

# THE ANDHRA SUGARS LIMITED

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**54th ANNUAL REPORT 2000-2001**



## THE ANDHRA SUGARS LIMITED

Registered Office: Venkatarayapuram  
TANUKU - 534 215  
West Godavari Dist., (A.P.)

To  
All the Members,

Sub: Abstract of the Terms of the Agreement circulated pursuant to Section 302 of the Companies Act.

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You are kindly aware, shareholders at the 53rd Annual General Meeting held on 23<sup>rd</sup> September, 2000 approved the re-appointment of Shri P. Narendranath Chowdary as Joint Managing Director for a period of 5 years with effect from 12<sup>th</sup> January, 2001. Subsequently on 14<sup>th</sup> August, 2001 an agreement was entered into with Shri P.Narendranath Chowdary relating to his re-appointment as Joint Managing Director, the abstract of which is given hereunder:

1. Salary : Rs. 40,000 per month
2. Commission : 1% on the net profits of the Company
3. Tenure : 5 Years with effect from 12-1-2001.
4. Perquisites :
  - i) Housing : Free furnished accommodation or House Rent Allowance at 50% of the Salary.
  - ii) Medical Reimbursement : Subject to a ceiling of one month salary in a year or three months salary over a period of three years.
  - iii) Leave Travel Concession : For self and family as per Rules of the Company.
  - iv) Club Fees : Subject to a maximum of two clubs (Except Life Membership or admission fees)
  - v) Personal Accident Insurance : Premium not to exceed Rs.4,000/- per annum.
  - vi) Provident Fund : Company's contribution at 12% of salary or at such rate as applicable from time to time.
  - vii) Superannuation Fund : Contribution as per Rules of the Company which together with contribution to Provident Fund not to exceed 27% of salary or any ceiling prescribed from time to time.
  - viii) Gratuity : Half a month's salary for each completed year of service.
  - ix) Leave : One month's leave for every 11 months of service. [Encashment of leave at the end of tenure not to be included in computation of ceiling on perquisites]
  - x) Telephone : Free telephone facility at residence for the use of Company's business.
  - xi) Car : Provision of car with driver

P.T.O

Any other perquisites allowed by the Central Government from time to time.

[Perquisites to be restricted to Rs.4,50,000/- per annum]

[The above remuneration is subject to overall ceiling limit of Sections 198 & 309 of the Companies Act.]

In the event of loss or inadequacy of profits in any financial year, the salary and perquisites set out above will be paid to the Joint Managing Director as Minimum remuneration subject to the provisions of Schedule XIII to the Companies Act, 1956 or any amendment thereto.

5. Nature of Duties :

To assist the Managing Director in day to day working of Chemical Complex of the Company at Kovvur and Saggonda.

6. Memorandum of Interest :

Apart from Shri P. Narendranath Chowdary, Directors Shri B.B. Ramaiah, Shri P. Achuta Ramayya being related to Shri P. Narendranath Chowdary shall be deemed to be interested in the said agreement.

Venkatarayapuram  
TANUKU – 534 215  
Dt. 14<sup>th</sup> August, 2001

For THE ANDHRA SUGARS LIMITED  
Dr. MULLAPUDI HARISCHANDRA PRASAD  
Chairman & Managing Director





# THE ANDHRA SUGARS LIMITED

## 54th ANNUAL REPORT

### 2000 - 2001

#### Board of Directors:

Dr. Mullapudi Harischandra Prasad  
Chairman & Managing Director

Dr. B. B. Ramaiah  
Managing Director (Tech.)

Shri T. Ramesh U. Pai

Shri A. Ranga Rao

Shri P. Narendranath Chowdary, B.Sc.  
Joint Managing Director

Shri M. Narendranath, B.Sc.(Ag.)  
Joint Managing Director

Shri M. Thimmaraja, B.Tech., M.B.A.(Florida)  
Joint Managing Director

Shri P. Achutaramayya, B.Com., M.B.A.(New York)  
Executive Director

Shri K. Kalyanaraman

Shri P.J.V. Sarma

Dr. P. Kotaiah

Dr. A.V. Rama Rao

Shri M.S.R.V.K. Ranga Rao

Shri P.S.R.V.K. Ranga Rao, B.Com.,  
Executive Director

#### Secretary:

Shri M. Bulli Abbayi, B.Sc., B.L., F.C.S.

#### Vice President (Finance):

Shri T. Krishnaiah, B.A., F.I.C.W.A., F.C.S.

#### Bankers:

Andhra Bank  
State Bank of India  
State Bank of Hyderabad  
Bank of Baroda

#### Auditors:

M/s Brahmayya & Co.,  
Chartered Accountants  
Vijayawada.

#### Registered Office:

Venkatarayapuram  
Tanuku - 534 215  
West Godavari District, (A.P.)

The Andhra Sugars Limited

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## THE ANDHRA SUGARS LIMITED

Registered Office: Venkatarayapuram, TANUKU - 534 215  
West Godavari District, (A.P)

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the FIFTYFOURTH Annual General Meeting of THE ANDHRA SUGARS LIMITED will be held at the Registered Office of the Company, Venkatarayapuram, Tanuku on Tuesday the 25th day of September, 2001 at 3.00 P.M. to transact the following business:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2001 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare Dividend for the year 2000-2001.
3. To appoint a Director in place of Shri T. Ramesh U Pai who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri A. Ranga Rao who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri M.S.R.V.K. Ranga Rao who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors for the year 2001-2002 and fix their remuneration. The present Auditors of the Company, M/s Brahmayya & Co., Chartered Accountants, Vijayawada retire at this Annual General Meeting and are eligible for re-appointment.

#### SPECIAL BUSINESS :

7. To consider and if thought fit, to pass, with or without modifications, the following as an Ordinary Resolution:

"RESOLVED THAT Dr. P. Kotaiah who was appointed as Additional Director of the Company with effect from 27<sup>th</sup> April, 2001 pursuant to Article 116 of the Articles of Association and who holds office until the date of the 54<sup>th</sup> Annual General Meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company."

8. To consider and if thought fit, to pass, with or without modifications, the following as an Ordinary Resolution:

"RESOLVED THAT Dr. A. V. Rama Rao who was appointed as Additional Director of the Company with effect from 27<sup>th</sup> April, 2001 pursuant to Article 116 of the Articles of Association and who holds office until the date of the 54<sup>th</sup> Annual General Meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company."

9. To consider and, if thought fit, to pass with or without modifications, the following as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows:

The following Article No. 97(3) be inserted after the existing Article No. 97(2) in the Articles of Association of the Company.

The Andhra Sugars Limited

### RESOLUTION BY POSTAL BALLOT

Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any Resolution passed by means of a postal ballot (including voting by electronic mode), instead of/in addition to transacting the business in the General Meeting of the Company and where the Company is required to pass any resolution by postal ballot, it shall send a notice by post, or by any other method as may be prescribed by the Central Government in this behalf to all the shareholders, along with the draft Resolution explaining reasons therefor, and requesting them to send their assent or dissent in writing on a postal ballot, in postage pre-paid envelop to be provided by the Company, within a period of 30 days or within such period as may be prescribed by the Central Government from the date of posting of the notice.

If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf."

(BY ORDER OF THE BOARD)

Venkatarayapuram  
TANUKU  
19-07-2001

For THE ANDHRA SUGARS LIMITED  
Dr. MULLAPUDI HARISCHANDRA PRASAD  
Chairman & Managing Director

### NOTE:

1. A Member entitled to attend and vote may appoint a proxy to attend and vote instead of himself on poll and that a proxy need not be a member.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 18th September, 2001 to Tuesday the 25th September, 2001 (both days inclusive).
3. The dividend recommended by Directors, if approved at the meeting will be paid to the Shareholders whose names are on the Register of Members as on 25th September, 2001. In respect of the shares held in Demat Mode, the above dividend will be paid on the basis of beneficial ownership as on 25th September, 2001 as per the details furnished by the Depositories for this purpose.
4. Shareholders are requested to notify their change of address if any to the Company.
5. Pursuant to Section 205-A of the Companies Act, 1956, all unclaimed dividends upto the year 1994-95 (Final) have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Andhra Pradesh, Hyderabad.
6. Explanatory Statement Under Section 173(2) of the Companies Act, 1956 is attached.

The Andhra Sugars Limited

**ANNEXURE TO NOTICE****Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956****ITEM NO. 7**

Dr. P. Kotaiah was co-opted as an Additional Director on the Board of the Company with effect from 27<sup>th</sup> April, 2001. Pursuant to Section 260 of the Companies Act, 1956 read with Article 116 of the Articles of Association of the Company, Dr. P. Kotaiah will hold office only upto the date of the 54<sup>th</sup> Annual General Meeting of the Company.

Company has received a notice in writing along with a deposit of Rs. 500/- from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Dr. P. Kotaiah as a candidate for the office of Director. Dr. P. Kotaiah former Chairman of NABARD has rich financial background and industrial experience of more than three decades.

The Board recommends the necessary Resolution for your approval.

Except Dr. P. Kotaiah no other Director is deemed to be interested or concerned in the Resolution.

**ITEM NO.8:**

Dr. A. V. Rama Rao was co-opted as an Additional Director on the Board of the Company with effect from 27<sup>th</sup> April, 2001. Pursuant to Section 260 of the Companies Act, 1956 read with Article 116 of the Articles of Association of the Company, Dr. A. V. Rama Rao will hold office only upto the date of the 54<sup>th</sup> Annual General Meeting of the Company.

Company has received a notice in writing along with a deposit of Rs. 500/- from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Dr. A.V. Rama Rao as a candidate for the office of Director. Dr. A.V. Rama Rao, a Scientist, was the former Director of Indian Institute of Chemical Technology.

The Board recommends the necessary Resolution for your approval.

Except Dr. A. V. Rama Rao no other Director is deemed to be interested or concerned in the Resolution.

**ITEM NO.9:**

Article 97(3). is proposed to be inserted, being consequential alteration to the Articles of Association of the Company, in view of recent amendments of the Companies Act, 1956, by insertion of Section 192A for passing of certain resolutions by postal ballot, by the Companies (Amendment) Act, 2000.

According to Section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend any of the provisions of Articles of Association.

The Board recommends the necessary Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the Resolution.

(BY ORDER OF THE BOARD)

Venkatarayapuram  
TANUKU  
19-07-2001

For THE ANDHRA SUGARS LIMITED  
Dr. MULLAPUDI HARISCHANDRA PRASAD  
Chairman & Managing Director



The Andhra Sugars Limited

**Directors' Report**

To  
The Shareholders

Your Directors have pleasure in presenting this FIFTY FOURTH ANNUAL REPORT along with the audited Statement of Accounts for the year ending 31st March, 2001.

**Financial Results :**

	(Rupees in lakhs)	
	This Year	Previous Year
Sales	34090.44	27386.72
Other Income	1573.95	2185.20
	<u>35664.39</u>	<u>29571.92</u>
Profit for the year	3566.15	3751.28
Depreciation	1214.72	1191.79
Profit after depreciation	2351.43	2559.49
Add: Income Tax refund received	11.98	23.29
Excess provision of Income-tax credited back	22.70	—
	<u>2386.11</u>	<u>2582.78</u>
Less: Short Provision of Income Tax for earlier years	—	17.68
Provision for Income Tax	225.00	300.00
Provision for Wealth Tax	0.75	0.75
	<u>2160.36</u>	<u>2264.35</u>
Add: Balance brought forward from last year	743.53	2.14
Transfer from Debenture Redemption Reserve	1412.50	1412.50
Transfer from Investment Allowance Reserve	0.01	3.81
Profit available for appropriation	<u>4316.40</u>	<u>3682.80</u>
<b>APPROPRIATIONS:</b>		
Debenture Redemption Reserve	—	160.00
Transfer to General Reserve	1200.00	2219.65
Interim Dividend	—	325.36
Proposed Dividend on Equity Shares @ 25%	677.83	162.68
Tax on distributable Profits	69.14	71.58
Balance carried forward to next year	<u>2369.43</u>	<u>743.53</u>
	<u>4316.40</u>	<u>3682.80</u>

**DIVIDENDS:**

Your Directors are glad to recommend the payment of dividend @ 25% on equity shares for the year under report (which includes Golden Jubilee Dividend of 5%) as against 18% declared in the financial year 1999-2000.

**CAPITAL & RESERVES:**

**Authorised Capital:** The Authorised Capital of the Company is Rs.30 Crores.

**Paid-up Capital:** The paid up capital of the Company is Rs. 27.11 Crores. The Total Reserves position as on 31.3.2001 is Rs.148.28 Crores as against Rs. 134.14 Crores as on 31.3.2000.

**REVIEW OF OPERATIONS:****SUGAR UNIT – I, TANUKU:**

The total cane crushed during the season of 2000-01 was 5,33,863 M.Ts and Sugar produced was 61,100 M.Ts as against 5,05,336 M.Ts of cane crushed and 58,330 M.Ts of Sugar produced during the previous season. The crushing operations were carried on for 113 days as against 112 days in the previous season. Average recovery achieved was 11.45% as against 11.55% achieved in the previous season. The performance of this Unit continued to be good.

**SUGAR UNIT – II, TADUVAI:**

The total cane crushed during the season of 2000-01 was 3,83,467 M.Ts and Sugar produced was 42,310 M.Ts as against 3,26,679 M.Ts of cane crushed and 35,227 M.Ts of Sugar produced during the previous season. The crushing operations were carried on for 128 days as against 124 days in the previous season. Average recovery achieved was 11.05% as against 10.80% achieved in the previous season.

**POWER GENERATION :**

The Power Generation Plant at Sugar Unit-II, Taduvai has performed satisfactorily. The power generated during the year under report is 2,98,75,068 Units as against 2,81,36,954 Units generated in the previous year.

**CANE PRICE:****SUGAR UNIT - I, TANUKU :**

In respect of Sugar Unit-I, Tanuku, for the season 2000-01 your Company is paying the State Advisory Cane Price of Rs. 893.20 per MT as against the Statutory Minimum Price of Rs. 812/- per MT fixed by the Central Government.

**SUGAR UNIT - II, TADUVAI :**

In respect of Sugar Unit-II, Taduvai, for the season 2000-01 your Company is paying the State Advisory Cane price of Rs.847/- per M.T. as against Statutory Minimum Price of Rs.770/- per MT fixed by the Central Government.

**SUGAR PRICE:****SUGAR UNIT - I, TANUKU:**

With effect from 1<sup>st</sup> February, 2001, the Government of India changed the ratio of Levy : Free Sugar quota from 30 : 70 to 15 : 85.