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M/s. **SRI CHAKRA CEMENT LIMITED**
Admn. Off : 6-3-668/10/66, Durganagar Colony,
Punjagutta, Hyderabad -500082.
Phone No.: 040-66612374 / 66614633
e-mail : sccl@rediffmail.com

29th Annual Report 2010-2011

SRI CHAKRA
CEMENT LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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
PH: 040-66614633, 66612374
e-mail : sccl@rediffmail.com

WORKS

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

Unit 2: ANNAMARAJUPET
ALAMANDA,
VIZIANAGARAM Dist, A.P.

DEMAT AGENTS

M/S. VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED
12-10-134, (MIG- 134), 2ND FLOOR,
BHARATNAGAR COLONY, HYDERABAD- 500 038, PH NO. 040-23818475/76

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 29th Annual General Meeting of the Members of the Company will be held on Friday the 30th day of September, 2011 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 2011 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.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as an ordinary resolution.
   To Appoint Sri N Krishna Mohan, as Chairman-cum-Managing Director
   "RESOLVED THAT pursuant to the Provisions of section 198, 269 and 309 read with Part I of the Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, consent of the company be and is here by accorded to appoint Sri N Krishna Mohan, as Chairman-cum-Managing Director of the Company for a period of three years without remuneration with effect from 1st July 2009."
5. To consider and if thought fit, to pass the following resolution as an ordinary resolution.
   To Appoint Sri P Ramamoorthy, as Director liable to retire by rotation
   "Resolved that Sri P Ramamoorthy, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director and is hereby appointed a Director of the company liable to retirement by rotation."
6. To consider and if thought fit, to pass the following resolution as an ordinary resolution.
   To Appoint Sri V V S R Anjaneyulu, as Director liable to retire by rotation
   "Resolved that Sri V V S R Anjaneyulu, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director and is hereby appointed a Director of the company liable to retirement by rotation."
7. To consider and if thought fit, to pass the following resolution as an ordinary resolution.
   To Appoint Sri K P Patnaik, as Director liable to retire by rotation
   "Resolved that Sri K P Patnaik, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director and is hereby appointed a Director of the company liable to retirement by rotation."

By Order of the Board
For **Sri Chakra Cement Limited**
Sd/-
K. VIJAY KUMAR
Joint Managing Director

Place: Hyderabad
Date : 29.08.2011

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, 2011 to 30th September 2011 (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.

6) An Explanatory Statement pursuant to the section 173 (2) of the Companies Act, 1956 is annexed herewith.

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

Item No 4.

The Board at its meeting held on 17.01.2011 approved the appointment of Sri N. Krishna Mohan as Chairman-cum Managing Director for a period of three years w.e.f. 17.01.2011 without remuneration. The said appointment requires approval of shareholders at the ensuing Annual General Meeting. Hence the Board recommends the same for approval of shareholders.

Except Sri N Krishna Mohan, none of the directors were interested in the resolution.

Item No 5, 6 & 7

Sri P Ramamoorthy was appointed as additional director on the board at the board meeting held on 17.01.2011 and Sri V V S R Anjaneyulu was appointed by the board on 17.07.2011. Sri K P Patnaik was appointed by the Board on 07.04.2011. These directors hold office up to the ensuing Annual General meeting. The company has received proposal from some of the shareholders pursuant to the provisions of section 257 of the Companies Act, 1956. The Board recommends their appointment for approval of shareholders at the ensuing Annual General Meeting.

Except Sri P Ramamoorthy, Sri V V S R Anjaneyulu and Sri K PPatnaik, none of the directors were interested in the resolution.

By Order of the Board
For **Sri Chakra Cement Limited**
Sd/-
K. VIJAY KUMAR
Joint Managing Director

Place: Hyderabad
Date : 29.08.2011

DIRECTORS' REPORT

Dear Shareholder

Your Directors have pleasure in presenting the 29th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March 2011

I. Financial Performance

The financial results for the year ended 31st March 2011 are given below (Rs. in Lakhs)

Particulars	31-03-2011	31-03-2010
Sales Income	7701	10635
Profit (Loss) before interest and Depreciation	917	1066
Financial Charges	151	348
Depreciation	323	323
Profit (Loss) after tax	442	394
Profit (Loss) carried forwarded to Balance Sheet	(3032)	(3704)

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 through the operating agency i.e. IFCI, Hyderabad 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.

Sri P Ramamoorthy, Sri V V S R Anjaneyulu and Sri K P Patnaik were appointed as Additional Directors on the board to hold office up to the ensuing Annual General Meeting. The Company has received proposal from some of the shareholders for their appointment as Directors liable to retire by rotation. The Board recommends their appointment for approval of shareholders ate the ensuing Annual General meeting.

V. 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, 2011 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, 2011 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, 2011 have been prepared on a going concern basis.

VI. 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.

VII. Auditors

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

VIII. 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 2010-11.

IX. 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.

X. Report on Corporate Governance

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

XI. 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.

XIII. 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.

XIV 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

XV. 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.

XVI 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	Sd/-	Sd/-
Date : 29-08-2011	**N. KRISHNA MOHAN**	**K. VIJAY KUMAR**
	Chairman-cum M.D.	Joint Managing Director

Annexure to the Directors' Report

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

FORM – A

Form for Disclosure of Particulars with respect to Conservation of Energy.

S No	Particulars	31.03.2011	31.03.2010
A.	Power and Fuel Consumption		
1)	Electricity		
	a) Purchases (units in Lakhs)	268.05	327.68
	Total Amount (Rs in Lakhs)	1096.04	1137.81
	Rate / Unit	4.09	3.47
	b) Own Generation:		
	i) Through Diesel Generator (Units in Lakhs)	0.78	0.48
	Units per Ltr. of Diesel Oil	2.24	2.84
	Cost / Unit (Rs)	15.28	15.06
	ii) Through Steam Turbine / Generator	NIL	NIL
	Unit (Nos)	-	-
	Units per Ltr of Fuel Oil	-	-
	Gas	-	-
	Cost / Unit (Rs)	-	-
2)	Coal		
	Quantity (M.T)	48255	57645
	Total Cost (Rs. in Lakhs)	1544.63	1657.60
	Average Rate / MT (Rs)	3201	2876
3)	Furnace Oil		- -
4)	Others/ Internal Generation	-	-
	B. Consumption per Unit of Production:		
	Product:		
	Electricity (Units / MT of Cement)	99.65	91.54
	Coal % per MT of Clinker	21%	23%