

18th

ANNUAL REPORT
1999-2000

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SRI CHAKRA
CEMENTS LIMITED

BOARD OF DIRECTORS

Sri S.R. ACHARYA	Director
Sri S. RAMA MURTHY	Director
Sri R. RAMACHANDRAN	Director (Nominee of IDBI)
Sri S.V. REDDY	Director (Nominee of APIDC)
Sri N. KRISHNA MOHAN	Wholetime 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

ADMN. OFFICE :

6-3-660/10/66,
Durga Nagar Colony, Punjagutta,
Hyderabad - 500 082.

REGISTERED OFFICE

"Sri Chakra Chambers"
6-3-802, Ameerpet,
Hyderabad - 500 016.

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.
Ph : 3313612

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Friday 29th September, 2000 at 11.00 A.M. at Sri Rajarajeswari Kalyana Mandapam, Hanuman Temple, Ameerpet, Hyderabad - 500 016. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year 01-04-1999 to 31-03-2000 and the Balance Sheet as on that date and the Auditors and Directors Report thereon.
2. To appoint a Director in place of Sri S. Rama Murthy who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. Satyanarayana & Co., Chartered Accountants, Secunderabad, be and are hereby reappointed 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 :

4. In supersession of the earlier resolution, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to Sections 269, 309, 310, 311 Schedule XIII and other relevant provisions of the Companies Act, 1956 Sri, N. Krishna Mohan, appointed as Wholetime Director with effect from 01-08-1999 be paid compensation as follows for the period 1-4-2000 upto expiry of his present term as wholetime Director, i.e. 31-08-2004, subject to the approval of the General Body and the Financial Institutions".

(a) Salary - Rs. 25,000/- Per Month

(b) Perquisites :

- i) House Rent not exceeding Rs. 7,500/- per month.
- ii) Provision of Car and a telephone at his residence for use on company business.

By Order of the Board of Directors
for SRI CHAKRA CEMENTS LIMITED

Place : Hyderabad.
Date : 22-08-2000

N. Krishna Mohan
Wholetime 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 26-09-2000 to 29-09-2000 (both days inclusive)
- 3) Members are advised to bring their copies of Annul Reports 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.
- 5) Explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, is annexed.

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

Item No. 4 : As the Members are kindly aware that Sri N. Krishna Mohan was appointed as Wholetime Director with effect from 01-09-1999 without remuneration and the same was approved by the Members at 17th Annual General Meeting held on 15th Nov. 1999 as he was not drawing salaries from other companies, i.e. GSAL (India) Limited and Sri Chakra Financial Services Ltd., it is proposed to pay him compensation as mentioned above from 01-04-2000 from this Company to meet his expenditure.

None of the Directors, except Sri N. Krishna Mohan, are interested.

By Order of the Board of Directors
for SRI CHAKRA CEMENTS LIMITED

Place : Hyderabad.
Date : 22-08-2000

N. Krishna Mohan
Wholetime Director

DIRECTORS REPORT

To the Members

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts for the year ended 31st March, 2000.

PERFORMANCE OF THE COMPANY :	31-03-2000 (12 Months)	31-12-99 (15 Months)
1. production (M.T)	44,718	42,219
2. Gross Turnover : Qty (MT)	44,284	42,628
Value (Rs. in Lacs)	919.40	925.13
3. a) Gross Realisation per Ton	2076.20	2,170.25
b) Net Realisation per Ton (Naked)	1527.70	1,470.57
4. Profit/(Loss) after interest, depreciation and prior period adjustments (Rs. in Lacs)	(340.62)	(507.85)
5. Cash accruals (after prior period adjustments)	(295.43)	(451.63)

Despite completing expansion to 600 TPD three years back, non-availability of need based working capital adversely affected the operations of the Company and the financial results for 1999-2000. The working results could not generate adequate internal accruals, as was envisaged.

FUTURE PROSPECTS :

- (i) As the Members are aware, your Company was registered with the BIFR vide Registration No. 186/88 and is in the process of rehabilitation. In a recent Meeting, the Hon'ble Members of BIFR directed the OA to advertise for change of management of the Company and the present Promoters were also given an opportunity to submit their proposal. With this process, it is hoped that your Company will be placed on the speedy revival path.
- (ii) The cement industry, after passing through severe difficult market conditions affecting realisation and bottom line of the units, has started showing signs of recovery. It is expected that the gap between the demand and supply will get narrowed down thereby leading to stabilisation of the prices in the coming years, which has already been witnessed in the recent past. With the commissioning of the Calciner Line, expected in October, 2000, the production would stabilise at 600 Tonnes per day, which will help record better operating results by the company.

DIRECTORS :

Sri S. Rama Murthy retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

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 auditors report are self explanatory.

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

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 generally satisfactory.

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 whole hearted support, co-operation and guidance received from The Industrial Development Bank of India, The Industrial Finance Corporation of India Limited, The Industrial Investment 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

N. KRISHNA MOHAN
Wholetime Director

Place : Hyderabad
Date : 22-08-2000

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 31-03-2000 is nil.



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 year ended 31-03-2000 (12 Months)	Previous Period ended 31-03-1999 (15 Months)
A. POWER AND FUEL CONSUMPTION :		
1) ELECTRICITY :		
a). Purchased (Units Nos.)	6122061	3692853
Total Amount (Rs.)	32372496	21472581
Rate/unit (Rs.)	5.29	5.81
b) Own Generation :		
i) Through Diesel Generator (Units Nos)	198616	238570
Units per Ltr. of Diesel oil	3.03	2.92
Cost/Unit (Rs.)	5.17	3.82
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)	11301	11896
Total Cost (Rs.)	17952413	16124475
Average rate/MT (Rs.)	1588	1355.00
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)	141.34	87.47
Furnace Oil	-	-
Coal (M.T)	0.26	0.29
Others	-	-

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 a 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
Technology absorption
and innovation : NIL
 1. Efforts, in brief, made toward
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, costreduction,
production development,import
substitution etc. : Not Applicable
3. Incase of imported technology (imported)
during the last 5 years reckoned from the
begining 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 : Not Applicable.
has been taken place, reasons
thereof and future plans of action.

FOREIGN EXCHANGE EARNINGS & OUTGO

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