

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

16th *Annual Report* 1996-97

(For the period 01-10-1996 to 31-12-97)



**SRI CHAKRA
CEMENTS LIMITED**

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SRI CHAKRA CEMENTS LTD.



BOARD OF DIRECTORS

SRI C.N. GARG	Chairman
SRI N. KRISHNA MOHAN	Director
SRI R. RAMACHANDRAN	Director (Nominee of IDBI)
SRI. J.P. SINGH	Director (Nominee of BIFR)
SRI S.V. REDDY	Director (Nominee of APIDC)
SRI K.R. NAIDU	Director (Nominee of APIDC)
SRI S. RAMA MURTHY	Director
SRI S.R. ACHARYA	Director
SRI M.G.G. NAIDU	Director
SRI V.V.S.R. ANJANEYULU	Managing Director

STATUTORY AUDITORS

M/s. SATYANARAYANA & Co.,
Chartered Accountants
Ranigunj
Secunderabad.

COST AUDITORS

M/S. NARASIMHAMURTHY & CO.,
Cost Accountants
104, Pavani Estate
Y.V. Rao Mansion, Himayat Nagar
Hyderabad - 500 029

BANKERS

Vijaya Bank
State Bank of India
Union Bank of India

REGISTERED OFFICE

"Sri Chakra Chambers"
6-3-802, Ameerpet
Hyderabad - 500 016
Ph : 3312159/3313229/3313528
Telex : 0425-2162 GOLD IN
Fax : 040-395867

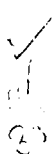
FACTORY

Narasimhapuri
Karampudi
Gurazala Taluk
Andhra Pradesh
Ph : 8232/8254

SHARE TRANSFER AGENTS

SIDVIN FINANCIAL CONSULTANCY SERVICES PRIVATE LTD.

"Sidvin Chambers", 6-3-802
Ameerpet, Hyderabad - 500 016.
Phone : 3318939, 3312159, 3313229



SRI CHAKRA CEMENTS LTD.



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 16th Annual General Meeting of the members of the Company will be held on Monday the 30th March, 1998 at 3.30 p.m. at Nagarjuna Nagar Community Hall, Nagarjuna Nagar, Ameerpet, Hyderabad - 500 073 to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Profit and Loss Account for the period 01-10-1996 to 31-12-1997 and the Balance Sheet as on that date and the Auditors and Directors Report thereon.
2. To appoint a Director in place of Sri. C.N. Garg who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. S.R. Acharya who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. Satyanarayana & Company, Chartered Accountants, Secunderabad be and are hereby re-appointed as, Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such a remuneration and out of pocket expenses as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modification, the following as an Ordinary Resolution.
- "RESOLVED THAT Sri.N. Krishna Mohan be and is hereby appointed as Director of the Company subject to retirement by rotation"

By order of the Board of Directors
for Sri Chakra Cements Limited

Place : Hyderabad

Date : 24-02-1998

V.V.S.R. ANJANEYULU
Managing Director

NOTES :

- (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member. The instrument of proxy should however be deposited at the Registered Office/Share Transfer Agents of the Company not less than 48 hours before the commencement of the Meeting.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from 25-03-1998 to 30-03-1998 (both days inclusive).
- (3) Members are advised to bring their copies of Annual Report to the Meeting Hall as there will be no supply of additional copies.
- (4) Members are requested to notify immediately any change in their address to the Company/Share Transfer Agents i.e. M/s. SIDVIN Financial Consultancy Services Private Limited.

Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956.

Item No.5

Sri N. Krishan Mohan resigned from the Board on 26-5-97 and was again coopted as a Director with effect from 27-9-97. His term will expire at the conclusion of this annual general meeting. Your company has since received a notice from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Sri N. Krishna Mohan as a Director of the Company at this annual general meeting. Sri N. Krishna Mohan and Sri V.V.S.R. Anjaneyulu, Managing Director, who is relative of Sri N. Krishna Mohan are interested in his appointment.



**DIRECTORS' REPORT**

To the Members

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Accounts for the 15 months period ended 31st December, 1997.

PERFORMANCE OF THE COMPANY

	31-12-97 (15 Months)	30-09-96 (18 Months)
1. Production (M.T)	81793	115221
2. Gross Turnover Quantity (M.T)	81401	114957
Value (Rs. in lakhs)	1968.08	2793.62
3. a) Gross Realisation per Ton (Rs. in lakhs)	2418.00	2430.14
b) Net Realisation per Ton (Naked) (Rs. in lakhs)	1604.46	1630.93
4. Profit/Loss interest, depreciation and prior period adjustments (Rs. in lakhs)	(205.23)	60.40
5. Cash accruals (Rs. in lakhs) (after prior period adjustments)	(146.36)	197.24

Non-availability of need based working capital adversely affected the operations of the Company and the financial results for 1996-97. The working results could not generate adequate internal accruals, as was envisaged, resulting in a net loss of Rs. 205.23 Lacs.

FUTURE PROSPECTS

Cement industry is an Industry which has a wide and visible market. With infrastructure development taking the front seat in the economy the demand for cement is bound to increase in the coming months. The financial package and one-time-settlement proposed by the Financial Institutions are proposed to be finalised shortly by BIFR. Your company is actively pursuing with the banks for sanction of additional need-based working capital limits. On finalisation of the package of BIFR, your company will gear up to improve its performance both physically and financially in the coming years.

DIRECTORS

During the period, Sri. J.P. Singh was nominated by BIFR in the Board from 28-04-1997.

Sri C.N. Garg and Sri. S.R. Acharya retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment.

Sri N. Krishna Mohan, resigned from the Board on 26-5-97 and was again co-opted as a Director with effect from 27-9-97. His term will expire at the conclusion of this annual general meeting. Considering the fact that Sri N. Krishna Mohan is a well qualified professional with long years of experience in Cement and Allied industries and his association as a promoter director of your company for the last 9 years, it is proposed to appoint him as a Director subject to retirement by rotation. Sri N. Krishan Mohan and Sri V.V.S.R. Anjaneyulu, Managing Director who is relative of Sri N. Krishna Mohan are interested in his appointment.

PARTICULARS OF EMPLOYEES

The particulars required pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended by the Companies (Amendment) Act, 1988 are given in the statement annexed hereto which forms part of this Report.



SRI CHAKRA CEMENTS LTD.**FIXED DEPOSITS**

Your company has not accepted any deposits from the public during the period under review.

AUDITORS

The report of Auditors and the notes on accounts referred to in the auditor's reports are self explanatory.

M/s. Satyanarayana & Co, Chartered Accountants, Secunderabad will retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

COST AUDIT

With the approval of Central Government, M/s. Narasimha Murthy & Co, Cost Accountants, Hyderabad have been appointed to conduct Cost Audit.

INDUSTRIAL RELATIONS

Industrial relations have been cordial during the period under review.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

As required under Section 217 (1) (e) of the Companies Act, 1956 read with relevant rules, the particulars regarding the conservation of energy, technological absorption etc., are given in Form-A and Form-B annexed, which forms part of this Report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation and gratitude for the wholehearted support, cooperation and guidance received from the Industrial Development Bank of India, the Industrial Finance Corporation of India Limited, the Industrial Credit and Investment Corporation India Limited, the Industrial Reconstruction Bank of India, Board for Industrial and Financial Reconstruction, Andhra Pradesh Industrial Development Corporation Limited, Vijaya Bank, State Bank of India, Union Bank of India, and the Government of Andhra Pradesh and its various authorities and agencies and the officers and employees of the Company during the period under review.

for and on Behalf of the Board

V.V.S.R. ANJANEYULU
Managing Director

Place : Hyderabad

Date : 24-02-1998.

S.R. ACHARYA
Director

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors Report for the period ended 31.12.1997 (employed for part of the year).

Sl. No.	Name	Age	Qualification	Date of Employment	Designation	Remuneration (Rs.)	Experience	Last Employment
1.	V.V.S.R. Anjaneyulu	33	B.Com.	01-09-95	M.D	548224	12 yrs	Whole time Director Sri Chakra Financial Ser. Ltd.

1. Remuneration as shown includes Basic Salary and H.R.A.

2. Conditions of Employment are contractual.

3. Managing Director and Sri N. Krishna Mohan, Director are related to each other.





ANNEXURE TO DIRECTORS' REPORT

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.

FORM - A

Form for disclosure of particulars with respect to conservation of energy

	Current period ended 31.12.97 (15 Months)	Previous Period ended 30-09-96 (18 Months)
A. Power and Fuel consumption :		
1. Electricity :		
a) Purchased (Units Nos)	10518600	17323272
Total Amount (Rs.)	41050316	48231487
Rate/unit (Rs.)	3.90	2.78
b) Own Generation :		
i) Through Diesel Generator (UnitsNos)	2367963	2956520
Units per Ltr. of Diesel oil	3.00	3.02
Cost/Unit (Rs.)	3.47	2.64
ii) Through Steam Turbine/Generator	NIL	NIL
Units (Nos)	-	-
Units per Ltr. of Fuel Oil	-	-
Gas	-	-
Cost/unit (Rs.)	-	-
2. Coal (Slack coal used in Kiln)		
Quantity (M.T)	24248	34555
Total cost (Rs.)	31535476	31149334
Average rate/MT (Rs.)	1300.54	901.44
3. Furnace Oil	NIL	NIL
4. Others/Internal Generation	NIL	NIL
B. Consumption per Unit of Production		
Product :		
ORDINARY PORTLAND CEMENT (M.T)	-	-
Electricity (units)	128.60	150.35
Furnace Oil	-	-
Coal (M.T)	0.30	0.30
Others (Specify)	-	-



SRI CHAKRA CEMENTS LTD.



Form - B

Form for disclosure of particulars with respect to conservation of absorption

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company : NIL
2. Benefits derived as result of above R&D : NIL
3. Future plan of action : No Research & Development has been carried out during the period and expenditure incurred.
4. Expenditure on R&D : NIL

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : There has been no absorption adaptation or innovation of any new technology.
2. Benefits derived as a result of the above efforts, e.g. product, improvement, cost reduction, production development, import substitution etc. : Not Applicable
3. Incase of imported technology (imported) during the last 5 years reckoned from the beginning of the financial year
 - a) Technology : No Technology has been imported
 - b) Year of Import : Not Applicable.
 - c) Has Technology been fully absorbed ? : Not Applicable.
 - d) If not fully absorbed, area where this has been taken place, reasons there of and future plans of action. : Not Applicable.

Foreign Exchange Earnings & Outgo

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans. : NIL
2. Total foreign exchange used and earned : NIL

