Book - Post

If Undelivered Please return to :
M/s. **Sri Chakra Cement Limited**
Admn. Off : 6-3-668/1/66, Durganagar Colony,
Punjagutta, Hyderabad - 500082.
Phone : 040-66612374 / 66614633
Email : srichakracement@gmail.com

30th Annual Report 2011-2012

చక్ర సిమెంట్

SRI CHAKRA
CEMENT LIMITED

BOARD OF DIRECTORS

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

AUDITORS :

M/s. 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 : srichakracement@gmail.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
Phone No. : 040-23818475 / 76

NOTICE TO SHARE HOLDERS

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on Saturday the 29th day of September, 2012 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 2012 and the Balance Sheet as on that date and the Auditors and Directors Report thereon.
2. To appoint a Director in place of Sri V V S R Anjaneyulu, 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: 23.08.2012

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, 2012 to 29th September 2012. (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.

By Order of the Board
For **Sri Chakra Cement Limited**

Sd/-
K Vijay Kumar
Joint Managing Director

Place: Hyderabad
Date: 23.08.2012

DIRECTORS' REPORT

Dear Shareholder

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March 2012.

I Financial Performance

The financial results for the year ended 31st March 2012 are given below:

(Rs. In Lakhs)

Particulars	31.03.2012	31.03.2011
Sales Income	11452	7701
Profit (Loss) before interest and Depreciation	1483	903
Financial Charges	671	137
Depreciation	443	324
Profit (Loss) after tax	379	442
Profit (Loss) carried forward to Balance Sheet	(2709)	(3033)

II. Present Status With The BIFR:

Your directors have pleasure in stating that the Hon'ble BIFR has sanctioned the revival Scheme submitted by the IFCI (OA) at the review hearing held on 26.07.2012. The Scheme envisages the reduction of paid up equity shares by 70%. The Company is in the process of implementing the scheme to get the relisting facility in BSE. Your directors are confident that there would be no problem in implementing the revival scheme in order to achieve long term viability of this unit.

III. Directors:

Reappointment of Directors

Pursuant to the provisions of Section 255 and 256 of the Companies Act, 1956 Sri. V V S R Anjaneyulu, 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, 2012 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 Note 25 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, 2012 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, 2012 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 retire 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 2011-12.

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 Para No. 2 of Notes 25 on 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 : 23-08-2012

Sd/-
N. KRISHNA MOHAN
Chairman-Cum-M.D.

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 2012 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	CMD	3	NIL	NIL
2	Sri. V V S R Anjaneyulu	Non Executive Director	Director	3	NIL	NIL
3	Sri K Vijay Kumar	Non Executive Independent Director	Joint Managing Director	3	NIL	NIL
4.	Sri P. Ramamoorthy	Non Executive Independent Director	Director	2	NIL	NIL
5.	Sri. K P Patnaik	Non Executive Independent Director	Director	2	NIL	NIL

3. Reappointment of Directors

Pursuant to the provisions of sections 255 & 256 of the Companies Act, 1956, Sri V V S R Anjaneyulu 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

Sl No	Name	Designation
1	Sri. P. Ramamoorthy	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.

Sl No	Name	Designation
1	Sri P. Ramamoorthy	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.

Sl 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 2012

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.

7. GENERAL BODY MEETING (S)

The particulars of the last three Annual General Meetings are given below

AGM	Year ended	Venue	Date	Time
29th	31.03.2011	6-3-668/10/66, Durganagar Colony, Punjagutta, Hyderabad -500 082	30.09.2011	11.A.M
28th	31.03.2010		30.09.2010	
27th	31.03.2009		30.09.2009	

8. BOARD DISCLOSURES

a) Disclosures of materially significant related party transactions

The Company does not have any related party transactions, which may have potential conflict with the interest of the company. Other related party transactions have been reported at Para No.2 of notes 25 on accounts.

b) Listing of Shares

The Company's equity shares are listed on the Stock Exchange Mumbai and Hyderabad. The shares are traded on the stock exchange (s) in the Dematerialized form with effect from 28th June 2002. Presently the listing has been suspended by the Stock Exchange.

9. General Shareholder Information

Annual General Meeting	:	29.09.2012
Venue	:	6-3-668/10/66, Durganagar Colony, Punjagutta, Hyderabad – 500 082
Financial Year	:	1st April 2011 to 31st March 2012
Book Closure Date	:	28th September 2012 to 29th September 2012

10. Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates returned with in a period of 30 days from the date of receipt, subject to the valid and complete in all respects of the documents. The company has as per the SEBI notification dematerialized its shares and then offering the facility of transfer cum demat.

11. Dematerialization of Shares and Liquidity

The Company's Shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Depository Registrar are confirmed within the Statutory period.

The International Securities Number (ISIN) allotted for the Company by NSDL is INE827DO1012. In case a member wants his shares to be dematerialized, he may send the shares along with the request through his depository participant (DP) to the Registrar, M/s. Venture Capital and Corporate Investments Private Limited, Hyderabad

The Company's Depository Registrars promptly intimate the DPs in the event of any deficiency and the Shareholders is also kept abreast. Pending demat requests in the records of the

Depositories, if any, are continually reviewed and appropriate action initiated.

12. Plant Location

Unit – I Narasimhapuri, Karampudi, Gurajala Taluk, Andhra Pradesh
Unit – II Annamrajupeta, Alamanda, Vijayanagaram Dist, A. P

Address for Correspondence:	Depository Registrar and Transfer Agent
Secretarial Department	M/s. Venture capital and corporate investments Pvt ltd
Sri Chakra Cement Limited	12-10-134, (MIG - 134)
6-3-668/10/66,	2nd floor, Bharath nagar,
Durganagar Colony, Pujnagutta, Hyderabad 500 082	Hyderabad – 500 038.
E-Mail: srichakracement@gmail.com	Ph No. : 040-23818475 / 76

For and on behalf of Board
Sri Chakra Cement Limited.

Sd/-
K Vijay Kumar
Joint Managing Director

Place: Hyderabad
Date: 23.08.2012