SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

17th

ANNUAL REPORT

1998-99

(For the period 01-01-1998 to 31-03-1999)

SRI CHAKRA

CEMENTS LIMITED

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

BOARD OF DIRECTORS

Sri C.N. Garg	Chairman
Sri N. KRISHNA MOHAN	Wholetime 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 (upto 24-12-98)

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.

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

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 17th Annual General Meeting of the Members of the Company will be held on 15th November, 1999 at 11.00 A.M. at the Registered Office of the Company, 6-3-802, II Floor, Zainab Commercial Complex, Ameerpet, Hyderabad-16, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the period 01-01-98 to 31-03-99 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 appoint a Director in place of Sri S.R. Acharya who retires by rotation and being eligible offers himself for reappointment.
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 & 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 :

5. "RESOLVED THAt pursuant to Sections 269, 309, 310, 311 Schedule XIII and other relevant provisions of the Companies Act, 1956 Sri N. Krishna Mohan be and is hereby appointed as Wholetime Director of the Company for a period of 05 (five) years with effect from 01-09-1999 on without remuneration and subject to the approval of the Members of the company at this Annual General Meeting and the Financial Institutions."

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 11-11-1999 to 15-11-1999 (both days inclusive)

3) Members are advised to bring their copies of Annul 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 :-

As the members are kindly aware that the Company does not have a Whole time Director. With a view to have full time supervision and management on the affairs of the Company, it is proposed that Sri N. Krishna Mohan be appointed as the Wholetime Director of the Company without remuneration as proposed in the resolution in this regard.

Sri N. Krishna Mohan has been actively involving in the affairs of the Company from its inception and has a thorough knowledge of the industry in general, and the Company in particular. He has a wide experience of managing various companies and is presently the Managing Director of GSAL (India) Limited and Wholetime Director of Sri Chakra Financial Services Limited. The Board of Directors have passed the relevant resolution appointing Sri N. Krishna Mohan as Wholetime Director in terms of Section 316 of the companies Act, 1956 with effet from 01-09-1999.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTORS REPORT

To the Members

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts for the 15 months period ended 31st March, 1999.

PERFORMANCE OF THE COMPANY :	31-03-99 (15 Months)	31-12-97 (15 Months)
1. production (M.T)	**42,219**	81793
2. Gross Turnover : Qty (MT)	**42,628**	**81401**
Value (Rs. in Lacs)	**925.13**	**1968.08**
3. a) Gross Realisation per Ton (Rs. in Lacs)	**2,170.25**	2,418.00
b) Net Realisation per Ton (Naked) (Rs. in Lacs)	**1,470.57**	1,604.46
4. Profit/(Loss) after interest, depreciation and prior period adjustments (Rs. in Lacs)	**(507.85)**	(205.23)
5. Cash accruals (after prior period adjustments)	**(451.63)**	(146.36)

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 1998-99. The working results could not generate adequate internal accruals, as was envisaged, resulting in a net loss of Rs. 507.85 lakhs.

FUTURE PROSPECTS :

The Company is actively following up with the BIFR and commercial banks to secure need-based working capital to the Company and reasonable progress has already been made on this account. As soon as the funds are made available to the Company, your Directors are confident of achieving expanded capacity, which will result in positive operating performance for the Company in the coming years. The request of the company to the BIFR to sanction certain waivers on account of statutory dues when sanctioned would save substantial amount to the Company and bring down the liabilities.

The Cement Industry in India has been registering a growth rate of 15-20% as against normal growth rate of 8-10%. With the importance given by the Government of India for the infrastructural projects and house building, the demand for cement in the country would register substantial increase.

DIRECTORS :

Sri S. Rama Murthy and Sri S.R. Acharya retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment.

Sri C.N. Garg, Sri V.V.S.R. Anjaneyulu and Dr. M.G.G. Naidu have submitted their resignations due to their preoccupation.

Your Directors place on record their appreciation for the valuable co-operation and service rendered by Sri C.N. Garg, Sri V.V.S.R. Anjaneyulu and Dr. M.G.G. Naidu during the tenure on the Board.

FIXED DEPOSITS :

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

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

AUDITORS :

The report of auditors and the notes on accounts referred to in the auditors reports 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 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.

Y2K COMPLIANCE :

Your Company has already undertaken a comprehensive steps for Y2K compliance of various operations, processes, services and information system of the Company.

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 : 09-10-1999

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 31-03-99 (employed for part of the year).

Sl. No.	Name	Age	Qualification	Date of Employment	Desgn.	Remuneration(Rs.)	Experience	Last Employment
1.	V.V.S.R. Anjaneyulu	35	B.Com.	01-09-95	M.D.	230269	14 Yrs.	Wholetime 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.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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 31-03-99 (15 Months)	Previous Period ended 31-12-97 (15 Months)
A. POWER AND FUEL CONSUMPTION :		
1) ELECTRICITY :		
a). Purchased (Units Nos)	3692853	10518600
Total Amount (Rs.)	21472581	41050316
Rate/unit (Rs.)	5.81	3.90
b) Own Generation :		
i) Through Diesel Generator (Units Nos)	238570	2367963
Units poer Ltr. of Diesel oil	2.92	3.00
Cost/Unit (Rs.)	3.82	3.47
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)	11896	24248
Total Cost (Rs.)	16124475	31535476
Average rate/MT (Rs.)	1355.00	1300.54
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)	87.47	128.60
Furnace Oil	-	-
Coal (M.T)	0.29	0.30
Others	-	-

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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 has been taken place, reasons thereof and future plans of action.	:	Not Applicable.

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

www.reportjunction.com