 10 each fully paid up		1838.96		1838.96
		1838.96		1838.96

Schedule-2 : Reserves & Surplus	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Capital Subsidy		20.00		20.00
General Reserve				
- Opening Balance	260.00		230.00	
- Less : Current Year Transfer	-	260.00	30.00	260.00
Profit & Loss Account		4492.40		4591.89
		<b>4772.40</b>		<b>4871.89</b>

Schedule - 3 : Secured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Term Loans	13065.89		12974.92	
Working Capital Loans	4347.69		2416.50	
Others	49.92	17463.49	70.78	15462.19
		17463.49		15462.19

Schedule - 4 : Unsecured Loans	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Public Deposits		250.51		137.10
Unsecured Loans		8236.64		5651.21
		8487.15		5788.31

**Consolidated Financial Statements**  
**Schedule-5: Fixed Assets**

₹ in Lakhs

Assets	Gross Block			Depreciation			Net Block		
	As on 01.04.2010	Additions during the Year	Deletions during the Year	As on 31.3.2011	As on 01.04.2010	Additions during the Year	Deletions during the Year	As on 31.3.2011	As on 01.04.2010
Freehold Land	479.99	530.87		1010.86	-	-		1010.86	479.99
Buildings	2322.73	85.23		2407.96	296.35	69.47		2042.14	2026.38
Plant & Machinery	24957.11	2390.24		27347.35	4273.30	1338.21		21735.83	20683.80
Vehicles	274.89	16.36	13.28	277.97	92.29	27.05	4.21	162.84	182.60
Office Equipment	191.57	128.09		319.66	80.54	30.45		208.67	111.03
Furniture & Fixtures	73.21	83.07		156.28	21.13	7.08		128.08	52.09
Data Processing Equipment	461.37	63.26		524.63	230.92	80.99		212.72	230.45
Sub Total	28760.88	3297.12	13.28	32044.72	4994.52	1553.25	4.21	25501.16	23766.36
Capital Work in Progress	240.30	53.11	39.67	253.74	-	-		253.74	240.30
Total	29001.18	3350.23	52.96	32298.46	4994.52	1553.25	4.21	25754.90	24006.66
Previous Year	13731.50	17110.51	1840.84	29001.18	4361.31	633.22	0.00	24006.66	9370.18

## Consolidated Financial Statements

₹ in Lakhs

Schedule-6 : Current Assets Loans & Advances	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
<b>A. Current Assets</b>				
<b>a) Inventories</b> (As certified and Valued by the Management).				
a) Stores and Spares	930.73		839.90	
b) Raw Material	602.77		219.26	
c) Coal & HSD Oil	469.13		146.13	
d) Packing Materials	39.56		26.83	
e) Work-in-Process	1654.17		342.15	
f) Finished Stock	500.19		90.51	
		4196.55		1664.78
<b>b) Sundry Debtors</b>				
a. Debts outstanding for a period exceeding six months:				
Unsecured Considered Good	203.15		161.19	
b. Other Debtors : Secured Considered Good				
Unsecured Considered Good	109.59		87.49	
	2058.52	2371.27	1883.10	2131.79
<b>c) Cash and Bank Balances</b>				
Cash on hand	6.42		10.21	
Cheques in Hand	64.51		131.76	
Balance with Scheduled Banks in				
- Current Accounts	148.96		122.61	
- Deposit Accounts	77.66	297.56	17.26	281.85
<b>B. Loans and Advances</b>				
Unsecured and considered good				
Advances recoverable in cash or in kind or for value to be received	2140.79		1435.70	
Deposit with Govt & Public Bodies	1557.95		1516.55	
Deposit - Others	172.47	3871.21	86.24	3038.49
		<b>10736.59</b>		<b>7116.91</b>

# Consolidated Financial Statements

₹ in Lakhs



Schedule-7 : Current Liabilities and Provisions	31st March, 2011		31st March, 2010	
<b>A. Current Liabilities</b>				
Sundry Creditors				
- Dues to MSMED Enterprises	-		-	
- Others	2,684.36		2,083.90	
Advances from customers	635.18		388.63	
Interest Accrued but not Due	16.36		6.94	
Unclaimed Dividends *	28.44	3,364.34	14.36	2,493.83
<b>B. Provisions</b>				
Income Tax	1,680.69		1,671.13	
Less : Advance Taxes paid	1,679.83	0.86	1,584.28	86.85
MAT Credit of Earlier Year	442.98		(140.94)	
Add : MAT Credit of Current Year	21.52	(464.50)	(302.04)	(442.98)
Proposed Dividend	147.12		183.90	
Dividend Tax	23.87	170.99	30.54	214.44
Employee benefits		45.27		39.66
		<b>3,116.96</b>		<b>2,391.80</b>
* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.				

## Consolidated Financial Statements

₹ in Lakhs

Schedule-8 : Increase/(Decrease) in Stocks	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Opening Stocks				
- Work-in-process	342.15		262.11	
- Finished Goods	90.51		23.27	
	432.66		285.38	
Closing Stocks				
- Work-in Process	1654.17		342.15	
- Finished Goods	500.19		90.51	
	2154.36		432.66	
<b>Increase/ ( Decrease) in Stocks</b>		<b>1721.70</b>		<b>147.28</b>

Schedule-9 : Other Income	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Interest on Deposits	24.21		16.49	
Other Income	97.31		43.46	
MAT Credit Entitlement	21.52		302.04	
Incentive on power	379.38		90.43	
		<b>522.42</b>		<b>452.42</b>

Schedule-10 : Meterial Consumption	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
Raw Materials Consumed		4115.22		3599.18
Stores& Spares Consumed		484.03		830.52
Packing Material Consumed		1072.36		358.58
		<b>5671.61</b>		<b>4788.28</b>

## Consolidated Financial Statements

₹ in Lakhs



<b>Schedule-11 : Manufacturing Administrative &amp; Selling Expenses</b>	<b>31st March, 2011</b>		<b>31st March, 2010</b>	
Power & Fuel	6400.49		3806.46	
Direct Manufacturing Expenses	453.89		453.49	
Repairs & maintenance				
Buildings	6.44		12.07	
Plant & machinery	151.99		163.15	
Others	53.62	7066.43	40.22	4475.39
<b>Employee Cost</b>				
Salaries & wages	868.84		722.82	
Contribution to Provident Fund & other funds	104.44		77.18	
Staff and Workmen welfare expenses	110.96	1084.24	90.82	890.82
<b>Administrative Expenses</b>				
Directors Remuneration & Perquisites	60.03		76.03	
Insurance	44.51		24.64	
Rent, Rates & Taxes	115.62		53.06	
Travelling & Conveyance Expenses	163.56		145.81	
Printing & Stationery	11.34		12.74	
Telephone, Postal Expenses	27.40		28.18	
Office Maintenance	161.94		113.28	
Auditors Remuneration	9.98		9.41	
Legal & Professional Charges	134.64		61.27	
Share Transfer & Other Secretarial Expenses	9.93		8.93	
Loss on Sale of Vehicle	1.33		0.00	
Service Tax	0.00		0.41	
Sales Tax/Excise Duty Paid	1.05	741.33		533.76
<b>Selling &amp; Distribution Expenses</b>				
Freight Charges	2135.72		690.57	
Product Promotional expenses	267.19		185.36	
Trade Discount	1201.37	3604.29	404.80	1280.74
		<b>12496.29</b>		<b>7180.71</b>

<b>Schedule-2 : Interest And Finance Charges</b>	<b>31st March, 2011</b>		<b>31st March, 2010</b>	
on Term Loans	1527.55		147.40	
on Working Capital	408.00		175.82	
on other Loans	788.24		277.00	
Bank Charges	89.35	2813.14	61.27	661.49
		<b>2813.14</b>		<b>661.49</b>

# Schedule No:13 Significant Accounting Policies & Notes on Accounts

## A. Significant Accounting Policies

### 1. Basis of Preparation:

The Financial Statements are prepared under the Historical cost convention on an accrual basis and are in accordance with the requirements of The Companies Act 1956 and comply with the Accounting Standards referred to in Sub Sec (3c) of Section 211 of the said Act.

### 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 affected by the consignment agent. Sale value includes Excise Duty, VAT and applicable freight.

### 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 upto 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

A retirement benefit in the form of Provident Fund is 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

A retirement benefit in the form of Superannuation Fund is 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 created an approved gratuity fund, which 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 Asset**

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 present 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.

## B. Notes on Accounts



### 1. Principles of Consolidation

- a. The Consolidated Financial Statements (CFS) are prepared on the following basis in accordance with Accounting Standard on “Consolidated Financial Statements” and (AS – 21), notified under the Companies (Accounting Standard) Rules, 2006:
- The financial statements of the Company and its subsidiary companies are combined on a line by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with AS-21.
  - The difference between the costs of investment in the subsidiaries, over the net assets as at the end of the financial year immediately preceding the year of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
  - As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Appropriate adjustments are made to the financial statements of subsidiaries, except in the case of accounting for leave encashment of Hitech print systems where it is accounted when the obligation to pay rises, when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company’s separate financial statements.
  - The financial statements of the Company and its Subsidiaries used in the consolidation are drawn upto the same reporting date i.e. March 31, 2011.
- b. The Consolidated Financial Statements (CFS) comprises the financial statements of Anjani Protland Cement Limited and its Subsidiaries as at 31.03.2011, which are as under:

Name of the Subsidiary	% of shareholding and Voting Power	
	2010-11	2009-10
Hitech Print Systems Ltd.	100%	100%
Vennar Ceramics Ltd.	100%	100%

### 2. Secured Loans

#### a. Term Loans

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.

In the case of Hitech Print Systems Limited, term loans availed from Indian Bank & Axis Bank are secured by a first charge by way of hypothecation of all Inventories and Receivables both present & future, Equitable Mortgage of Factory together with building thereon, Plant & Machinery and Electrical Equipment. Term Loans are further secured by the personal guarantee of one of the Directors and Corporate Guarantee of M/s Anjani Portland Cement Ltd.

### b. Working Capital

Cash Credit facility with consortium Banks is secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares and book debts and second charge on Fixed Assets and personal guarantee of Chairman & Managing Director and Executive Director. Loans and Advances include an amount of ₹ 403.50 Lakhs given to Vennar Ceramics Limited, which is a 100% subsidiary company.

In the case of Hitech Print Systems Limited, Cash Credit facility with Indian Bank & Axis Bank are secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares, book debts and second charge on Fixed Assets. The Cash Credit facility is further secured by the personal guarantee of one of the Directors of the Company and Corporate Guarantee of M/s Anjani Portland Cement Ltd.

### 3. Outstanding dues of Micro enterprises and Small enterprises

Information as per Notification No. GSR 719 (E) & as per "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)"

Particulars	2010-11	2009-10
The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
The amount of interest paid by the buyer in terms of Sec 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay of making payment but without adding the interest specified under the Act	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of the each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the Small enterprises, for the purpose of disallowance as a deductible expenditure Under Sec 23.	NIL	NIL

4. The balances of sundry creditors, sundry debtors, unsecured loans and loans and advances are subject to confirmation and reconciliation.
5. Capital Work In Progress of M/s Vennar Ceramics Limited includes ₹ 210 lakhs being property settled out of court with M/s MSK Projects Limited.



## 6. Contingent Liabilities

₹ in Lakhs

Particulars	2010-11	2009-10
Disputed Liability in respect of Tax demands	95.43	Nil
Disputed liability in respect of sales tax demand	91.82	87.09
Disputed Liability in respect of FSA charges payable to APCPDCL	43.50	Nil
Disputed Demand charges payable to AP Transco	25.29	25.29
Bank Guarantee	47.90	41.66
<b>Total</b>	<b>303.94</b>	<b>154.04</b>

## 7. Managerial Remuneration

₹ in Lakhs

Particulars	2010-11	2009-10
Chairman & Managing Director		
Salary	24.00	12.95
HRA	12.00	6.47
Children Education Allowance	1.20	0.58
Contribution to Provident Fund & Other Funds	2.88	2.90
Perquisites	-	-
Commission on Profits	0	26.67
<b>Total</b>	<b>40.08</b>	<b>49.57</b>
Executive Director		
Salary	14.40	7.20
HRA	7.20	3.60
Children Education Allowance	0.48	0.24
Contribution to Provident Fund & Other Funds	1.73	1.94
Perquisites	1.20	-
Commission on Profits	-	17.77
<b>Total</b>	<b>25.01</b>	<b>30.75</b>

**8. Auditors' Remuneration**

₹ in Lakhs

Particulars	2010-11	2009-10
Audit Fee	6.40	6.40
Tax audit Fee	1.65	1.65
For Certification	1.00	1.00
Out of Pocket Expenses	0.51	0.34
Service Tax	0.93	0.56
<b>Total</b>	<b>10.49</b>	<b>9.95</b>

**9. Defined benefit plans:**

As per actuarial valuation as on March 31, 2011 and recognized in the financial statements in respect of post retirement gratuity plan with LIC.

**I. Actuarial Assumptions**

Particulars	2010-11
Discount Rate	8.00%
Salary Escalation	4.00%

**II. Components of Employer Expenses**

₹ in Lakhs

Particulars	2010-11
Current Service Cost	6.50
Interest Cost	3.15
Employee Contributions	-
Expected Return on planned assets	(2.92)
Net Actuarial (Gains) / Losses	5.15
Past service Cost	-
Settlement / Curtailment (Gain)	-
<b>Total Expenses</b>	<b>11.88</b>

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

₹ in Lakhs

Particulars	2010-11
Present value of Defined Benefit obligation as at the end of the year	42.50
Fair value of plan as at the end of the year	32.90
Funded Status (surplus / (Deficit))	(9.60)
Net Assets / (Liability) recognized in the balance sheet	9.60

#### IV. Change in obligation during the year

₹ in Lakhs



Particulars	2010-11
Present Value of obligations at the beginning of the year	39.44
Current Service Cost	7.61
Interest Cost	3.16
Settlement / Curtailment (Gain)	-
Past Service Cost	-
Employee Contributions	-
Actuarial (Gain) / Losses on obligation	(5.15)
Benefits paid	(2.56)
Present Value of obligation at the end of the year	42.50

#### V. Change in Fair value of the assets

₹ in Lakhs

Particulars	2010-11
Fair value of the plan assets at the beginning of the year	32.90
Expected return on planned assets	2.92
Contributions	-
Benefits paid	(2.56)
Actuarial Gain / (Loss) on plan assets	Nil
Fair value of the plan assets at the end of the year	33.26

\* Since provision of gratuity on actuarial is not applicable to Vennar Ceramics at present, the same has not been included in the above.

\* Hitech Print Systems is providing for gratuity on actuarial basis for the first time, hence previous year details are not provided.

### 10. Leave Encashment

The obligation of leave encashment of the company as on March 31, 2011 is computed as under.

#### I. Actuarial Assumptions

Particulars	2010-11
Discount Rate	8.00%
Salary Escalation	4.00%

**II. Components of Employer Expenses**

₹ in Lakhs

Particulars	2010-11
Current Service Cost	-
Interest Cost	-
Employee Contributions	-
Expected Return on planned assets	-
Net Actuarial (Gains) / Losses	35.67
Past service Cost	-
Settlement / Curtailment (Gain)	-
Total Expenses	35.67

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

₹ in Lakhs

Particulars	2010-11
Present value of Defined Benefit obligation as at the end of the year	35.67
Fair value of plan as at the end of the year	-
Funded Status (surplus / (Deficit) )	(35.67)
Net Assets / (Liability) recognized in the balance sheet	(35.67)

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

₹ in Lakhs

Particulars	2010-11
Present Value of obligations at the beginning of the year	-
Current Service Cost	-
Interest Cost	-
Settlement / Curtailment (Gain)	-
Past Service Cost	-
Employee Contributions	-
Actuarial (Gain) / Losses on obligation	35.67
Benefits paid	-
Present Value of obligation at the end of the year	35.67

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

₹ in Lakhs

Particulars	2010-11
Fair value of the plan assets at the beginning of the year	-
Expected return on planned assets	-
Contributions	-
Benefits paid	-
Actuarial Gain / (Loss) on plan assets	-
Fair value of the plan assets at the end of the year	-

\*Anjani Portland Cement Limited is providing for leave encashment on actuarial basis for the first time, hence previous year's details are not provided.

\*Since provision for leave encashment on an actuarial basis is not applicable to Vennar Ceramics at present, the same has not been included in the above.

\*Hitech Print Systems is providing for leave encashment when the obligation to pay arises hence relevant details are not included above.



## 11. Earnings Per Share:

Particulars	2010-11	2009-10
Profit for the Year after tax	71.51	1221.70
Number of Equity Shares	18389597	18389597
Earnings Per Share (Basic and Diluted)	0.39	6.64
Face Value of each Equity Share	10	10

## 12. Deferred Tax

₹ in Lakhs

Particulars	2010-11	2009-10
a) Deferred Tax Asset:		
- Opening Balance	460.48	Nil
- On account of employee benefits	10.33	8.51
- On account of unabsorbed depreciation loss	551.45	451.97
<b>Total</b>	<b>1022.26</b>	<b>460.48</b>
b) Deferred Tax Liability		
- Opening balance	1525.98	453.00
- On account of depreciation	604.08	1072.98
<b>Total</b>	<b>2130.07</b>	<b>1525.98</b>
<b>Deferred Tax Liability (net)</b>	<b>1107.81</b>	<b>1065.50</b>

\* As M/S Vennar Ceramics is availing tax holiday under section 80-IA of the Income Tax Act, 1961, it considered prudent not to provide for deferred tax during the period of tax holiday, hence not considered above.

## 13. Related Party Disclosures

### a. Relationship

#### - Key Management Personnel

- Sri. K V Vishnu Raju
- Sri PVRL Narsimha Raju
- Sri. SVS Shetty

#### - Relatives of Key Management Personnel

- Smt. K Ramavathy
- Sri. KSN Raju

- **Enterprises owned or significantly influenced by Key Management Personnel**

- Sai Aditya foods & Retail Pvt Ltd
- Anjani Projects & Constructions Ltd
- Sri Vishnu Educational Society

**b. The following transactions are carried out with related parties in the course of business** ₹ in Lakhs

Particulars	Key managerial Persons	Relatives of Key managerial Persons	Enterprises of Key managerial Persons	Total
Sales			119.11	119.11
Remuneration	65.09			65.09
Office Rent	31.02	36.57	4.32	71.91
Interest		7.59		7.59
Loans Taken	80.00	30.00		110.00
Loans Repaid	73.00			73.00
Balance outstanding at the end of the Current Year	7.15	71.67	403.31	482.13
Balance outstanding at the end of the Previous Year	0	41.68	264.99	306.67

#### 14. Segment Reporting

Segment report of M/s Anjani Portland Cement Ltd and its consolidated subsidiaries has been prepared in accordance with AS 17 "Segment Reporting" as notified under section 211 (3C) of the Companies Act.

**The Business segments of the company comprises of the following:**

Segment	Details of Business
Cement	Manufacture of Cement
Power	Gas based power generation
Printing	Security Printing

## Details of business segment

₹ in Lakhs

Particulars	Cement		Power		Printing		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Revenue							
Sales	17462.44	12257.74	288.71	204.53	2693.12	2356.76	20444.27	14819.03
Increase/(Decrease) in stocks	1667.37	145.05	0.00	0.00	(54.33)	(2.23)	1613.04	142.82
Total Revenues	19129.81	12402.79	288.71	204.53	2747.45	2358.99	22165.97	14966.31
Operating Expenses	10603.07	7497.28	208.51	125.56	1926.46	1640.84	12738.04	9263.68
Depreciation	1274.78	399.46	55.16	55.07	223.32	178.68	1553.26	633.21
Segment Operating Profit/(Loss)	7251.96	4506.05	25.04	23.90	597.67	539.47	7874.67	5069.42
Interest Expenses	2590.14	533.75	1.49	1.44	221.51	126.30	2813.14	661.49
Other Income	513.83	433.59	2.26	7.11	6.32	11.72	522.41	452.42
Other Expenses	5053.24	2331.67	23.70	27.69	352.89	345.94	5429.83	2705.30
Profit/(Loss) before tax	122.41	2074.22	2.11	1.88	29.59	78.95	154.11	2155.05
Taxation -								
Current tax	21.52	302.04	0.00	0.00	6.61	18.77	28.13	320.81
Relating to Previous year	16.40	0.00	0.00	0.00	(4.22)	0.00	12.18	0.00
Deferred tax	33.96	608.34	0.00	0.00	8.34	4.16	42.30	612.50
<b>Net Profit/(Loss) after taxation</b>	<b>50.53</b>	<b>1163.84</b>	<b>2.11</b>	<b>1.88</b>	<b>18.86</b>	<b>56.02</b>	<b>71.50</b>	<b>1221.74</b>
Other information								
Segment Assets	32030.06	27516.87	1383.12	1341.23	3299.57	3252.49	37007.91	32405.75
Segment Liabilities	27659.30	22629.24	243.58	957.30	2493.67	2108.33	30396.55	25694.87
	<b>4370.76</b>	<b>4887.63</b>	<b>1139.54</b>	<b>383.93</b>	<b>805.90</b>	<b>1144.16</b>	<b>6611.36</b>	<b>6710.88</b>

\* The company is not having any geographic segments.

15. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring in line with the parent Company's Financial Statements.

16. Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year groupings and classifications.

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board

**For M Anandam & Co**  
Chartered Accountants

**M V Ranganath**  
Partner  
M.No 28031

Place : Hyderabad

Date : 04-08-2011

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

**R V A Narasimha Rao**  
Chief Financial Officer

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

**Statement Pursuant to Section 212  
of the Companies Act, 1956, Relation to Company's  
Interest in Subsidiary Companies**



Name of the Subsidiary Company	Vennar Ceramics Limited
1. The Financial Year of the Subsidiary Company ended on	<b>31.03.2011</b>
2. Date from which they become Subsidiary Company	<b>30.01.2001</b>
3. a. Number of Shares held by Anjani Portland Cement Limited with its nominee in the Subsidiary at the end of the financial year if the subsidiary company.	<b>49,66,070 ordinary shares of ₹ 10/- each</b>
b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company.	<b>100%</b>
4. The net aggregate amount of the Subsidiary Company Profit/(Loss) so far as it concerns the members of the Holding Company.	
a. Not dealt with in the Holding Company's Accounts	
i. For the financial year ended 31 <sup>st</sup> March, 2011.	
ii. For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary.	
b. Dealt with in the Holding Company's Accounts	
i. For the financial year ended 31 <sup>st</sup> March, 2011.	<b>₹ 2.11 Lakhs</b>
ii. For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary.	<b>₹ (110.58) Lakhs</b>

## Information of Subsidiary Companies

### Vennar Ceramics Ltd.,

As on 31.3.2011

₹ in Lakhs

a.	Share Capital	:	496.61
b.	Reserves	:	---
c.	Total Assets	:	1263.10
d.	Total Liabilities	:	1263.10
e.	Details of Investment (except in case of investment in the subsidiaries)	:	NIL
f.	Turnover	:	288.71
g.	Profit/ (Loss) before Taxation	:	2.11
h.	Prior Period Adjustments	:	--
i.	Provision for taxation	:	--
j.	Profit / (Loss) after taxation	:	2.11
k.	Proposed Dividend	:	NIL

For and on behalf of the Board

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

**PVRL Narasimha Raju**  
Executive Director

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad

Date : 04-08-2011



## Information of Subsidiary Companies

### Vennar Ceramics Ltd.,

As on 31.3.2011  
₹ in Lakhs

a.	Share Capital	:	496.61
b.	Reserves	:	---
c.	Total Assets	:	1263.10
d.	Total Liabilities	:	1263.10
e.	Details of Investment (except in case of investment in the subsidiaries)	:	NIL
f.	Turnover	:	288.71
g.	Profit/ (Loss) before Taxation	:	2.11
h.	Prior Period Adjustments	:	--
i.	Provision for taxation	:	--
j.	Profit / (Loss) after taxation	:	2.11
k.	Proposed Dividend	:	NIL

For and on behalf of the Board

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

**PVRL Narasimha Raju**  
Executive Director

**RVA Narasimha Rao**  
Chief Financial Officer

Place : Hyderabad  
Date : 04-08-2011

## Form for ECS Mandate / Bank Mandate

**M/s. Sathguru Management Consultants Private Ltd**

**Unit: Anjani Portland Cement Limited**

Plot No. 15, Hindi Nagar, Near Sai Baba Temple

Punjagutta, Hyderabad 500 034

Dear Sir,

I/We \_\_\_\_\_ do hereby authorize Anjani Portland Cement Limited to

- Credit my dividend amount directly to my Bank Account as per details furnished by Electronic Clearing Service (ECS) - ECS Mandate\*
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate\*

(\*Strike out whichever is not applicable)

Folio No. \_\_\_\_\_

(From share held in physical form)

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

(For share held in electronic form)

- a. Name of First holder \_\_\_\_\_
- b. Bank Name \_\_\_\_\_
- c. Branch Name \_\_\_\_\_
- d. Branch Address (for ECS Mandate only)  
& Telephone No. of Branch \_\_\_\_\_
- e. Bank Account Number \_\_\_\_\_
- f. Account Type (Savings / Current) \_\_\_\_\_
- g. 9 Digit Code Number of the bank &  
Branch as appearing on the MICR  
Cheque (for ECS Mandate only) \_\_\_\_\_

I hereby declare that particulars given above the correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Anjani Portland Cement Limited will not be held responsible.

Place :

Date :

\_\_\_\_\_  
Signature of first named shareholder

Note :

(as per specimen lodged with the Company)

1. Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.



## Anjani Portland Cement Ltd

Regd. Office: "Sitha Nilayam", 153, Dwarakapuri Colony  
Panjagutta, Hyderabad 500 082

### Twenty Seventh Annual General Meeting Attendance Slip

Folio No \_\_\_\_\_ DP ID No\* \_\_\_\_\_ Client ID No\* \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I hereby record my presence at the Twenty Seventh Annual General Meeting of the Company to be held on Friday, the 23<sup>rd</sup> September, 2011 at 11.00 AM at Bhaskara Auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad 500 063

Name of the Shareholder \_\_\_\_\_ :

Name of the Proxy \_\_\_\_\_ :

Signature of Shareholder / proxy \_\_\_\_\_ :

\* Applicable for investors holding shares in electronic form

**Note:** Only shareholders of the Company or their proxies will be allowed to attend the meeting.

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## Anjani Portland Cement Ltd

Regd. Office: "Sitha Nilayam", 153, Dwarakapuri Colony  
Panjagutta, Hyderabad 500 082

### Proxy Form

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

No. of shares held \_\_\_\_\_

(To be filled by the Shareholder)

I/We being a Member/Member (s) \_\_\_\_\_

of **Anjani Portland Cement Limited** hereby appoint \_\_\_\_\_

of failing him/her \_\_\_\_\_ of \_\_\_\_\_

As my/our proxy to vote for me/us and on my/our \_\_\_\_\_

behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Friday the 23<sup>rd</sup> September, 2011 at 11.00 AM and at any adjournment thereof.

Affix ₹ 1.00  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Note : This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



## Notes

## Notes