SRI CHAKRA CEMENT LIMITED

The Cement That You Can Rely On!

35th ANNUAL REPORT 2016-2017

www.srichakracement.com

BOARD OF DIRECTORS

Sri N Krishna Mohan	Chairman cum Managing Director*
Sri V V S R Anjaneyulu	Executive Director*
Sri K Vijay Kumar	Joint Managing Director
Smt K V Nagalalitha	Director
Sri P Ramamoorthy	Director- Independent
Sri K P Patnaik	Director- Independent
Sri P Ramakrishnaiah	Director- Independent
Dr A S Narayana	Director- Independent

*w.e.f. 1-10-2016

MANAGEMENT TEAM

Sri N S R V Prasad	Chief Financial Officer
Sri N Umashankar	Company Secretary
Sri DVDSN Murthy	Chief General Manager (Works)
Sri P Rajendrababu	General Manager (Finance)
Sri C Shankar Rao	President (Marketing)
Sri T Ramasuri	General Manager (Com)
Sri N S Sudhakar	Asst. General manager(EDP)
Sri K Yagnaiah	Asst. General Manager (HR)

Statutory Auditors	Secretarial Auditors
M/s Satyanarayana & Co, Secunderabad- 500 003	K Swamy and Co, Company Secretaries Secunderabad

Internal Auditors	Cost Auditors
C Ramachandram & Co, Chartered Accountants Hyderabad	M/S Bisati & Co, Cost Accountants, Hyderabad, Telangana

Registrar & Share Transfer Agents

M/s Venture Capital & Corporate Investments Private Limited
Hyderabad - 500 018.

Registered Office	Works
Sri Chakra Cement Limited (CIN NO: L40300AP1981PLC002952) D.no.27/4/1, Kannavari thota, Ist floor, beside Central Excise Office, Guntur,522104	**Unit-I** : Sri Narasimhapuri, Karempudi, Guntur District, Andhra Pradesh **Unit-II** : Alamanda, Jami Mandal, Vizianagaram, A.P. **Captive solar Unit,** Srikalahasti, Chittoor Dt.

Head Office

6-3-668/10/66, Durganagar Colony, Punjagutta,
Hyderabad, Telangana- 500 082, Ph: 040 6661 4633
fax: 040 23404657, email srichakracement@gmail.com
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NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the members of **M/s SRI CHAKRA CEMENT LIMITED** will be held on Monday, the **25th day of SEPTEMBER, 2017** at **12.00 Noon,** at the Registered Office located at D.No.27/4/1, Kannavari Thota, Ist Floor, Beside Central Excise Office, Guntur, A.P.-522104 to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Statement of Profit and Loss for the year ended on 31st March 2017 and the Balance Sheet as on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt K V Nagalalitha, Director (DIN: 02223430) who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Sri. N Krishna Mohan, Director (DIN: 00698772) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint of M/s. DVR & Co, Chartered Accountants (Firm Regn No 007584S), Hyderabad as statutory auditors of the Company and fix their remuneration.

   "RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions of the Companies Act, 2013 and Rules as amended to date, pursuant to recommendation of the Audit Committee of the company and pursuant to the proposal of the Audit Committee of the Board and Recommendation of the Board, M/s DVR & Co, Chartered Accountants (ICAI Firm Registration number:007584S) be and is hereby appointed as the statutory auditors of the company, to hold office for a period of five consecutive years commencing from the financial year 2017-18 i.e. from the conclusion of this 35th Annual general Meeting till the conclusion of the 40th Annual General Meeting of the company to be held in the year 2022, subject to ratification by the Members at every Annual General meeting hereafter, on a remuneration that may be determined by the Board in consultation with the auditors.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

   To approve alteration of articles of association in respect of Article 181 of the AOA

   "Resolved that pursuant to the provisions of Section 14 read with the Section 203(1) of the Companies Act, 2013 and Rules made there under, consent of the company be and is hereby accorded to amend the Article-181 of the Articles of Association of the company by substitution of the following new article-181: Accordingly, the article 181 of the AOA reads as follows:-

181. Subject to the provisions of the Act, the Board shall have power to appoint from time to time one or more of their body to the office of the Managing Director or Whole-time Director severally and also to appoint Chairman-cum-Managing Director or Chief Executive Officer of the company for such period and on such terms as they think fit for such period not exceeding five years at a time. A Director so appointed shall be subject to retirement by rotation. The Board may by resolution vest in such Managing Director or Whole time Director or Chairman cum Managing Director or Chief Executive Officer such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director/whole-time Director and Chairman cum Managing Director or Chief Executive Officer may be by way of monthly payment, participating in profits or by either or both of these modes or any other mode not expressly prohibited by the Act.

6. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

   To Appoint Sri N Krishna Mohan as Chairman cum Managing Director

   RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 of the Companies Act, 2013 read with Part-I(c) of Schedule-V to the Companies Act, 2013 and articles of association of the Company, subject to the approval of the shareholders, the consent and approval of the company be and

is hereby accorded to the appointment of Sri. N. Krishna Mohan Chairman-Cum-Managing Director of the company for a term of three years with effect from 01.10.2016.

RESOLVED FURTHER THAT pursuant to Section-I of Part-II of Schedule-V to the Companies Act, 2013 read with Section 197 and 198 of the said Act and pursuant to the resolution passed by the Nomination and Remuneration Committee of the company, remuneration by way of 3.33% of net profits of the company be paid to Sri. N. Krishna Mohan during the term of his office.

RESOLVED FURTHER THAT pursuant to Section II of Part-II of Schedule-V to the Companies Act, 2013 and pursuant to the resolution passed by the Nomination and Remuneration Committee of the company Board, in the event of any loss, absence or inadequacy of profits of the company in any financial year, during the term of office of Sri. N. Krishna Mohan, minimum remuneration of Rs.84.00 lakhs per year shall be paid to him.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the above resolution."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

To Appoint Sri V V S R Anjaneyulu as Executive Director

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 read with Part-I of Schedule-V to the Companies Act, 2013 and pursuant to the Articles of Association of the company, the consent and approval of the company be and is hereby accorded to the appointment of Sri. V.V.S.R. Anjaneyulu, Executive Director of the company for a term of three years with effect from 01.10.2016.

RESOLVED THAT pursuant to Section-I of Part-II of Schedule-V to the Companies Act, 2013 read with Section 197 and 198 of the said Act and pursuant to the resolution passed by the Nomination and Remuneration Committee of the company , remuneration by way of 3.33% of net profits of the company during balance term of office of Sri. VVSR. Anjaneyulu, Executive Director.

RESOLVED FURTHER THAT pursuant to Section II of Part-II of Schedule-V to the Companies Act, 2013 and pursuant to the resolution passed by the Nomination and Remuneration Committee of the company Board, in the event of any loss, absence or inadequacy of profits of the company in any financial year, during the term of office of Sri. VVSR. Anjaneyulu, Executive Director, minimum remuneration of Rs.72.00 lakhs per year, being the double the amount of limit of Rs.36.00 lakhs shall be paid to him.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the above resolution."

8. To consider and if thought fit, to pass the following resolution as an Special Resolution:

To approve payment of remuneration to Sri K Vijay Kumar as Joint Managing Director

"RESOLVED THAT pursuant to Section-I of Part-II of Schedule-V to the Companies Act, 2013 read with Section 197 and 198 of the said Act and pursuant to the resolution passed by the Nomination and Remuneration Committee of the company, consent of the company be and is hereby given for payment of remuneration by way of 3.33% of net profits of the company during balance term of office of Sri. K. Vijay Kumar, Joint Managing Director.

RESOLVED FURTHER THAT pursuant to Section II of Part-II of Schedule-V to the Companies Act, 2013 and pursuant to the resolution passed by the Nomination and Remuneration Committee of the company Board, in the event of any loss, absence or inadequacy of profits of the company in any financial year, during the term of office of Sri. K. Vijay Kumar, Joint Managing Director, minimum remuneration of Rs.72.00 lakhs per year shall be paid to him, being the double amount of the limit of Rs.36.00 lakhs.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the above resolution."

9) To consider and if thought fit, to pass the following resolution as an ordinary Resolution

Appointment of M/s Bisati & Co, Cost accountants as Cost Auditors for the year 2016-17.

"RESOLVED THAT pursuant to the provision of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the remuneration payable to M/s. Bisati & Co., Cost Accountants, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the company for the financial year 2016-17, amounting to Rs. 1,00,000/- (Rupees One Lakh only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

10) To consider and, if thought fit, to pass, the following resolution as an special resolution

To approve the proposal of delegation of authority to the Board of Directors of the Company to deal with dealing with transactions such as obtaining unsecured loans up to a maximum of Rs 25,00,00,000/- (Rupees Twenty Five Crores only) and material transaction, if any, from time to time, with the directors/associates/other related parties pursuant to the provisions of Sec.188 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules 2014 and in this regard to consider and if thought fit, to pass the following Resolutions with or without modifications, as a special resolution.

"RESOLVED THAT in pursuance of Section 188 of the Companies Act 2013 read with the Companies (Meeting of the Board and its Powers) Rules 2014, the consent of the Company be and is hereby accorded for dealing with transactions such as obtaining unsecured loans up to a maximum of Rs 25,00,00,000/- (Rupees Twenty Five Crores only) and material transaction, if any, from time to time, with the directors/associates/other related parties

By Order of the Board
For SRI CHAKRA CEMENT LIMITED

Sd/-
K VIJAY KUMAR
Joint Managing Director

Place : Hyderabad
Date : 14.08.2017

I. NOTES FOR ANNUAL GENERAL MEETING:

1) Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be valid must be received by the company not less than 48 hours before the meeting.

2) A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights members holding more than 10 percent of the total share capital of the company carrying voting rights may appoints a single person as proxy and such person shall not act as proxy for any other member.

3) Corporate member intending to send their authorised representative to attend the AGM are requested to send a duly certified copy of their board resolution authorising their representative to attend and vote at the AGM.

4) In case of joint holders attending meeting, only such joint holder who is higher in the order names will be entitled to vote.

5) Member / Proxies / Authorised Representative should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.

6) The Register of Members and Share Transfer Books of the Company shall remain closed on 25th September 2017 for the purpose of the Annual General Meeting.

7) The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing properties compliances by Companies through electronic mode. As per the Circular No. 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs, companies can now send various notices/ documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc) to their shareholders through electronic mode, to the Registered email address of the shareholders.

8) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market, members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts, Members holding shares in physical form should submit their PAN to the Company / Registrar.

9) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nominations in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic / demat form, the members may please contact their respective depository participant

10) In terms of Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry if Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents viz., M/s Venture Capital & Corporate Investments Private Limited whose e-mail id is info@vccilindia.com mentioning the Company's name i.e., Sri Chakra Cement Limited, so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.

11) Notices/ documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address has been registered with the Company. Members who would like to receive such notices/documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail address.

- In respect of electronic shareholding – through their respective Depository Participants.
- In respect of physical shareholding – by sending a request to the Company's Share Transfer

Agent at M/s Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharatnagar, Hyderabad-500018, Tel No.040-23818475/76, Email ID: info@vccilindia.com, mentioning therein the Company's name i.e., Sri Chakra Cement Limited, their folio number and e-mail address. The Annual Report 2016-17 as circulated to the members of the Company is also available on the website of the Company www.srichakracement.com.

12) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

13) Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

14) Details of reappointment of director retired by rotation as per the item No.2 & 3 of the Notice of the meeting are furnished in a separate annexure to the notice as required under Regulation-27 of the Listing Regulations.

15) It is to inform all the members that the Company's RTA has already dispatched the new share certificates consequent to reduction of capital by 70% as ordered by BIFR during 2012 and hence, the old share certificates which are in possession of shareholders shall be null and void. In this, case, earlier also, the company has informed all the members to submit old share certificates to get new certificate and send the pan card, address proof and specimen signatures for updating of records. In case, any shareholder who did not get share certificate may please write to company's RTA by submitting their particulars with the above documents to get the same dispatched again.

II. <u>THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER</u>:

Voting Options:-

I. VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 and the corresponding Rules of Companies Act, 2013 read with the Rule-20 of the Companies(Management and Administration) Rules, 2014 as amended to date, it is stated that

(a) The Company has provided e-voting facility to the members using the Central Depository Services Ltd, (CDSL) platform and all the business as per the notice of the 35th annual general meeting of the company will be transacted through the electronic voting system.

(b) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

(c) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Friday, the 22nd day of September, 2017 at 10.00 a.m. and ends on Sunday, the 24th day of September, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 18th September,2017, may cast their vote electronically, the e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL : 16 digits beneficiary ID,

b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the image verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evoitngindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user, follow the steps given below:

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Dept.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions "FAQs") and e-voting manual available at www.evotingindia,com, under help section or write on email Helpdesk.evoting@cdslindia.com.

II. VOTING THROUGH BALLOT :-

III. The company is providing the facility of ballot form in terms of Regulation 44(1) and (2) of the SEBI Listing Regulations, to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form is enclosed along with the Annual Report. The last date for receiving the duly filled and signed ballot form will be Sunday, the 24th day of September, 2017 at 5.00 p.m. Ballot forms received after this date shall not be considered.

IV. VOTING AT AGM :-

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM.

Other Instructions

1. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts vote by all the three modes, then voting done through e-voting shall prevail and voting through other modes shall be treated as invalid.
2. The Company has appointed M/s. K. Swamy& Co., Practicing Company Secretary, to act as the Scrutinizer. The Scrutinizer shall first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the present of at least two witnesses not in the employment of the company and make, not later than three (3) days of conclusion of the meeting, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
3. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The results declared along with the report of the scrutinizer shall be placed on the website of the company immediately after the result is declared by the Chairman and the company shall simultaneously forward the results to the concerned stock exchange where its equity shares are listed.

EXPLANATORY STATEMENT TO THE NOTICE UNDER SECTION 102(1) OF THE ACT.

Item No 5 to 8: Appointment of Sri N Krishna Mohan as Chairman cum Managing Director and Sri V V S R Anjaneyulu as Executive Director with remuneration and payment of Remuneration of Sri K Vijay Kumar.

The Board of Directors of the Company vide its meeting held on 04.11.2016 appointed Sri N Krishna Mohan as Chairman Cum Managing Director and Sri V V S R Anjaneyulu as an Executive Director of the Company w.e.f. 01.10.2016 for three years with remuneration as stated in the above resolutions and also approved payment of remuneration to Sri K Vijay Kumar as per the item 8. Accordingly, the same requires approval of shareholders for which the Board recommend the same for such appointments and alteration of Article 181 of AOA. None of the Directors are interested in the above resolutions.

Item No 9: The Board of Directors of the Company on 15.05.2017, appointed M/s Bisati & Co, Cost Accountants for conducting cost audit for 2016-17 at a remuneration of Rs 1,00,000/- p.a. The Board recommends their approval for your approval at the ensuing annual general meeting. None of the directors are interested in the resolution.

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Rules 2014 to ena
s 25,00,00,000/-
the directors/assoc

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Name of the Director	

Statement of particulars in respect of the proposed appointments with remuneration as specified in item No 6-8 of the Notice as per clause iv of Section 2 of Schedule V of the Companies Act, 2013

General Information	
Nature of Industry	Cement manufacturing unit
Date of Commencement	Existing industry since 1985
Financial Performance	Average turnover durin

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

We have pleasure in presenting this 35th Annual Report of the Company together with the Audited Statements of Accounts, Management Discussion and Analysis for the year ended 31st March, 2017.

Financial Results: **(Rs. In Crs)**

Sl.No.	Particulars	2016-17	2015-16
1	Revenue from operations	247.34	253.00
2	Profit Before Interest, Depreciation and Taxes	12.40	28.89
3	Profit before tax	5.66	20.76
4	Provision for tax	2.10	2.78
5	Net profit after tax	3.43	18.24
6	Balance brought forward from previous year	6.85	(11.39)
7	Net Surplus	10.28	6.85

Review of Operations:

Sl. No.	Particulars	UNIT	2016-17	2015-16
1	Clinker Production	Mts	387293	404353
2	Cement Production	Mts	499730	495333
3	Cement Sale	Mts	499630	507811
4	Earnings Per Share	Rs/ Share	4.02	19.99

During the year under review, the cement production quantity has gone up by 0.88% while Cement sale quantity declined by 1.61%, which resulted in decrease in sales revenue by 2.37%. The Company has earned a net profit of Rs 3.43 Cr as against Rs 18.24 Cr during 2015-16 representing a decline of 14.81 Crores due to mainly rise in the coal, power and other input costs, low sales realisation and non provision of concessions etc. Despite the rise in the coal price, the coal consumption has been reduced from 17.11% to 16.55% during 2016-17 while power consumption got reduced to 81.07 units per mt of cement.

Board of directors, key managerial personnel and changes during the year:

The Board is duly constituted and balanced as required under the Companies Act, 2013 and the Listing Regulations/Agreement read with the policy of the Board of directors appointment and remuneration in terms of the provisions of Section 134(3)(e), read with sub-section (3) of Section 178 of the Companies Act, 2013. During the year under review, Srmt K V Nagalalitha, and Sri N Krishna Mohan, Directors of the company will retire by rotation and being eligible, offers themselves for reappointment at the ensuing annual general meeting.

Further, w.e.f. 01.10.2016, Sri N Krishna Mohan and Sri V V SR Anjaneyulu have been appointed by the board as Chairman cum Managing Director and Executive Directors respectively with a remuneration while fixed the remuneration of Sri K Vijay Kumar, Joint Managing Director as specified in the notice of AGM mentioned supra subject to the approval of the shareholders at the ensuing Annual General Meeting. There is no change in the key managerial personnel appointments.

Performance Evaluation Of Board, Committees, Individual Directors And Familiarisation Programme For Independent Directors:

- **Board Evaluation:** During the year under review, the Board carried out an annual evaluation of its own performance on the basis of criteria such as Board composition, structure and effectiveness of the Board

Processes, information flow to the Board and functioning of the Board etc. Considering the requirements of the relevant statutes.

- **Evaluation of Committees:** Performance of Committees of the Board was evaluated on the basis of composition, effectiveness of working and independence etc.
- **Evaluation of Individual Directors:** The Board and nomination and Remuneration Committee evaluated the performance of individual directors on the basis of criteria such as attendance, contribution of Directors at Board/Committee Meetings, adherence to ethical standards and code of conduct of the Company, interpersonal relations with other directors, meaningful and constructive contribution and inputs in the Board/committee meeting etc.
- **Familiarisation programme for Independent Directors:** A detailed presentation covering the role, duties and responsibilities of the independent directors, company objectives, strategy, operations, organisation structure etc made at the time of their appointment, is sent to the existing independent directors every year.
- In Accordance with section 149(7) of the Companies Act, 2013, each Independent Director has given declaration to the company confirming that he meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' responsibility statement:

Pursuant to Section 134 (5) of Companies Act, 2013, the Board of Directors to the best of their knowledge and belief state that:

(a) In the preparation of annual accounts for the year ended 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and Fairview of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.

© The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

(d) The director had prepared and annual accounts on a going concern basis., and

(e) In the case of listed company, directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The director had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors:

(a) **Statutory Auditors:** As per the Companies Act, 2013, the term of the Existing statutory Auditors M/s Satyanarayana & Co., Chartered Accountants would expire at the ensuing Annual General Meeting and in compliance with the requirements of the Act, M/s DVR & Co, Chartered Accountants, Hyderabad are proposed to be appointed as Statutory Auditors for the year 2017-18 in place of the existing auditors. The Company received a declaration stating that M/s DVR & Co, Chartered accountants, if appointed, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

(b) **Cost Auditors:** M/s Bisati & Co, Cost Accountants are the Cost Auditors appointed by the company Board for auditing the cost accounts of the company for the year ended 31.03.2017.

©) **Secretarial Auditors:** M/s K. Swamy & Co., Company Secretaries in practice are the Secretarial

Auditors appointed by the board of directors of the company for the year 2016-17.

Disclosure of particulars of employees and related matters:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Director is given in a separate annexure to this Report--. Particulars of employees as per the Rule-5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the company.

Statutory auditors comment in the independent auditors' report and reply :

With regard to the observations of the Statutory Auditors regarding the confirmations from some of the parties, it is hereby clarified that the company has obtained confirmations from major accounts and some minor accounts, the Board felt that it was required as there is no impact on the accounts.

Other Disclosures

Board Committees : The details of composition, terms of Reference, meetings and attendance particulars of various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Share Transfer Committee are provided in the Corporate Governance Report vide **annexure No 5** to this Directors report. The intervening gap between the meetings of the Committees are within the prescribed period under the Companies Act, 2013 and the listing regulations. The Audit Committee consists of 2 independent directors i.e. Sri P Ramamoorthy and Sri P Ramakrishnaiah and one non executive director i.e Smt K V Nagalalitha.

Loans, Guarantees or Investments: There were no loans/guarantees given by the company during the financial year 2016-17.

Contracts or arrangements with Related Parties: All related party transactions that were entered into during the financial year 2016-17 were on an arms length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the listing regulations. There were no material related party contracts or arrangements or transactions made by the company. During the year that would have require shareholders approval under section 188 or of the Listing Regulations. The Company has adopted a related party transactions policy duly approved by the Board, which is uploaded on the Companies Website. Details of the related parties disclosures (transactions) are provided in the accompanying financial statements.

Deposit from the Public: the company has not accepted any deposits from public covered under chapter V of the Companies Act, 2013 and as such no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

Vigil Mechanism/ Whistle Blower Policy: The Company has adopted a whistle blower policy ad has established a clear vigil mechanism and directors to report concerns un ethical behaviour. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the chairman of the audit committee. The whistle blower policy may be accessed on the website of the company.

Prevention of Sexual Harassment at Workplace: The company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the work place in line with the provisions of the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made there under, your Company has constituted Internal Complaints Committee (ICC). The Committee has four members and is chaired by a senior women member of the organisation. It is stated that there are no such complaints received by the committee/company during the year under review.

Material changes after close of the financial year: There have been no material changes and commitments which have occurred after the close of the year till date of this report, effecting the financial position of the company.

Significant and material orders passed by the Regulators or Courts: No significant material orders have been passed by the regulators or courts or tribunals which would impact the going concern status of the company and its future operations.

Listing with Stock Exchanges: The equity shares of the company are listed on the BSE. The listing is under suspension and your directors have already initiated steps for revocation of suspension with the stock exchange. The company confirms that it has paid the Annual Listing Fees for the year 2017-18.

Subsidiary Companies: The Company has no subsidiary companies.

Global Economy: Growth of global economy continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies and the political developments in United State of America and United Kingdom are expected to have long-term effects on the global economy. Supported by the growth in Industry and service sectors Global Economic activity is picking up and the growth is expected to rise from 3.1% in year 2016 to 3.5% in 2017 and 3.6% in 2018.

Indian Economy: Indian economy followed a path of recovery during the year 2016-17, registering growth in the first three quarters with the Agrarian and Rural economy, benefiting from a good monsoon after two successive rain deficit years and the favourable policy as well as executive reforms by the Government to support strong and sustainable growth, the prudent fiscal regime and calibrated monetary easing that reigned in inflation, have helped to strengthen macroeconomic stability. However, according to estimates, India's GDP growth has moderated in FY 2016-17 to 7.1% from 7.6% recorded in the previous financial year. This happened largely owing to the demonetization initiative that led to temporary de-circulation of money and the situation has largely normalized, following the Government's re-monetization process.

Outlook: The growth momentum in Indian economy should rise, driven by the Government's policy initiatives in areas such as Taxation (GST), Foreign Direct Investment (FDI), and the ease of doing business and a well-regulated monetary policy by the Reserve Bank of India to stabilize prices, and improving fiscal Condition. According to the Report of Asian Development Bank (ADB), The India's economy is set to grow at 7.4% in the current fiscal year 2017-18 against 7.1% in the previous year. As per research, Cement demand is expected to increase by 5-6% y-o-y in FY18 on account of increased spends on roads and railways, push on affordable housing by central govt. Further materialization of pent-up demand, particularly in rural housing and low base is expected to support modest increase in demand. Over a five-year period, cement demand is projected to increase at 6-7% CAGR, led by revival in government spending in housing (esp. affordable housing), marginal uptick in private housing, and fast growth in infrastructure spends like urban infrastructure, road, and irrigation. The impact of major reform in taxation i.e. GST legislation is yet to be felt.

Opportunities and Threats: The industrial environment of the country offers several opportunities for further improvement in the performance of the company. Given the size of population in the country, there are reasonable opportunities for the demand to pick up further. The need for creation of more and more houses specifically in the affordable segment, sea ports, airports and other such infrastructure facilities to improve the standard of living of the vast population has a large potential for the country. All the development efforts of the Governments are aimed at the welfare and well being of the masses and hence the need for and demand of cement is expected to go up. Through opportunities are there, it cannot be presumed that it is going to be an easy journey. There are number of challenges which have to be tackled carefully in order to ensure a smooth journey the increase in the price of coal and other inputs poses a threat to the industry. Normally all the increases in the costs of inputs are expected to be passed on to the buyers, but in the case of an oversupply situation, the supplier is compelled to absorb some of the increases in costs. This has already happened in 2016-17 and the industry's ability increased input costs have been tested in the year and the industry is only partially successful. That fact that most of the ingredients/ raw materials are under Government controlled mechanism, it makes life difficult for the industry to resist the increase in the input costs. The Mines and Minerals (Development and regulation) Act, 2015 though brought positive impact in terms of the increased lease periods, it has also brought additional levies such as District Mineral Foundation, national Mineral Exploration trust etc, which have major impact on the cost structure of the cement industry and it has been

difficult to increase the prices of cement to take care of such additional costs and incase of any attempt to increase prices, it triggers pressure from Consumers and Governments.

Segment-wise or product-wise performance: The Company is mainly engaged in the business of manufacturer of OPC 53/ 43 and PPC grade cement. Accordingly this is the only Single Reportable Segment.

Risk and concerns: The risks and concerns which are applicable to all industries and specially to cement industry can be said to be prevalent in the case of your company as well. Few of the major risks are given below. Periodical increases in the cost of inputs leading to impact on margins

- Uncertainty in coal supplies and increases in the prices.
- Failure or deficiency in the monsoon which may lead to reduction/ loss of revenue due to reduction in demand for cement
- Changes in Government policy impact the costs, demand and supply.

Internal control systems and their adequacy: The Company's internal control system in place has a process designed to take care of various controls and audit requirements. It ensures effectiveness in the operations and protection of the company's assets from any possible loss and unauthorised use. It also ensures proper and correct data being recorded. The design of the transactions is such that there is an adequate, appropriate and need based control on the activities/ business processes of the company. The Internal control system is augmented by an established internal audit system which is carried out by outside chartered accountants of the repute and experience. Regular reviews of internal audit are carried out to ensure robustness of the systems and control environment. The internal auditors submit their reports to the audit committee of the Board of Directors for their review. It is also ensured that the internal audit scope is adequate and their reviews are well directed to achieve the desired objectives. The committee also reviews the adequacy and effectiveness of the internal control systems and suggests improvements from time to time. The Compliance to the legal and statutory requirements is given utmost importance as also to ensure efficiency in operations/ reporting and controls. All parameters in operations/ activities are monitored regularly to ensure desired results.

Human resources development and industrial relations: The main focus of the company is to attract, develop and retain talented employees in order to achieve the business objectives. The company has made efforts in the field of training and development, congenial work environment, providing challenging work opportunities etc. The Company has framed HR practices in order to strengthen and building people talent for achieving the business objectives. Initiatives to develop leadership lines as well as enhance technical and functional capability with special focus on nurturing young talent are taken. Young managers are groomed by providing higher responsibilities, Focus remains on gaining cross functional knowledge to enable meaningful participation of employees all across of the company in innovation and process improvement. With the company entering in next phase of growth, the nurtured talent pool will enable smooth transition to new growth trajectory. During the year employee relations remained cordial. This has enabled company to build healthy relationship and resolve issues through dialogue and discussions.

Annexures to the Directors' Report

Corporate Social Responsibility: The Company has considered Corporate Social Responsibility (CSR) as a voluntary activity and a part of its long term vision o creating value for all stakeholders and society Accordingly, CSR is an integral part of the company's business. In order to oversee all its CSR activities and objectives such as healthcare, education, women empowerment and rural development and conservation of natural resources, the company has constituted a Board level Committee " Corporate Social Responsibility Committee" in terms of section 135 and Schedule VII of the Companies Act, 2013 read with the provisions of the listing agreement/ regulations. During the year under review, the Company has spent Rs 21 Lakhs towards CSR activities as detailed in a separate annexure to this annual report as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 along with the CSR Policy vide **Annexure 1** and the same may also be accessed on the company's website.

Conservation of energy, technology absorption, foreign exchange earnings and outgo: The information relating to the conservation of energy, technology absorption, foreign exchange earnings/outgo, as required under the Companies Act, 2013 and the rules made there under is set out in **Annexure 2** which forms part of this Annual Report. The Board noticed that the company has invested in installing in equipments at plant which resulted in bringing down the power consumption to 81.07 units per tonne of cement while the coal consumption was reduced and calorific value was brought down to 750 Kcal/kg clinker.

Secretarial Audit Report: The Company's Secretarial Auditors M/s K Swamy and CO, has issued their Report fot the year 2016-17 which is attached to this Directors' Report vide **Annexure-3** in the respective form MR-3

Extract of Annual Return: An Extract of the Annual Return as required under the provisions of Section 134(3)(a) of the Companies Act, 2013 is annexed herewith as **Annexure-4** which forms part of this report.

Corporate Governance Report : Pursuant to the Listing regulations, the company has complied with the guidelines and a statement on the corporate governance report for the year 2016-17 is attached to this Report vide **Annexure-5.**

Disclosure of Remuneration: A Statement as required under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure 6.**

A statement of related party transactions took place during the financial year 2016-17 is enclosed in Form AOC-2 as an **Annexure 7:**

Compliance Certification by CEO / CFO: a certificate signed by CEO and CFO of the company for the year 2016-17 has been obtained and enclosed as **Annexure 8**.

Acknowledgement:

The Directors take this opportunity to place on record there sincere appreciation for the commitment, hard work and high engagement level of every member of the Sri Chakra Family which has made the company to achieve exemplary performance year after year. The Directors would like to thank take this opportunity to express their thanks to various departments of the Central and State Government, local authorities for their continued cooperation and support. They also Extn the Form report. Minf M M high of 1111 11111

ANNEXURE 1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/INITIATIVES.

(Pursuant to Section 135 of the Companies Act, 2013 and Rule made there under)

SI NO	Particulars	Description
1	A brief outline of the Company's CSR Policy including overview of the programmes proposed to be undertaken and reference to the web link to the CSE Policy and projects or programmes.	As per the provisions of the Companies A

[redacted]

ANNEXURE –3

Secretarial Audit Report ((FORM MR-3)-[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 for The Financial Year Ended 31st March, 2017.

To
The Members of
M/s Sri Chakra Cement Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by M/s Sri Chakra Cement Limited (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1st April, 2016 and ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Sri Chakra Cement Limited ("The Company"), for the financial year ended on 31st March, 2017, according to the provisions of:
   - i. The Companies Act, 2013 (the Act) and the Rules made there under;
   - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
   - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment(FDI) and Overseas Direct Investment and External Commercial Borrowings;
   - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
   - vi. Specific Laws applicable to the Company:
     - a. Cement Control Order, 1967
     - b. Cement Cess Rule, 1993
     - c. Cement (Quality Control) Order, 1995 and 2003
     - d. Bureau of Indian Standards Rules, 1987.
     - e. Mines and Minerals (Regulation and Development) Act, 1957.
     - f. The Mines Act, 1952
     - g. The Explosives Act, 1884.
   - vii. General Laws applicable to the company:
     1. Factories Act, 1948;
     2. Industrial Disputes Act, 1947;
     3. The Payment of Wages Act, 1936;

4. The Minimum Wages Act, 1948;
5. The Employees Compensation Act; 1923
6. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
7. The Payment of Bonus Act, 1965;
8. Equal Remuneration Act, 1976;
9. The Environment (Protection) Act, 1986;
10. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
11. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual as related to wages, gratuity etc.;
12. The Air and Water (Prevention & Control of Pollution) Acts;
13. Acts as prescribed under Direct Tax and Indirect Tax;
14. Land Revenue laws of the State of AP;
15. Labour Welfare Act of the State of AP;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
   I. The Securities and Exchange Board of India(Issue of Capital and Disclosures Requirements) Regulations, 2009;
   ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   iv. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
   vi. The Securities and Exchange Board of India (Share Based Employees Benefits) Guidelines, 2014;
3. We have also examined compliances with the applicable clauses of the following:
   i. Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
   ii. SEBI Listing Regulations, 2015.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

OBSERVATIONS:

(a) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
   (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
   (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;

(iii) Overseas Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.

(b) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under Report.

(c) As per the information and explanation provided by the company, its officers during the conduct of the audit, we report that the equity shares of the company are suspended for trading by the BSE in the earlier years.

(d) As per the information and explanation provided by the company, its officers during the conduct of the audit, we report that the company was sanctioned revival scheme approved by the Hon'ble BIFR and the scheme is implemented.

5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Act, Laws and Regulations as applicable to the Company is given under para-1(vi and vii) above.

6. <u>We further report that:</u>

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.

(c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

7. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For K. SWAMY AND CO.,
Company Secretaries

Sd/-
(K. SWAMY)
FCS NO.3743
CP.NO.2013

Place : Secunderabad
Date : 14-08.2017

(This Report is to be read with our letter of even dated annexed herewith which forms an integral part of this Report).

To,
The Members
M/s. Sri Chakra Cement Limited
Hyderabad.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. REPORT ON THE SECRETARIAL AUDIT:

(a) We have audited the statutory and company secretarial books, papers, minutes books, forms and returns and other records maintained by M/s Sri Chakra Cement Limited (the company) for the year ended 31st March 2017 pursuant to the various Acts, Rules, Regulations and Guidelines applicable to the company as specified in our Report accompanying this letter.

2. MANAGEMENT RESPONSIBILITY:

(b) The Company's Management is the responsible to maintain and keep various statutory and secretarial books, records, and registers as stated under the provisions of Section 85(1),88(1),94(1),118(1),119(1),128(1) to 128(5),170(1),1869(9) and (10),189(1) and 190(1) of the Companies Act,2013 and the relevant Rules made there under and further in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India as notified under the Companies Act,2013. It is the responsibility of the management of the company to ensure proper compliance with the provisions of all applicable laws, rules, guidelines and regulations.

3. AUDITOR'S RESPONSIBILITY:

(c) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(d) Our Responsibility is to express an opinion on these Secretarial records, standards and procedure followed by the company with respect to the secretarial compliances.

(e) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

(f) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(g) We believe that audit evidence and information provided by the company's management is adequate and appropriate for us to provide a basis for our opinion.

4. DISCLAIMER :

(h) The accompanying Secretarial Audit Report is neither an assurance as to the futures viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For K.Swamy and Co.,
Company Secretaries.

Sd/-
(K.Swamy)
Proprietor
FCS No.:3743
CP No.2013

Place : Secunderabad
Date : 14th August,2017

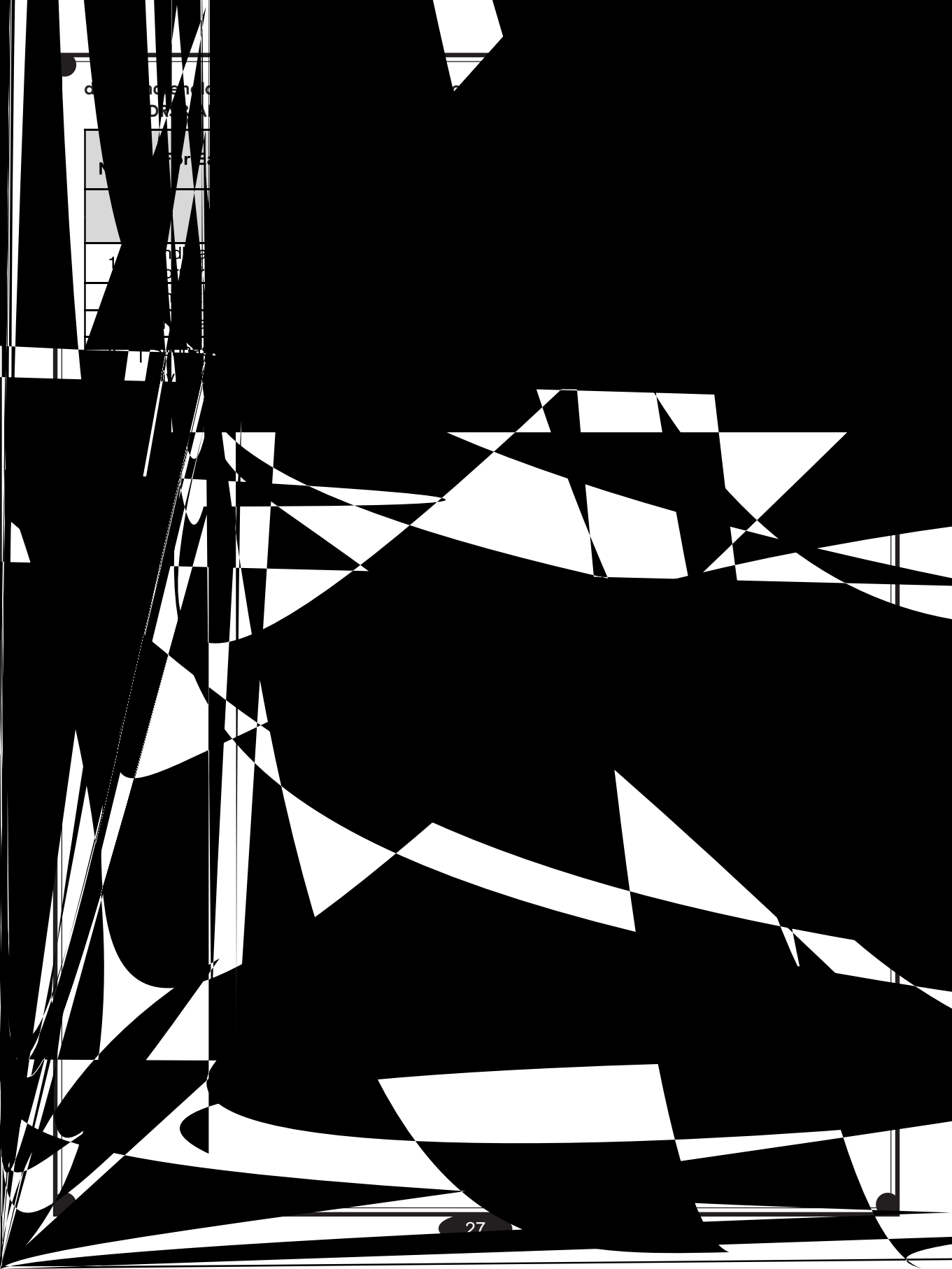
ANNEXURE 4

EXTRACT OF ANNUAL RETURN (FORM MGT 9)

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31.03.2017

I. REGISTRATION & OTHER DETAILS:	



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ANNEXURE 5

REPORT ON CORPORATE GOVERNANCE

In terms of compliance with regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report is set out herewith along with relevant disclosures as required there under.

Company's' philosophy:

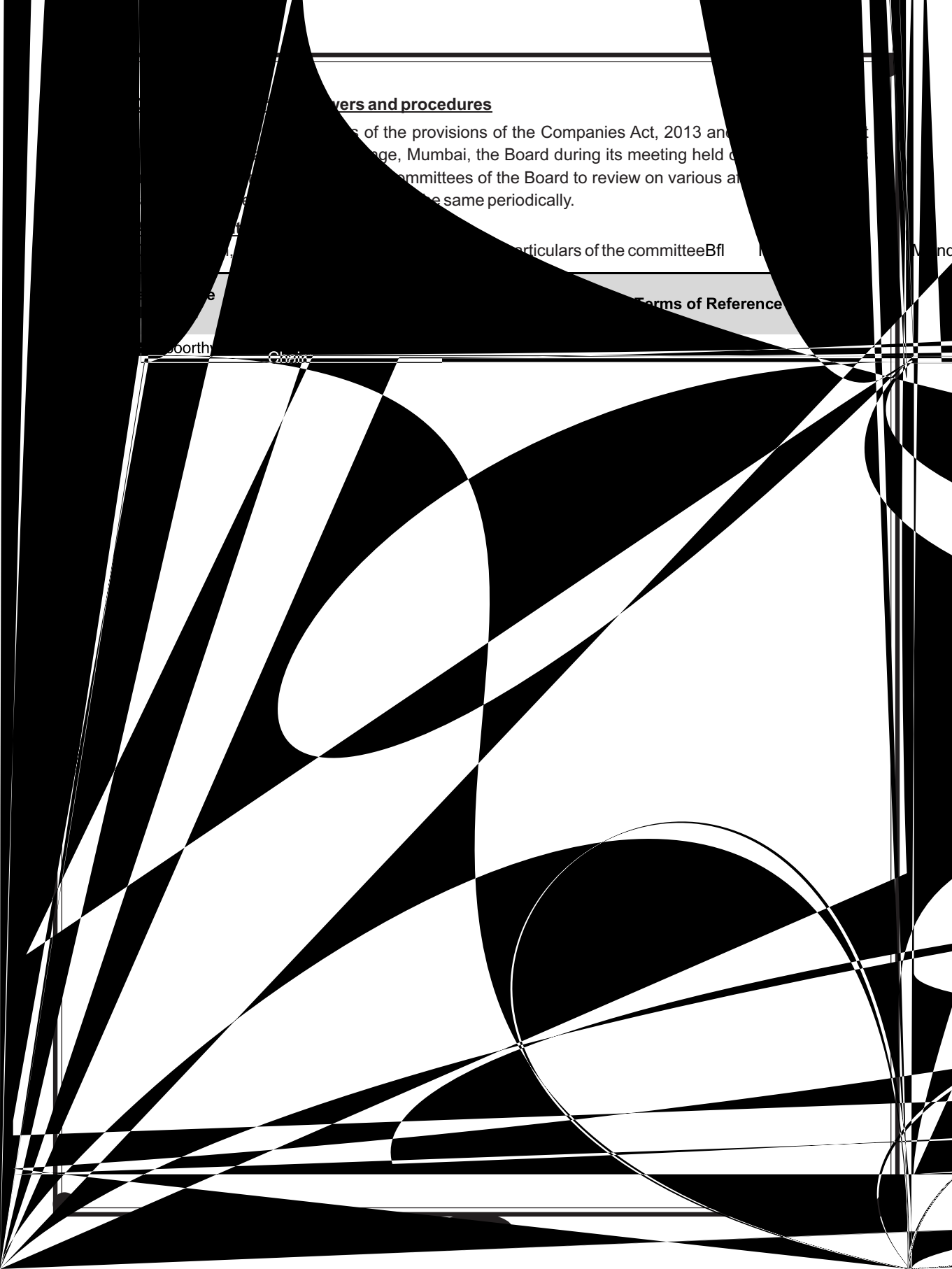
The company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of company board is well balanced with a view to manage the affairs of the company efficiently and professionally. The management believes that corporate growth, goals, transparency and enhanced shareholder value are to be achieved only through good corporate governance.

Board of directors:

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors, who have in-depth of business knowledge of business, in addition to the expertise in their areas of specialisation . The Board of the Company comprises eight Directors that includes one Women Director.

(i) The composition and category of Directors as on 31st March, 2017 are follows:

Category	Name of Director	Designation	No of Companies in which he is a director
Promoter & Exe.	Sri. N. Krishna Mohan	Chairman	7
Directors.	Sri. K Vijay Kumar	Joint Managing Director	6



company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Accounting Treatment: Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit and Risk Management Committee in consultation with the Auditors.

Risk Management: Risk evaluation and management is an on-going process within the organisation. The Company has a well-defined risk management framework in place. The Company periodically places before the Audit and Risk Management Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company for its review.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements:
The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Compliance Certification by CEO / CFO: The Managing Director and the Chief Finance Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The certificate for 2016-17 given by the Joint Managing Director and the Chief Financial Officer is annexed to this Report. The Joint Managing Director and the Chief Finance Officer also give quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Reconciliation of Share Capital Audit;

M/s K Swamy and Co, Practicing Company Secretary has been appointed as the Secretarial auditor to conduct reconciliation of share capital every quarter and to conduct Secretarial audit of the Company and the same are taken note by the Board of Directors.

Communication to Shareholders:

Effective communication of information is an essential component of corporate governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

- The unaudited quarterly and audited annual financial results are announced immediately after approval from the Board and sent to respective stock exchanges where the Company's shares are listed within the time specified in the listing regulations.
- Thereafter, these are circulated among media / news agencies / analyst etc. of the Company and are displayed on the Company's website www.srichakracement.com.
- Annual Report of the Company is sent to each shareholder prior to the Annual General Meeting.

Sebi Complaints Redressal System (Scores)

SEBI has initiated SCORES processing the investor complaints in a centralised web redress system and online Redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

General Shareholder information:

Day and Date of AGM	Time	Venue

ANNEXURE 6

(Statement of Disclosure of Remuneration under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the company for the financial year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2016-17 are as under. c m M

S.No.	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage Increase in Remuneration
1	Sri N Krishna Mohan	Chairman	6.66	100%

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D

Annexure 8

CEO AND CFO CERTIFICATION: (Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors of M/s Sri Chakra Cement Limited

We, K Vijay Kumar, Joint Managing Director and NSRV Prasad, Chief Financial Officer of the Company, pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, do hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and behalf.

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or proposed to be taken for rectifying these deficiencies.

D. We have indicated to the Auditors and the "Audit Committee"

   1) That there are no significant changes in internal control over financial reporting during the year under reference.

   2) That there are no significant Changes in accounting policies during the year requiring disclosure in the notes to the financial statements and

E. There are no instances during the year of significant fraud with involvement there in, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad
Date : 14.08.2017

Sd/-
K VIJAY KUMAR
Joint Managing Director

Sd/-
NSRV PRASAD
Chief Financial Officer

Independent Auditor's Report

To

The Members of Sri Chakra Cement Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sri Chakra Cement Limited ("the Company") which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design ,implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.
2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter(s)

In the absence of confirmations from some parties we are unable to ascertain whether the amount shown under trade receivables, current assets, loans and advances are realizable and whether trade payables and current liabilities are due at the figures at which they are stated.

Our opinion is not modified in respect of this matter.

Report on other Legal and regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The financial statements dealt with by this report are in agreement with the books of account.
   d) The company had provided required disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company.
   e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 .
   f) On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. As detailed in Note 15 to the financial statements, the company has disclosed the impact of pending litigations on its financial position;
      ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s Satyanarayana & Co.,
Chartered Accountants
Firm's Regn No.003680S

Sd/-
G Venkata Rathnam
Partner
Membership No.019455

Place : Hyderabad
Date : 14.08.2017

"Annexure A" to the Independent Auditor's Report of even date to the members of Sri Chakra Cement Limited, on the financial statements for the year ended 31st March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its business. No material discrepancies between the books records and the physical fixed assets have been noticed.

c) The title deeds of Immovable properties are held in the name of the company.

ii) a) The management has conducted physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) and 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company and hence not commented upon.

i) In our opinion, and according to the information and explanations given to us, the company had not given any loans, guarantees or security or made investments under the provisions of Section 185 and 186 of the Companies Act, 2013.

ii) The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

iii) We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Sub-section (1) of section 148 of the Companies Act, 2013 in respect of the products of the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

iv)

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) The dues outstanding in respect of income-tax, sales-tax or service tax or duty of customs or duty of excise or value added tax and cess that have not been deposited on account of any dispute, are as follows:

Name of the statue	Nature of dues	Amount in Rs Lakhs	Period to which the amount relates	Forum where dispute is pending
Tamilnadu General Sales Tax Act	Sales Tax	42.89	1983	II Jr. Civil Judge H/

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Sri Chakra Cement Limited. Report on the Internal Financial Controls under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sri Chakra Cement Limited ("the Company) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

Auditors' Responsibility.

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such control operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Control over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

Because of the inherent limitations of financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For M/s Satyanarayana & Co.,
Chartered Accountants
Firm's Regn No.003680S

Sd/-
G Venkata Rathnam
Partner
Membership No.019455

Place : Hyderabad
Date : 14.08.2017

AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To

The Members of
Sri Chakra Cement Limited
Hyderabad.

We have examined the compliance of conditions of corporate governance by Sri Chakra Cement Limited, for the year ended 31st March 2017, as stipulated as per the relevant provisions of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 01.04.2016 to 31.03.2017.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s Satyanarayana & Co.,
Chartered Accountants
Firm's Regn No.003680S

Sd/-
G Venkata Rathnam
Partner
Membership No.019455

Place : Hyderabad
Date : 14.08.2017

***

CASH FLOW CERTIFICATE

We have examined the attached Cash Flow Statement of M/s Sri Chakra Cement Limited for the year ended 31st March 2017. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the listed Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For M/s Satyanarayana & Co.,
Chartered Accountants
Firm's Regn No.003680S

Sd/-
G Venkata Rathnam
Partner
Membership No.019455

Place : Hyderabad
Date : 14.08.2017

SRI CHAKRA CEMENT LIMTED - (CIN No. : L4300AP1981PLC002952)

BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in Rs)

Particulars as at	Note	31-03-2017	31-03-2016
A. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
Share Capital	1	90000000	90000000
Reserves and Surplus	2	422203623	387884714
NON-CURRENT LIABILITIES			
Long Term Borrowings	3	462073168	190891272
Deferred tax Liabilities (net)		3661636	1808812
Other Long Term Liabilities	4	190016275	180113401
Long Term Provisions	5	17767269	32745085
CURRENT LIABILITIES			
Trade Payables		108811074	86635722
Other Current Liabilities	6	250737522	239687171
Total		**1545270567**	**1209766177**
B. ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	7	652159815	608527071
Capital Work in Progress		13201648	8175872
Long Term Loans Advances	8	107493334	143335781
Other Non Current Assets	9	245347	245347
Current assets			
Current Investments	10	145474311	
Inventories	11	117376319	152324398
Trade Receivables	12	71253843	38848885
Cash and cash equivalents	13	53617196	74509578
Short-term Loans and Advances	14	381592222	181007323
Other Current Assets	15	2856531	2791922
Contingent Liabilities & Commitments	16		
Total		**1545270567**	**1209766177**
Notes on Accounts	1 to 25		

As per our report attached

For M/s. SATYANARAYANA & CO
Chartered Accountants
FRN : 003680S

For and on behalf of Board
SRI CHAKRA CEMENT LIMITED

Sd/-
G. VENKAT RATHNAM
Partner
Member Ship No. 019455

Sd/-
N. KRISHNA MOHAN
Chairman

Sd/-
K. VIJAY KUMAR
Joint Managing Director

Place : Hyderabad
Date : 14-08-2017

Sd/-
NSRV PRASAD
Chief Financial Officer

Sd/-
N .UMA SHANKAR
Company Secretary

SRI CHAKRA CEMENT LIMTED - (CIN No. : L4300AP1981PLC002952)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs)

Particulars for the year ended	Note	31-03-2017	31-03-2016
A. INCOME			
Revenue from Operations (Gross)	17	2473423286	2535594727
Less Excise Duty		611147917	626603003
Revenue from Operations (Net)		1862275369	1908991724
Other Income	18	14247955	10767942
TOTAL REVENUE		**1876523324**	**1919759666**
EXPENSES			
Cost of materials Consumed	19	425147710	468291581
Change in Inventories of finished goods & work-in-progress and Stock in Trade	20	42413235	(31686770)
Employee benefits expense	21	139740907	127313810
Finance Costs	22	2926921	15115767
C S R Expenditure		2176420	4100433
Depreciation	7	64503779	66205457
Other expenses	23	1142974338	1062759874
TOTAL EXPENSES		**1819883310**	**1712100152**
Profit Before exceptional extraordinary items and tax		56640014	207659514
Less : Prior period Items		1244003	-
Profit before Tax		**55396011**	**207659514**
Less : Tax Expenses			
a) Deferred Tax Income / (Expenditure)		1852824	2570762
b) Current Tax		19224279	44317862
Add: MAT Credit Entitlement		-	16536165
Total Tax Expenses		**21077103**	**25210935**
Profit / (Loss) from Continuing Operations		34318908	182448579
Profit/(Loss from Discontinuing operations			
Profit/(Loss) for the period		34318908	182448579
Earnings per equity Share			
Basic		4.02	19.99
Diluted		4.02	19.99
Notes related to P& L Statement	24		

As per our report attached

For M/s. SATYANARAYANA & CO
Chartered Accountants
FRN : 003680S

Sd/-
G. VENKAT RATHNAM
Partner
Member Ship No. 019455

Place : Hyderabad
Date : 14-08-2017

For and on behalf of Board
SRI CHAKRA CEMENT LIMITED

Sd/-
N. KRISHNA MOHAN
Chairman

Sd/-
K. VIJAY KUMAR
Joint Managing Director

Sd/-
NSRV PRASAD
Chief Financial Officer

Sd/-
N .UMA SHANKAR
Company Secretary

SRI CHAKRA CEMENT LIMITED - (CIN No. : L4300AP1981PLC002952)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

Particulars as at	31-03-2017	31-03-2016
Cash Flow From Operating Activities:		
Net Profit / (Loss) before tax & Extraordinary items	56640014	207659514
Adjustments for : Depreciation	64503779	66205457
Current Tax	19224279	27781697
Operating Profit before Working Capital Changes	**101919514**	**246083274**
Adjustments for :		
Previous year Adjustments	1244003	-
Profit after prior period Adjustments	100675511	246083274
(Increase) / decrease in Trade Receivables	(32404958)	(7444797)
(Increase) / decrease in Investments	(145474311)	
(Increase) / decrease in Inventories	34948079	(26431453)
(Increase) / decrease Short term loans and advances	(200584899)	(7956868)
(Increase) / decrease Long term loans and advances	35842447	(74202787)
(Increase) / (decrease) in Other Current Assets	(64609)	(1765561)
(Increase) / (decrease) in Other Non Current Assets	-	-
(Increase) / (decrease) in Trade Payables	22175352	(60825860)
(Increase) / (decrease) in Long term Provisions	(14977816)	4971404
(Increase) / (decrease) in Long term Borrowings	271181896	90835965
(Increase) / (decrease) in Short term Borrowings	-	-
(Increase) / (decrease) in Short term Provisions	-	-
(Increase) / (decrease) in Other Current Liabilities	11050351	(93831283)
Cash generated from operations (A)	82367042	69432034
Cash Flow from Investing Activities:		
Purchase of fixed assets incl. CWIP	(113162297)	(15624468)
Net Cash flow in Investing Activities (B)	(113162297)	(15624468)
Total (A + B)	(30795255)	53807566
Cash Flow From Financing Activities:		
Allotment of Shares		
Other Long Term Liabilities	9902874	(4206410)
Adjustment of prior period		
Net Increase / (Decrease) in Cash and Cash Equivalents	(20892382)	49601156
Cash and Cash Equivalents (Opening Balance)	**74509578**	**24908423**
Cash and Cash Equivalents (Closing Balance)	**53617196**	**74509578**

As per our report attached

For M/s. SATYANARAYANA & CO
Chartered Accountants
FRN : 003680S

For and on behalf of Board
SRI CHAKRA CEMENT LIMITED

Sd/-
G. VENKAT RATHNAM
Partner
Member Ship No. 019455

Sd/-
N. KRISHNA MOHAN
Chairman

Sd/-
K. VIJAY KUMAR
Joint Managing Director

Place : Hyderabad
Date : 14-08-2017

Sd/-
NSRV PRASAD
Chief Financial Officer

Sd/-
N .UMA SHANKAR
Company Secretary

Notes forming part of the financial statements

NOTE 1 : SHARE CAPITAL

Part		
AUTHORISED		
2,00,00,000 Equity Shares of Rs.10/- each	2,00,00,000	2,00,00,000
Issued Subscribed And Fully Paid Up		
90,00,000 Equity Shares of Rs.10/- each	9,00,00,000	9,00,00,000
Reconciliation of No of Shares Outstanding		
At the beginning of the year	90,00,000	90,00,000
At the end of the year	90,00,000	90,00,000
Terms / Right attached		

Shares in the Company held by each share holder holding more than 5% shares

Notes forming part of the financial statements

NOTE 3 : LONG - TERM BORROWINGS (Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Loans and Advances from Related Parties		91,46,929
Deferred Payment Liabilities (Unsecured)		
Sales Tax Deferment	46,20,73,168	18,17,44,343
Grand Total	**46,20,73,168**	**19,08,91,272**

NOTE 4 : OTHER LONG - TERM LIABILITIES (Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Deposits from Stockists & Others	5,33,89,324	3,68,77,732
Interest Payable	12,03,40,299	12,03,40,299
Statutory Liabilities	1,62,86,652	2,28,95,370
Grand Total	**19,00,16,275**	**18,01,13,401**

NOTE 5 : LONG TERM PROVISIONS (Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Provision for Employee benefits		
Gratuity	1,41,98,284	2,95,89,091
Leave Encashment	35,68,985	31,55,994
Grand Total	**1,77,67,269**	**3,27,45,085**

NOTE 6 : OTHER CURRENT LIABILITIES (Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Current Maturities of Long Term Debt		
APGST	3732000	3732000
CST	85,200	85200
TNGST	1928400	1928400
Sub Total	**5,745,600**	**5,745,600**
Other Payables		
Payable for Expenses	119091164	113190879
Other payables	13418187	21182019
Advances from Customers	112482571	99568673
Sub Total	**244,991,922**	**233,941,571**
Grand Total	**250,737,522**	**239,687,171**

[redacted]

Notes forming part of the financial statements

NOTE 8 : LONG TERM ADVANCES

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Other Advances and Advances		
(Unsecured, considered good)		
Advances for purchase of		
Deposits with Govt & Others	10,74,93,334	14,33,35781
Grand Total	**10,74,93,334**	**14,33,35781**

NOTE 9 : OTHER NON CURRENT ASSETS

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Long Term Trade receivables		
Un secured, considered good	2933604	2933604
Less : Provision for bad and doubtful debts	2688257	2688257
Grand Total	**245347**	**245347**

NOTE 10 : CURRENT INVESTMENT

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Investment in Mutual Funds (at cost)	14,54,74,311	-
Grand Total	**14,54,74,311**	**-**

NOTE 11 : INVENTORIES

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Raw Materials	8934633	6121540
Work in Progress	9,428,957	50834908
Finished Goods	5211283	6218567
Stores and Spares	63236962	48198348
Packing Materials	8457183	6657207
Coal	22107301	34293828
Grand Total	**117,376,319**	**152,324,398**

Notes forming part of the financial statements

NOTE 12 : TRADE RECEIVABLES

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Unsecured, considered good		
Outstanding for a period exceeding Six months	8,174,842	8984281
Outstanding for a period less than Six Months	63079001	29864604
Grand Total	**71,253,843**	**38,848,885**

NOTE 13 : CASH AND CASH EQUIVALENTS

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Balances with Scheduled Banks:		
In Current Account	25,498,732	55006051
Deposit Accounts- Maturity Over 12 Months	27418899	17741636
Cash on Hand	699565	1761891
Grand Total	**53,617,196**	**74,509,578**

NOTE 14 : SHORT TERM LOANS AND ADVANCES

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Advances for purchase of		
Raw Materials	38,325,959	14105941
Stores and Spares	2083323	2754625
Advances to Employees	6971220	7210998
Advance for Land	114750187	-
Other Advances	169566351	156935759
Short Term Deposits	49895182	-
Grand Total	**381,592,222**	**181,007,323**

NOTE 15 : OTHER CURRENT ASSETS

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Prepaid Expenses	1067207	1041370
Others	1,789,324	1750552
Grand Total	**2,856,531**	**2,791,922**

NOTE 16 : CONTINGENT LIABILITIES AND COMMITMENTS (to extend not provided for)

(Rs in Lakhs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Contingent Liabilities		
Claims against the Company not acknowledged as Debt		
Tamilnadu Sales tax Authorities	42.89	42.89
AP Sales Tax Authorities	591.14	591.14
APSPDCL- Guntur	1534.98	1384.02
Commitments	-	-

NOTE 17 : REVENUE FROM OPERATIONS

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Sale of Products		
Cement Sales	2473423286	2535594727
Grand Total	**2,473,423,286**	**2,535,594,727**

NOTE 18 : OTHER INCOME

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Interest Income	5291657	4090261
Scrap Sales	3,825,183	6674871
Miscellaneous Income	239712	2810
Other Income	927085	-
Profit on Sale of Investments	3964318	-
Grand Total	**14,247,955**	**10,767,942**

Notes forming part of the financial statements

NOTE 19 : COST OF MATERIAL CONSUMED

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Material Consumed		
Lime Stone	109636294	91559175
Other Additives	147753919	149358715
Packing Material Consumption	84248892	86151998
Stores and Spares Consumption	83508605	141221693
Sub Total	**425147710**	**468291581**
Details of Consumption		
Opening Stock	60977094	58779453
Purchases		
Lime Stone	109174217	91979295
Other Additives	151028296	146517180
Packing Material	86048868	87166091
Stores and Spares	98548014	144826656
Sub Total	**444799395**	**470489222**
Less Closing Stock	80628779	60977094
Cost of Material Consumed (A+B-C)	**425147710**	**468291581**

NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Work In Progress		
Opening Stock	50834908	17643876
Closing Stock	9428957	50834908
Net Change	**41405951**	**(33191032)**
Finished Goods		
Opening Stock	6218567	7722829
Closing Stock	5211283	6218567
Net Change	**1007284**	**1504262**
Net Change in Inventories	**42413235**	**(31686770)**

NOTE 21 : EMPLOYEE BENEFIT EXPENSES

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Salaries, Wages and Bonus	92077245	87904866
Remuneration to Directors	6,600,000	-
Contribution to Provident Fund and Others	4613977	4343736
Workmen and Staff Welfare Expenses	36449685	35065208
Grand Total	**139,740,907**	**127,313,810**

NOTE 22 : FINANCE COST

(Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Interest – Others	2926921	15115767
Grand Total	**2,926,921**	**15,115,767**

Notes forming part of the financial statements

NOTE 19 : OTHER EXPENSES (Rs)

Particulars as at	Amount 31-03-2017	Amount 31-03-2016
Power and Fuel		
Power	281836228	249953729
Coal	330994941	333094295
	612831169	**583048024**
Direct Manufacturing Expenses	11166969	12053587
Repairs and Maintenance		
Buildings	4853753	9224606
Plant and Machinery	5814352	40588110
Others	44964045	44175164
	55632150	**490987880**
Administration Expenses		
Travelling and conveyance	8489643	9501070
Directors' Travelling and Conveyance	285179	101845
Printing and Stationery	1289753	1477150
Communication Expenses	1121153	1082502
Legal and Professional Charges	157768	101425
Payments to Auditors (Refer details (i) below)	90000	90000
Postage and Telegraphs	361300	316361
Rent	3009068	3170270
Rates and taxes	7452767	4707115
Security Service Charges	3885639	3378640
Bank Charges	601512	168475
Lease rentals	25610215	23882774
Donations	461616	316255
Misc Expenses	17806449	18547928
	71336433	**67385468**
Selling expenses		
Advertisement and Publicity	40625559	37681289
Freight, packing and forwarding Charges	199410824	185579613
Discount	151971234	83024013
	392007617	**306284915**
Grand Total	**1,142,974,338**	**1,062,759,874**
Note (i)- Payment to Auditors		
Statutory Audit Fees	70000	70000
Taxation matters	15000	15000
Reimbursement of Expenses	5000	5000
Sub Total	**90000**	**90000**

Notes on accounts: - 24 & 25

Basis of Preparation Significant Accounting Policies:

The financial statements of the Company have been prepared under the historical cost convention on accrual basis to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant Provisions of the Companies Act, 2013. The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest rupee, except otherwise indicated.

Fixed Assets

a) The property, plant and Equipment (the tangible assets) held for use in the production or supply of goods and services or for administrative purposes, are stated at cost of acquisition or construction less accumulated depreciation/ amortization of impairment of losses, if any,. The cost comprises of the purchase price (net of Cenvat and VAT credit wherever applicable) and all costs directly attributable to acquisition until the property, plant and equipment are ready for use, as intended by management. Subsequent expenditures related to an item of tangible asset are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

b) Machinery spares which can be used only I connection with a particular item of fixed assets and the use of which is irregular, are capitalized at cost.

c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realizable value and are disclosed separately under Other Current Assets.

d) Losses arising from the retirement of and gains and losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

e) Tangible assets not ready for the intended use on the date of balance sheet are disclosed as "Capital Work In progress". Advances given towards acquisition/ construction of fixed assets outstanding at each Balance sheet date are disclosed as Capital Advances under "Long term Loans and Advances."

f) The Government of Andhra Pradesh vide G.O.Ms.No.579, dated 23.05.2011, renewed lease to the Company for 239.30 acres factory / colony land and 225.20 acres for mining (total 464.50 acres) belonging to Sri Singarutla Lakshmi Narasimha Swamy Temple, Petasanigandla (V), Karampudi (M), Guntur District for a period of 11 years ending 2019 renewable for similar years. The company is regular in paying lease rentals to the endowment Department. The assets of the company stand 'mortgage free' as there are no charges pending against them.

Depreciation:

Depreciation is provided on Straight Line method, on the basis of estimated useful lives of assets prescribed under schedule II to the Companies Act, 2013.

Impairment of Assets:

The carrying amount of assets are reviewed at each balance sheet date to assess, if there is any indication of impairment based on internal/external To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Inventories:

a) Finished goods, work in progress, scrap, by-products and loose tools are valued at lower of cost and net realizable value

b) Raw Materials, Components, stores and spares are valued at lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

...re of defined contribution plans. The ...recognized during the period in which the

b. ...gratuity of its eligible employees is funded under a ...ce Corporation of India. The present value of the ...an is determined based on actuarial valuation using the ...ulting actuary. The incremental expense thereon for each ...valuation and is recognized and charged to the profit and loss ...employee has rendered service.

c. ...edited / charged to the profit and loss account in each year.

d. ...ded for leave encashment liability at year end on account of un availed ...e actuarial valuation. Assumptions for the purpose of arriving at the liability on going c...

	Gratuity	Leave Encash...
Prof... ...unt		
Cur... ...st	7,67,708	
Inte... ...benefit obligation	22,25,100	
Ex... ...rn on plan assets		
Ne... ...al (gain). Loss recognized in the year	44,82,934	
Pa... ...vices cost		
Ne... ...enefit expense	74,75,7...	

Ac...

Earnings per Share (Basic and Diluted):

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. During the year under review, the basic and diluted earnings per share are shown hereunder

Particulars as at	31.03.2017	31.03.2016
Basic Earnings per Share	4.02	19.99
Diluted earnings per share	4.02	19.99
Nominal value per share	10/-	10/-

Cash Flow Statement:

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and fixed deposits with Banks.

Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but disclosed its existence in the financial statements.

Provisions:

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Segment Reporting

The Company is a single product Company and operates only in the domestic segment only in South India. Hence, the information required to be disclosed as per AS – 17 on segment reporting is not applicable.

Dues to Micro, Small and Medium Enterprises is 'Nil' as no enterprise has registered as such with the Company till date.

Investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

PARTICULARS	COST	NAV
KOTAK LOW DURATION FUND	514.16	526.17
BIRLA SUNLIFE-CASH PLUS	24	24.21
BIRLA SUNLIFE- BALANCED 95	291.19	303.67
SBI MAGNUM BALANCED	65	70.55
SBI SAVINGS FUND	50	50.97
L&T PRUDENCE FUND-DIRECT	145	142.68
L&T Liquid fund –direct	50	50.95
ICICI PRUDUNTIAL LIQUID	25	25.2
ICICI PRUDENTIAL – MUTUAL	290.39	300.15
TOTAL	**1454.74**	**1494.55**

Related party disclosure:

In accordance with Accounting Standard –18, Related party Disclosures, issued by the Institute of Chartered Accountants of India, the disclosures are as follows:

Related parties:

Key Management Personnel	Sri K Vijay Kumar, CEO
	Sri N Umashankar, CS
	Sri NSRV Prasad, CFO
Relatives of Key Management Personnel	Smt K V Nagalalitha W/o. Sri K Vijay Kumar
	Sri Sriram, and Sashank- S(s) /o Sri K Vijay kumar,
	Smt V V Nagalakshmi, W/o Sri VVSR Anjaneyulu, Kum Srividya and Srilakshmi D(s) / o Sri V V S R Anjaneyulu
Enterprises owned or significantly influenced by Key Management Personnel	M/s Jitharam Finance and Investments Ltd
	M/s Krishnarama Industrial Investments Ltd
	M/s Sri Narasimha Cements and Power Ltd
	M/s Aditya Spinners Limited
Subsidiary Companies	NIL

Related party transactions:

Particulars	Subsidiary Companies	Key Managerial Personnel	Relatives of Key managerial Personnel	Enterprises owned by Key managerial Personnel	Total Rs in lakhs
Lease rentals			98	82.5	82.5
Remuneration		66			66
Interest		15	3.06	11	3.06
Loans(Refund)		20	66.95		86.95
Advance(given)		17		672	689
Commission (given)				103.99	103.99

Inventories have been taken as valued and certified by the Management. In the opinion of the management, the current assets, loans and advance s are expected to realize at least the amount at which they are stated if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts. Confirmation of balances of Debtors and Creditors have been obtained in most of the cases. For the remaining cases the Company in the process of obtaining confirmations.

The amounts shown as expenditure are net of recoveries, wherever applicable.

Since the normal operating cycle is not defined, it is assumed to have duration of 12 months, and accordingly the assets and liabilities are classified.

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

	SBNS	Other Denomination Notes	Total
Closing cash in hand as on 08.11. 2016	1248000	73433	1321433
(+) Permitted receipts			
(-)Permitted payments		73433	73433
(-) Amount deposited in Banks	1248000		1248000
Closing cash in hand as on 30.12. 2016	-	-	-

Previous year's figures have been recast/restated wherever necessary to confirm to the current year figures.

Paise's have been rounded off to the nearest rupee.

Notes referred to form an integral part of the financial statements.

For M/s. SATYANARAYANA & CO
Chartered Accountants
FRN : 003680S

Sd/-
G. VENKAT RATHNAM
Partner
Member Ship No. 019455

Place : Hyderabad
Date : 14-08-2017

For and on behalf of Board
SRI CHAKRA CEMENT LIMITED

Sd/-
N. KRISHNA MOHAN
Chairman

Sd/-
K. VIJAY KUMAR
Joint Managing Director

Sd/-
NSRV PRASAD
Chief Financial Officer

Sd/-
N .UMA SHANKAR
Company Secretary

SRI CHAKRA
CEMENT LIMITED