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PROXY FORM



SRI CHAKRA CEMENT LIMITED

ATTENTION

If Undelivered Please return to :

M/s. Sri Chakra Cement Limited

Admn. Off : 6-3-668/1/66, Durganagar Colony,  
Punjagutta, Hyderabad - 500082.

Phone : 66612374 / 66614633

Email : [sccl@rediffmail.com](mailto:sccl@rediffmail.com)

**28<sup>th</sup>**

**Annual Report  
2009-2010**



**SRI CHAKRA  
CEMENT LIMITED**



## **BOARD OF DIRECTORS**

SRI V V S R ANJANEYULU	-	MANAGING DIRECTOR
SRI K VIJAY KUMAR	-	JOINT MANAGING DIRECTOR
SRI N KRISHNA MOHAN	-	DIRECTOR

## **AUDITORS :**

M/s. G SATYANARAYANA & CO,  
CHARTERED ACCOUNTANTS,  
5-5-8/5, AMAR MANSION,  
RANIGUNJ,  
SECUNDERABAD- 500 003

## **COST AUDITORS**

M/S. A.V.N.S. NAGESWARA RAO  
COST ACCOUNTANTS,  
30-1569/2, PLOT NO. 35,  
ANANTA NAGAR COLONY, NEREDMET,  
SECUNDERABAD-56

## **BANKERS :**

AXIS BANK,  
SRINAGAR COLONY,  
HYDERABAD.

## **REGISTERED OFFICE/ ADMINISTRATIVE OFFICE / SECRETARIAL DEPARTMENT**

6-3-668/10/66,  
DURGANAGAR COLONY,  
PUNJAGUTTA,  
HYDERABAD-500 082.  
PH: 040-66614633, 66612374  
Email : sccl@rediffmail.com

## **WORKS :**

**UNIT 1:** NARASIMHAPURI,  
KARAMPUDI,  
GURAJALA TALUQ, A.P. \*

**Unit 2:** ANNAMARAJUPETA,  
ALAMANDA,  
VIZIANAGARAM DISTRICT, A.P.

## **DEMAT AGENTS**

M/S VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED  
12-10-134, (MIG- 134),  
BHARATNAGAR COLONY, HYDERABAD- 500 038



## **NOTICE TO SHARE HOLDERS**

Notice is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on Thursday the 30th day of September 2010 at 11.00 A.M. at the Registered Office of the Company situated at 6-3-668/10/66, Durganagar Colony, Punjagutta, Hyderabad - 500 082, to transact the following Business.

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit & Loss Account for the Year ended 31st March 2010 and the Balance Sheet as on that date and the Auditors and Directors Report thereon.
2. To appoint a Director in place of Sri N Krishna Mohan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the retiring Auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting and to fix their remuneration.

By Order of the Board

For Sri Chakra Cement Limited

Sd/-

K Vijay Kumar

Joint Managing Director

Place: Hyderabad  
Date: 28.08.2010

## **NOTES**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The Proxy form, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
- 3) The Register of Members and Share Transfer Books will remain closed from 28th day of September 2010 to 30th September 2010. (Both days inclusive).
- 4) Members are requested to notify immediately any change in their address to the Company/Share Transfer Agents quoting their Folio number.
- 5) Members holding shares in Electronic form are requested to inform the Changes, if any, in their address to the Depository Participant with whom the Demat Account is maintained.



## DIRECTORS REPORT

Dear Shareholder

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March 2010.

### I Financial Performance

The financial results for the year ended 31st March 2010 are given below:

(Rs. In Lakhs)

Particulars	31.03.2010	31.03.2009
Sales Income	10635	9556
Profit (Loss) before interest and Depreciation	1066	576
Financial Charges	348	25
Depreciation	323	233
Profit (Loss) after tax	394	318
Profit (Loss) carried forwarded to Balance Sheet	(3704)	(4056)

### II. Present Status With The BIFR:

Pursuant to the directions of the Hon'ble Board for Industrial and Financial Reconstruction, New Delhi, your Company has submitted the revival scheme with the Hon'ble BIFR during November 2009 which is under active consideration of the Hon'ble Board. Your directors are expecting that the scheme will be approved soon.

### III. Directors:

#### Reappointment of Directors

Pursuant to the provisions of Section 255 and 256 of the Companies Act, 1956 Sri. N Krishna Mohan, Director who retires at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

### IV. Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956.

- 1). That in the preparation of the annual accounts for the year ended March 31st, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 2). That such accounting policies as mentioned in Schedule 14 to the Annual Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the year ended on March 31st, 2010 and of the Profit of the Company for that period.
- 3). That 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 to prevent and detect fraud and other irregularities.
- 4). That the Annual Accounts for the year ended March 31st, 2010 have been prepared on a going concern basis.

### V. Deposits:

Your Directors wish to inform you that the Company has not accepted any Deposits from the public covered by the provisions of Section 58A of the Companies Act, 1956.

### VI. Auditors:

M/s. Satyanarayana & Company, Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and eligible for re-appointment

### VII. Cost Audit:

Pursuant to section 233B of the Companies Act, 1956, the Central Government has prescribed cost Audit of the Company. Subject to the approval of Central Government, the Board has appointed M/s. AVNS Nageswara Rao & Co., cost Accountants as cost Auditors of the Company for the financial year 2009-10.

### VIII Dividend:

The Company is a sick company within the meaning of sick industrial Companies (Special Provisions) Act, 1985 and has accumulated losses. Therefore during the year under review the Directors do not recommend any dividend to the shareholders.

### IX. Report on Corporate Governance:

A separate report on Corporate Governance is included as part of this Annual Report.

### X. Related Party Transaction:

As a matter of policy, your company carries out transactions with related parties, a statement of which is given in the Item 15 of Notes to Accounts attached in compliance of Accounting Standard No AS - 18.

### XI. Conservation of energy, Technology absorption, Foreign Exchange and Outgo:

Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in the Form-A and Form-B to this Annual Report.

### XII Particulars of employees:

None of the employees is in receipt of remuneration in excess of the limits as prescribed under section 217 (2A) of the Companies Act, 1956. Hence, the information required under the said section read with Companies (Particulars of Employees) Rules, 1975

### XIII. Human Resource Development And Industrial Relations:

The company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human Resource Development and training opportunities to equip them with skill which enables them to adopt to contemporary technological advancements.

Industrial Relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through negotiations and meetings etc.

### XIV Acknowledgements:

Your Directors take this opportunity to place on record their appreciation and gratitude for the whole-hearted support, co-operation the Central, State Government and local authorities. The Company thanks the Shareholders and Depositors for the confidence reposed by them in the Company.

By Order of the Board  
For Sri Chakra Cement Limited

Place : Hyderabad  
Date : 28-08-2010

Sd/-  
**V. V. S. R. ANJANEYULU**  
Managing Director

Sd/-  
**K.VIJAY KUMAR**  
Joint Managing Director



## **REPORT ON CORPORATE GOVERNANCE**

### **THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is about commitment to values and about ethical business conduct. The importance of corporate governance has always been recognized by your company and is manifest in its vision. In accordance with the Listing Agreement, a certificate from the Auditors of the Company for compliance of corporate Governance by the Company for the year ended 31st March 2010 has been inserted elsewhere in this Annual Report. A report in line with the requirements of the Stock Exchanges, on the practices followed by the Company and other voluntary compliance is given below.

#### **1. Board of Directors**

The Board meets in executive session at least four times in a year at quarterly intervals and more frequently if deemed necessary, to transact its business. The agenda and relevant enclosures are distributed sufficiently in advance of the meeting. The meetings of the Board of Directors are generally held at the Company's registered office at Hyderabad and are scheduled well in advance.

#### **2. Composition:**

The Board of Directors consists of an optimum combination of executive and non executives directors with not less than fifty percent of the board of directors comprising of non-executive directors. The Chairman is an executive and 2/3rd of the Directors are Non executive Independent Directors. The Board consists of the following Directors. During the year under review the Boards met 5 times.

S No	Name of the Director	Category	Designation	No. of Other Directorships / Memberships in Committees / Chairmanships in other Companies		
				Other Directorships	Committee Memberships	Committee Chairmanships
1	Sri. N. Krishna Mohan	Promoter Director	Director	4	NIL	NIL
2	Sri. V V S R Anjaneyulu	Non Executive Director	Managing Director	4	NIL	NIL
3	Sri K Vijay Kumar	Non Executive Independent Director	Joint Managing Director	4	NIL	NIL

#### **3. Reappointment of Directors**

Pursuant to the provisions of sections 255 & 256 of the Companies Act, 1956, Sri N Krishna Mohan, Director retires at the ensuing annual general meeting and being eligible offers himself for reappointment.

#### **4. Committees of Board**

##### **a). Audit Committee**

The primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting. The committee met 5 times during the year.

SI No	Name	Designation
1	Sri. N Krishna Mohan	Chairman
2	Sri. K. Vijay Kumar	Member
3	Sri. V V S R Anjaneyulu	Member

#### **b) Remuneration Committee**

As per Schedule XIII of the Companies Act, 1956 and in accordance with the provisions contained in Clause 49 of the listing agreement a Remuneration Committee was reconstituted with the following directors as its members.

SI No	Name	Designation
1	Sri N Krishna Mohan	Chairman
2	Sri. V V S R Anjaneyulu	Member
3	Sri. K Vijay Kumar	Member

#### **c) Shareholders / Investors Grievance Committee**

The Shareholders Grievance Committee constituted by the Board of Directors comprises of the following Directors. The Committee inter alia looks into the redressal of shareholders / investors grievances and complaints regarding non-receipt of dividends, Annual Reports etc and reviews all matters connected with the share transfers.

SI No	Name	Designation
1	Sri K Vijay Kumar	Chairman
2	Sri. V V S R Anjaneyulu	Member
3	Sri. N. Krishna Mohan	Member

During the year under review, few complaints were received from investors and were replied / resolved to the satisfaction of the investors and there are no complaints pending as on 31st March 2010

#### **5. Disclosure on Legal Proceedings pertaining to Shares**

There are no pending cases relating to dispute over title to shares, in which the company may be made a party.

#### **6. Subsidiaries**

There are no subsidiary Companies to the company with in the meaning of section 4 of the Companies Act, 1956.