Book - Post

If Undelivered Please return to :
M/s. **Sri Chakra Cement Limited**
Admn. Off : 6-3-668/10/66, Durganagar Colony,
Punjagutta, Hyderabad - 500082.
Phone : 040-66612374 / 66614633
Email : srichakracement@gmail.com

31st Annual Report 2012-2013

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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
M. NARASIMHA RAO	-	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

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 31st Annual General Meeting of the Members of the Company will be held on Monday the 30th day of September, 2013 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 2013 and the Balance Sheet as on that date and the Auditors and Directors Report thereon.

2. To appoint a Director in place of Sri P Ramamoorthy, 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 and Co., Chartered Accountants, Hyderabad, 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. To consider and if thought fit, to pass with or without Modification the following Resolution as an Ordinary Resolution :

   Appointment of Sri M. Narasimharao as Director.

   "RESOLVED THAT Sri M. Narasimharao, 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 reveived a notice in writing proposing his candidature for the office of Director and is hereby appointed as Director of the Company liable to retirement by rotation.

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

Sd/-
N. Krishna Mohan
Chairman

Place: Hyderabad
Date: 28.08.2013

NOTES:

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.

1) The Pro::y 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.

2) The Register of Members and Share Transfer Books will remain closed from 29th day of September, 2013 to 30th September 2013. (Both days inclusive).

3) Members are requested to notify immediately any change in their address to the Company/Share Transfer Agents quoting their Folio number.

4) 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.

5) An explanatory statement pursuant to the section 173(2) of the Companies Act, 1956 ia annexed herewith.

EXPLANATORY STATEMENT :

Item No 4: The Board of Directors at their meeting held on 31.01.2013 appointed Sri M Narasimharao as and Additional Director of the Company to hold the office till the conclusion of the ensuing AGM. The Company has received a proposal form shareholder proposing his candidature for the office of the director under section 257 of the Companies Act, 1956. The Board recommends his appointment for approval for shareholders. Except Sri. M. Narasimharao, none of the Directors are in any way interested in the said resolution.

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

Sd/-
N. Krishna Mohan
Chairman

Place: Hyderabad
Date: 28.08.2013

DIRECTORS' REPORT

Dear Shareholder

Your Directors have pleasure in presenting the 31st Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March 2013.

I Financial Performance
The financial results for the year ended 31st March 2013 are given below:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012
Sales Income	15106	14605
Profit (Loss) before interest and Depreciation	946	1483
Financial Charges	205	671
Depreciation	567	443
Profit (Loss) after tax	174	369

REVIEW OF OPERATIONS :

The Company had achieved a turnover in terms of quantity of 363971 Mts during 2012-13 as against 296777 Mts during 2011-12 representing an increase of 22.64% over last year and income generated from sales amounting to Rs. 11565 lakhs as against Rs. 11452 lakhs during 2011-12. The Profit after taxes for the year 2012-13 was Rs. 174 Lakhs as against Rs. 369 lakhs during 2011-12.

PRESENT STATUS WITH THE BIFR :

During the year under review, the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), New Delhi sanctioned the Revival package vide its order dated 26.07.2012. The Scheme inter alia provides various reliefs and concessions from al the concerned state and central governments, secured and unsecured creditors and shareholders. The implementation of the sanctioned Scheme is in process and your directors are very confident that the company would get revived soon.

RESTRUCTURE OF SHARE CAPITAL PURSUANT TO THE PROVISIONS OF THE SANCTIONED SCHEME

Pursuant to the Sanctioned Scheme, the existing paid up share capital of the Company stands reduced by 70% and accordingly, the capital for the year ended 31.03.2013 stands restructured from Rs. 171900800/- divided into 17190080 equity shares of Rs. 10/- each to Rs. 51570240/- divided into 5157024 equity shares of Rs. 10/- each. Thus as per the provisions of the Scheme, a shareholder holding 100 equity shares of Rs. 10/- each prior to the reduction, would receive 30 equity shares after reduction.

LISTING :

In compliance of the sanctioned Scheme dated 26.07.2012, the Company had already initiated the process of reduction of existing share capital and listing of reduced share capital and revocation of suspension of trading of equity shares on the BSE.

DIRECTORS
RETIREMENT BY ROTATION:

Pursuant to the provisions of Section 255 and 256 of the Companies Act, 1956 Sri. P Ramamoorthy, Director who retires by at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Sri M. Narasimharao was appointed as an Additional Director on the Board at their meeting held on 31-01-2013 to hold office till the conclusion of the ensuing AGM. The Company has received a proposal in writing proposing his candidature for the office of Director. The Board recommends his appointment for approval of share holders.

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, 2013 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, 2013 and of the Loss 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, 2013 have been prepared on a going concern basis.

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.

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.

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 2012-13. The cost audit is in progress and the company will submit the cost auditor's report to the central government within the stipulated statutory period.

DIVIDEND :

The Directors have not recommended any dividend during the year 2012-13 to the shareholders as Company is a sick company within the meaning of sick industrial Companies (Special Provisions) Act, 1985 and has accumulated losses.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the matters relating to the Corporate Governance as statutorily required under clause 49 of the listing agreement with the stock exchanges is annexed as a pert of this Annual report together with the report of the Auditors on its compliance. Detailed report on Management

DISCLOSURE AS PER LISTING AGREEMENT

Clause 35 :

The Cash Flow Statement in accordance with accounting standard (AS-3) issued by ICAI is appended to this Annual Report.

Clause 43 A :

The Company shares are listed on the Bombay Stock Exchange, Mumbai, P J Towers, Dalal Street, Fort, Mumbai. It is further informed that the annual listing fees paid for the year 2013-14 to the Bombay Stock Exchange.

Clause 49 :

A detailed compliance report on the corporate governance is enclosed to this Annual report.

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 2 of Notes 25 attached in compliance of Accounting Standard No AS – 18.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO :

The 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 & C to this Annual Report.

SAFETY AND POLLUTION CONTROL :

The manufacturing units are fully compliant with pollution control measures as directed by the statutory authorities from time to time and have obtained necessary approvals from them.

PARTICULARS OF EMPLOYEES :

None of the employees were in receipt of remuneration of Rs.24 lakhs per annum or Rs. 200,000/- per month 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 is not required to be given in this Annual Report.

INDUSTRIAL RELATIONS :

During the year, Industrial relations continued to be cordial. Your Directors take this opportunity to thank all the employees for their dedicated and sincere services towards a harmonious relationship and the progress of the company. The Company is also maintaining a residential colony for its employees.

FUTURE OUTLOOK :

The Cement Industry is expected to grow by 8% during the year 2013-14. The Demand increase is expected to be sustained due to Government spending on infrastructure projects, Rural housing and development and the general increase in the economic activities. However, the excess capacity created by the cement industry during the past years will have an impact on production of cement and sales realization. The capacity demand mismatch is expected to comedown over a period of next few years. Improving the capacity utilization of the industry. The Company would continue to focus on cost control measures and strategic decisions on production and distribution to protect and improve its profitability.

CORPORATE SOCIAL RESPONSIBILITY :

As a Corporate Responsibility, your Company continue to take active participation in the following sectors:

- Financial support for higher education to poor students.

- Physically challenged boys and girls are supported by way of monthly compensation.
- Contributing to cement roads in the neighboring villages.
- Contributing to construction of Schools in terms of free supply / concessional rate of cement
- Purified drinking water to surrounding villages.
- Supporting social and cultural organizations in terms of music, dance to retain the past heritage.

ACKNOWLEDGEMENT :

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 Banks, Financial Institutions and the other 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 : 28-08-2013

Sd/-
N. KRISHNA MOHAN
Chairman

Sd/-
K.VIJAY KUMAR
Joint Managing Director

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance strive to meet its business objectives efficiently and accomplishing its responsibility towards its stakeholders. 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 2012-13 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

BOARD OF DIRECTORS:

The Board comprises of Six directors of whom two are executive and remaining Four are non executive directors. The composition of the Board is in conformity with the requirements of the listing agreement. The Chairman of the Board is an executive and 50% of the directors are non executive directors. Pursuant to the provisions of the clause 49 of the listing agreement all the Board members have disclosed about the board and committee positions held by them in other companies as given below.

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 50% of the Directors are Non executive Independent Directors. The Board consists of the following Directors.

S No	Name of the Director	Category	Designation
1	Sri. N. Krishna Mohan	Promoter and Executive Director	Chairman
2	Sri K Vijay Kumar	Promoter and Executive Director	Joint Managing Director
3	Sri V V S R Anjaneyulu	Promoter and Non Executive Director	Director
4.	Sri P. Ramamoorthy	Non Executive Independent Director	Director
5.	Sri. K P Patnaik	Non Executive Independent Director	Director
6.	Sri M Narasimha Rao	Non Executive Independent Director	Director

During the year 2012-13 the Board met five times. The following table shows details of directors, attendance of directors at the board meeting and at the last annual general meeting, number of membership held by the directors in the board committees of various other companies.

S No	Name of the Director	Category	Attendance Particulars		No of other Director Ship
			Board Meetings	Last AGM	
1	Sri. N. Krishna Mohan	PNE	5	Y	6
3	Sri K Vijay Kumar	PNE	5	Y	4
2	Sri V V S R Anjaneyulu	PNE	5	Y	3
4.	Sri P. Ramamoorthy	INE	5	N	3
5.	Sri. K P Patnaik	INE	4	N	2

Note: No Director holds memberships in more than 10 committees or Chairmanships in 5 Committees in other Companies

Reappointment of Directors:

Pursuant to the provisions of sections 255 & 256 of the Companies Act, 1956, two third of the Board of Directors (excluding Institutional Nominee Directors and Whole time/ Managing Directors) should be retiring by rotation. One of these Directors are required to retire every year, and if eligible, these Directors qualify for re-appointment. Accordingly, Sri P Ramamoorthy, Director retires by rotation and being eligible offers himself for reappointment.

The Board has passed a resolution at the Board meeting held on 23rd August 2013 for appointment of Sri M Narasimha Rao as an additional director on the Board under section 260 of the Companies Act, 1956. The Company has received a proposal from a shareholder proposing Sri M Narasimha Rao as director of the Company under section 257 of the Companies Act, 1956. The Board recommends his appointment for approval of shareholders at the ensuing Annual General Meeting.

4) Committees of Board

AUDIT COMMITTEE:

The Committee comprises of Sri P Ramamoorthy, Chairman, Sri V V S R Anjaneyulu, and Sri K Vijay Kumar as members. The Audit Committee is inter alia responsible for the financial reporting and ensuing compliance also reviews the quarterly financial reporting and ensuing compliance with accounting standards and reviewing financial polices of the company. The Committee also reviews the quarterly financial results and the audited accounts before submission to the Board. During the year under review, the committee met five times.

REMUNERATION COMMITTEE:

The purpose of the Remuneration Committee of the Company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Directors. The Committee has overall responsibility for approving and evaluating and

recommending plans, policies and programs relating to remuneration of Directors of the Company. The committee comprises of Sri N Krishna Mohan, Chairman and Sri P Ramamoorthy and Sri V V S R Anjaneyulu members. During the year no remuneration committee was convened.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Committee comprises of two members Directors viz., Sri N Krishna Mohan and Sri K Vijay Kumar. The committee shall look into the redressing of shareholder and investor Complaints like transfer of shares, non receipts of balance sheet, non receipt of declared dividends and issue of duplicate share certificates and oversees and review all matters connected with the share transfers. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measure for overall improvement in the quality of investor services. The Company has received 15 shareholders complaints during the year and resolved the 15 complaints. There were no pending complaints unresolved as on 31/03/2013.

GENERAL BODY MEETING (S)

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

AGM	Year ended	Venue	Date	Time
30th	31.03.2012	6-3-668/10/66, Durganagar Colony, Punjagutta, Hyderabad -500 082	29.09.2012	11.A.M
29th	31.03.2011		30.09.2011	
28th	31.03.2010		30.09.2010	

DISCLOSURES:

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

b) There are no significant related party transaction that have potential conflict with the interests of the company at large. Suitable disclosure as required by the Accounting standard AS-18 Related party transactions, have been made in the Annual report.

c) Details of non-compliance by the company, penalties and strictures imposed on the company by the stock exchanges or Securities Exchange Board of India (SEBI) or any other statutory authority on any matter related to the capital markets during the last three years- Nil

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

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. The Company is in the process of getting the equity shares relisted on the BSE as per the BIFR orders dated 26.07.2012 and the listing fee has been paid for the year 2013-14.