



**KOTHARI SUGARS AND CHEMICALS LIMITED**

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39th ANNUAL REPORT 1999-2000



## KOTHARI SUGARS AND CHEMICALS LIMITED

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### WORKS

**KATTUR:** Kattur Railway Station Lalgudi, Trichy Dist. - 621 601. Tamil Nadu  
Phone : 0431-541224, 541350, Fax : 0431-541451

**MANALI:** Sathangadu Village, Tiruvottriyur, Ponneri High Road, Manali,  
Chennai - 600 068. Tamil Nadu Phone : 5941308, 5941309  
Fax : 044-5941524

**KARAIKAL:** Melavanjore, Karaikal - 611 002. Union Territory of Pondicherry  
Phone : 04365-70342 Fax : 04365-70417

**SANGA REDDY:** Turakalakhanpur, Sanga Reddy - Narasapur Highway,  
Hathnoora Mandal Medak District - 502 296 Andhra Pradesh  
Phone : 08458-78773.

### MARKETING OFFICE AT

**MUMBAI:** French Bank Buildings, 62, Homji Street, Fort, Mumbai - 400 001  
Phone : 2662008, 2661482

**KOTHARI SUGARS AND CHEMICALS LIMITED****BOARD OF DIRECTORS**

B.H. KOTHARI  
*Chairman & Managing Director*  
 Dr. P. MARUTHAI PILLAI  
 Dr. BANSI DHAR  
 M. SREENIVASA RAO  
 K.R.V. SUBRAHMANIAN  
 PRANAB KUMAR RUDRA  
 P.S. MANISUNDARAM  
 P.S. GOPALAKRISHNAN  
 P.A. BALASUBRAMANIAN  
 (Nominee - LIC)  
 A.J.V. JAYACHANDER  
 (Nominee - ICICI upto 28-03-2000)  
 V.CHANDOK  
 (Nominee - ICICI from 28-03-2000)

**CHIEF EXECUTIVE**

N. CHANDRAMOULI

**HEAD - PETROCHEMICALS DIVISION**

T.R.VENKATASUBRAMANIAN

**HEAD - SUGARS DIVISION**

K. JAYACHANDRAN

**COMPANY SECRETARY**

N. SRIDHARAN

**BANKERS**

STATE BANK OF INDIA  
 CORPORATION BANK  
 BANK OF BARODA  
 STATE BANK OF TRAVANCORE

**AUDITORS**

M/s. FRASER & ROSS  
 Chartered Accountants, Chennai

**INTERNAL AUDITORS**

M/s. SESA & RAJAN  
 Chartered Accountants, Chennai

**REGISTERED OFFICE**

"Kothari Buildings"  
 115, Mahatma Gandhi Salai  
 Chennai - 600 034  
 Phone : 8234611, 8234612, 8234613

**REGISTRAR & TRANSFER AGENT**

M/s Cameo Corporate Services Limited  
 "Subramanian Buildings"  
 1, Club House Road  
 Chennai - 600 002  
 Phone : 8460390 (5 lines) Fax : 044-8460129



## KOTHARI SUGARS AND CHEMICALS LIMITED

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 39th Annual General Meeting of the members of Kothari Sugars and Chemicals Limited will be held on Wednesday, the 27th September 2000 at 3.00 P.M. at BALA MANDIR GERMAN HALL, 17, Prakasam street, (off G.N.Chetty Road), T.Nagar, Chennai-600 017 to transact the following ordinary business:-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Profit and Loss Account for the period ended 31.03.2000, the Balance Sheet as on that date and the Cash Flow statement for the period ended 31.03.2000 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.P. S. Gopalakrishnan who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. P.S. Manisundaram who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr.M. Sreenivasa Rao who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Sec 224A and other applicable provisions, if any, of the Companies Act 1956, M/s.Fraser & Ross, the retiring Auditors, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.1,25,000/- in addition to all travelling and out of pocket expenses."

**BY ORDER OF THE BOARD OF DIRECTORS  
for KOTHARI SUGARS AND CHEMICALS LIMITED**

**Place : Chennai**  
**Date : 31<sup>st</sup> July 2000**

**N.SRIDHARAN  
COMPANY SECRETARY**

**NOTES :**

1. A 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 OF THE COMPANY. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. PROXIES SHOULD BE LODGED WITH THE REGISTERED OFFICE OF THE COMPANY AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The member or proxy has to fill the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. Members are informed that all Unpaid/Unclaimed Dividends for and upto the period ended 31.03.95 have been transferred to the General Reserve Account of the Central Government. Members who have not encashed the dividend for the said period are requested to claim the amount from the Registrar of Companies, Tamil Nadu, Chennai - 600 006. As per the amended Companies Act, 1998 the Unclaimed/Unpaid dividends will have to be transferred to the Investors Education and Protection Fund after lapse of 7 years from the date of declaration. Those who have not encashed the dividend warrants for the year 1995-96 & 1996-97 may write to the Company or Share Transfer Agents claiming such dividend.
4. All change of addresses, transfer of shares etc., and other correspondence may be made to the Registrars & Transfer Agents, Cameo Corporate Services Ltd.
5. Share Transfer books and Register of Members will be closed from 20.09.2000 to 27.09.2000 both days inclusive.
6. Shareholders are requested to bring to the meeting copies of Annual Reports with them as the same will not be provided at the meeting.
7. In respect of Item 5 of the Notice i.e. appointment of Auditors, Special Resolution is required under Sec 224A of the Companies Act, 1956 when more than 25% of the Subscribed Share Capital of the Company is held by one or more Public Financial Institutions and Nationalised Banks. Since more than 25% of the Share Capital of our Company is held by Public Financial Institutions and Nationalised Banks, Special Resolution is recommended.
8. According to the Press Release dated 29.05.2000 issued by Securities and Exchange Board of India, trading of Kothari Sugars and Chemicals Limited shares in dematerialised form has been made compulsory for all categories of investors with effect from 24.07.2000. Tripartite agreements have already been entered into with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Cameo Corporate Services Limited, Chennai - 600 002 as the security transfer agent for the shares in electronic mode. Shareholders are advised to get their physical holdings dematerialised to avail the benefits of dematerialisation.



Your Directors present below the 39th Annual Report on the working of the Company alongwith the audited Balance Sheet, Profit and Loss Account and Cash Flow Statement for the year ended 31st March 2000.

	Year ended 31st March 2000 Rs. in Lakhs	Year ended 31st March 1999 Rs. in Lakhs
Profit/(Loss) before Interest and Depreciation	(264.34)	(931.13)
Interest	2908.68	2890.59
Depreciation	1218.08	1218.69
Profit/(Loss) before Taxation / Extra-ordinary items	(4391.10)	(5040.41)
Provision for diminution in value of Investments	(275.72)	(1180.84)
Prior Period Expenses - Cane Purchase Tax	(217.17)	--
Provision for Wealth Tax	--	0.38
Profit/(Loss) after Taxation	(4883.99)	(6221.63)
Add: Balance brought forward from previous year	(10324.79)	(4102.95)
Add: Taxation for earlier years	--	(0.21)
Balance carried to the Balance Sheet	(15208.78)	(10324.79)

#### SCENARIO

Higher sugar production in the Country as well as in the State has resulted in higher releasing of sugar by the Government which in turn caused reduced sales realisation. During the year, the Polybutene market has grown, due to consistent offtake from oil companies. However, regular imports have also taken place, though in small quantities and this put the selling price under pressure. Certain oil companies are planning a changeover in the consumption pattern of Polyisobutene (PIB) in the 2-T oil. Availability of high reactive polymer from the International Market, coupled with the above, is expected to put pressure on indigenous supply of polybutene and the selling price.

The increase in crude oil prices resulted in an increase in the Petrochemical Feed Stock prices in India. During the year, the average price of Polybutene Feed Stock (PBFS) was higher which put pressure on the contribution from the product. Considering the consistent growth in demand, your Company is also taking steps to increase the production, by availing Feed Stock from external sources. Also simultaneously assessment work is in progress in order to assess the possibility of expanding the production facility with minimum investment.

The Nitrochlorobenzene market remained dull during the year. Many producers either shut-down or reduced their throughput. In such a situation, investment in the revamp operation was not considered prudent. Your Company has engaged consultants renowned in this field to inspect the plant and machinery and suggest repairs and other investments measures, also considering the new products that can be made in the plant, to have flexibility in terms of marketing. The Monochlorobenzene operation was continued during the year. However, the selling price was under pressure due to lower demand. Increased raw material benzene price resulted in lower contribution from the product sales.

The Sangareddy Nitric Acid plant remained shutdown throughout the year. With the increased price of feed stock ammonia, operations remained unviable. Action has been initiated for the sale of this unit.

#### DIVIDEND

Considering the loss incurred by the Company, your Directors have not recommended any dividend on preference share capital and equity share capital of the Company for the year ended 31st March 2000.

#### OPERATIONS AND PERFORMANCE

##### SUGAR

The sugar mills at Kattur has crushed a total quantity 512716.225 MTs of cane between April 1999 and March 2000 as against 399434.580 MTs of cane crushed last year and the recovery percentage for the current year is 8.61 as against 8.37 last year. The total cane quantity available for the season 1999-2000 is around 4.37 lakh MTs.

In order to improve daily crushing capacity in the mills from the existing levels a mill upgradation programme was charted out. Accordingly the high power Fibriser installed under Phase I is giving good performance as per the guaranteed norms.



## REPORT OF THE DIRECTORS

There has been a positive contribution from the sugar plant with the improved average crushing of 2635 MTs per crushing day as against 2481.809 MTs per crushing day in the last year.

The Statutory minimum cane price (SMP) for 1999-2000 season is Rs.607.20 per tonne for our mills as compared to Rs.558 per tonne for 1998-99 season.

### Cane Separation System

The Cane Separation system has not been in operation. The Company has filed a law suit against the supplier for damages in the Court of Minnesota, United States of America and the case is in progress.

### COGENERATION

The Cogeneration plant at Kattur has stabilised. The power exported during the period under review is 17006.100 MWH as against 12508.400 MWH is 1998-99.

### DISTILLERY

The Alcohol production under review period is 8214.470 KL as against 6492 KL during 1998-99.

### POLYBUTENES

The Plant achieved 112% capacity utilisation. With improvements in Process parameters and outsourcing of additional C4 Feed Stock, the plant achieved annual production of 6123 MT and sale of 6391 MT of Polybutene which is a record since commissioning of the plant. The plant achieved safe and accident free operation throughout the year. Wheeling of power from Kattur Co-generation unit implemented this year has resulted in substantial saving in power cost.

Technical audit studies were conducted by engaging an external agency to evaluate the plant and Machinery performance and to improve operating efficiency. Investment proposals are being made to further enhance the production capacity by debottlenecking the plant & machinery and with additional storage facility for outside feedstock.

In-house studies have been conducted at PIB Plant by modifying certain process parameters to achieve higher conversion of Isobutylene and obtained increased yield of PIB. In addition, a separate study has been undertaken to identify the limiting plant area, so that, debottlenecking can be taken up to increase the plant capacity beyond 8000 TPA.

The capacity utilisation of PIB plant was limited by the feed stock availability from Chennai Petrochemical Corporation Limited (Formerly Madras Refineries Limited). Facilities have been created to receive feed stock in tankers from other external sources as well as to despatch the return LPG stream to bottlers.

### NITROAROMATICS

The Chlorobenzene plant was operated at a very low capacity utilisation producing 3707 MT of products considering marketing requirements, price realisation and poor condition of critical equipment.

The Nitro Chloro Benzene (NCB) plant revamping process involves investment and a consultant has been engaged to carry out a detailed study of retrofitting of the plant & machinery.

The Amination plant has not run in the year 1999-2000 since the market price of the main product, Para Nitro Aniline (PNA) has come down drastically compared to cost of production. Efforts are being taken to do certain modifications to bring down the cost of production. Revamp studies with additional product mix to manufacture different grades in the same plant have been initiated.

The Hydrogenation plant produced 55 MT of Ortho Chloro Aniline (OCA) mainly to meet export commitment. Export quality OCA of 4,4, Methylene-Bis-Ortho Chloro Aniline (MOCA) grade, meeting international requirements of 99.97% purity has been achieved in the plant.

In the Nitroaromatics complex, certain process improvements in the hydrogenated products, impurities removal have been attempted. Production of high purity OCA (99.97%) has been achieved with the process improvement.

Estimates have been made to identify the revamp requirements for commencing Nitrochlorobenzene production at an economical operation. Consultants have been appointed to assess the plant & machinery condition at Nitroaromatics plant and suggest revamping measures to be taken, considering the different product mix.

### NITRIC ACID

The Plant remained shut down throughout the year.





## REPORT OF THE DIRECTORS

### BIFR

The Company has filed its application with Board for Industrial & Financial Reconstruction (BIFR) and the same was registered by them as Case No.121/99. Subsequently at the hearing held on 02.08.1999 your Company has been declared as a Sick Industrial Company by BIFR and Industrial Credit and Investment Corporation of India (ICICI) has been appointed as the Operating Agency. The Company has submitted Rehabilitation Scheme to its Operating Agency for their approval, in accordance with the hearing of BIFR held on 02.03.2000.

### AUSTERITY MEASURES

Cost reduction measures have been taken in all areas wherever possible. Efforts are being taken to reduce the operational cost levels all around. During this year in our Sugar Unit at Kattur, manpower has been brought down through voluntary retirement scheme. In Nitroaromatics plant at Karaikal, lot of cost reduction measures have been taken such as reduction of natural gas allotment, approval from Government to charge actual demand against minimum demand charge payable to Electricity Department.

### DEPOSITORY

The Securities and Exchange Board of India through its Circular No.SMDRP/POLICY/CIR-23/2000, dated May 29, 2000 informed dematerialisation of our equity shares as compulsory for all categories of investors with effect from 24.07.2000. The Company last year entered into an agreement with the National Securities Depository Limited (NSDL). The Company signed an agreement on 06.03.2000 with Central Depository Services (India) Limited (CDSL) for joining the depository system so as to facilitate trading in the Stock Exchanges in electronic form. With this, the members have the option to hold the demat shares in the Company through the National Securities Depository Limited or Central Depository Services (India) Limited.

### DIRECTORS

Mr.P.S.Gopalakrishnan, Mr.P.S.Manisundaram & Mr.M.Sreenivasa Rao retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment. Mr.V.Chandok was appointed with effect from 28-03-2000 by Industrial Credit and Investment Corporation of India as the Nominee Director in the place of Mr.A.J.V.Jayachander.

### DEPOSITS

The Company has not accepted/renewed any deposits during the year. As on 31.03.2000 there was one deposit for Rs.100 Lakhs which matured in January 1999 and out of this Rs.90 lakhs remained unpaid. Three Deposits amounting to Rs.28,000/- remain unclaimed.

### AUDITORS

M/s Fraser & Ross, Auditors of the Company retire at this Annual General Meeting & are eligible for reappointment. The appointment of auditors has to be made by a Special Resolution pursuant to Section 224A of the Companies Act, 1956.

### COST AUDIT

As per Government directions, the Company's Cost records in respect of Sugar and Industrial Alcohol are being audited by Mr.L.S.Sathiamurthi who was appointed by the Board as Cost Auditor with the approval of the Central Government.

### DISCLOSURE UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Information required under Section 217 (1) (e) of the Companies Act, 1956 is given in Annexure "A" and information under Sec 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure "B".

### SUBSIDIARY COMPANIES

Pursuant to Section 212 (1) (e) of the Companies Act, 1956, the audited accounts and the Directors' Reports of the Subsidiary Companies viz. Kothari International Trading Limited & Kothari Biotech Limited are furnished along with the accounts of this Company.

### ACKNOWLEDGEMENT

The Board of Directors acknowledge the fullest co-operation and support extended by the employees, suppliers and customers.

The Directors also wish to place on record their appreciation of the support and co-operation they have received from Financial Institutions, Banks, Central and State Governments.

Place : Chennai  
Date : 31.07.2000

On Behalf of the Board  
for KOTHARI SUGARS AND CHEMICALS LIMITED  
B.H. KOTHARI  
Chairman and Managing Director



## KOTHARI SUGARS AND CHEMICALS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

**ANNEXURE "A"**  
**PARTICULARS AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956**

A. POWER AND FUEL CONSUMPTION	CURRENT YEAR (APRIL-1999 TO MARCH-2000)				
	Sugar Unit	Distillery Unit	Karaikal Unit	Manali Unit	Nitric Acid Unit
<b>1. Electricity</b>					
a. Purchased (Unit in KWH)	761941	560637	2103300	1767179	--
Total Amount Paid (Rs.)	5833294	2786873	4352376	7940860	
Rate per unit (Rs.)	3.40	3.40	2.07	4.49	
b. Own Generation through Diesel Generator					
Unit in KWH	1275	N.A.	34778	2011137	--
Unit per Litre of Diesel	3.53		2.802	3.64	
Cost per Unit (Rs.)	3.33		3.44	3.18	
c. Power generated through steam turbine					
Unit in KWH	36468748	360984	N.A.	N.A.	N.A.
Unit per litre of fuel	0.24	0.75			
Cost per unit (Rs.)	0.74	0.57			
<b>2. Coal (specify quantity and where used)</b>	N.A.	N.A.	N.A.	N.A.	N.A.
Quantity (tonnes)					
Total cost (Rs.)					
Average Rate (Rs.)					
<b>3. Fuel Oil</b>					
Quantity (tonnes/kilolitres)	N.A.	482.439	6.64	1482.187	N.A.
Total Cost (Rs.)		4103374	58632.84	11277844	
Average Rate (Rs.)		8.51	8.83	7.61	
<b>4. Natural Gas</b>					
Quantity M3	N.A.	N.A.	2826403	N.A.	N.A.
Total Cost (in Rs.)			14557400		
Average Rate per M3 (Rs.)			5.15		
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>					
Products (with details)	SUGAR	ALCOHOL	PNCB/ONCB/	POLYBUTENE	CNA/WNA
ELECTRICITY	38.34 per ton	0.23 per liter	PNA/OCA/PPDA	617.06	--
(Unit per MT/LIT)	of cane	of alcohol	1243		
in KWH					

**NOTE :**

- Nitric Acid Plant was non-operational throughout the year. Hence the required information could not be furnished.
- For calculating consumption of Electricity per MT of Production, MCB production is also being considered during this year (1999-2000). There was no production of PNCB & ONCB during this year (1999-2000.)
- N.A. means Not Applicable.





## ANNEXURE TO THE DIRECTOR'S REPORT

**B. TECHNOLOGY ABSORPTION****FORM B**

(Form for disclosure of Particulars with respect to Technology Absorption)

**Research and Development (R & D)**

The Company adopts the following R &amp; D measures :

1. High Sugar variety cane development activities are being implemented to increase the sugar recovery.
2. Studies were conducted to increase the yield of PIB by water addition to reaction and with higher Isobutylene content in the Feed and results found to be positive.

**Expenditure on R & D****Rs. in Lakhs**

a. Capital	:	Nil
b. Revenue	:	Nil
c. Total	:	Nil
d. Total R & D as percentage of turnover of the Company	:	Nil

**Technology absorption, adaption and innovation :**

Efforts in brief, made towards technology absorption, adaption and innovation and benefits as a result thereof :

**Development of Hi-pure OCA for MOCA industries**

High Pure OCA of purity 99.97% and Colour : 10 APHA was developed by certain innovative changes in the plant. With in-house expertise, high purity MOCA grade Ortho Chloro Aniline was developed and produced in Karaikal. Information regarding imported technology :

Product	Technology from	Year of Import	Status of implementation / absorption
Hydrogenation	Biazzi SA	1995	Under absorption
Sugar	Amcane International - USA	1995	Under Litigation

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange used and earned

**Rs. in Lakhs**

a. Total Foreign Exchange earned	NIL
b. Total Foreign Exchange used	38.54

**ANNEXURE "B"****STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED.**

Sl. No.	Name of the Employee	Designation	Remuneration Received Rs.	Age	Qualification & (Experience)	Date of Commencement of Employment	Last Employment
<b>A.EMPLOYED FOR THE FULL YEAR</b>							
1.	K.Jayachandran	Head - Sugar Division	795508	54	B.Sc. Ansi. PGDBA (31)	20.02.1997	Aruna Sugars & Enterprises Ltd.
<b>B. EMPLOYED FOR PART OF THE YEAR</b>							
1.	S.G.Shekar*	GM - Commercial	104790	47	B.Tech.Chem (25)	22.12.1998	Shasun Chemicals Ltd.

\*Left Service

**NOTE**

1. Designation denotes nature of duty also.
2. Remuneration includes basic pay, allowances, perquisites, contribution to provident fund, gratuity, superannuation fund and leave / travel allowance as per rules of the company.
3. Experience includes number of years of service elsewhere.
4. The above employees are employed on regular basis.
5. None of the above employee is related to any of the directors.
6. None of the employees either individually or together with spouse or children hold more than 2% of equity shares of the company.

**KOTHARI SUGARS AND CHEMICALS LIMITED****REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the attached Balance Sheet of Kothari Sugars and Chemicals Limited as at 31<sup>st</sup> March 2000 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

The Accounts have been prepared on the principles applicable to a Going Concern in spite of the erosion to the net worth of the company as explained in Note 1 of Schedule 16.

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state that:
  - a) We have 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 appears from our examination of such books.
  - c) The Balance Sheet and the Profit and Loss account referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) In our opinion and to the best of information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss account read together with the Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required.
  - f) The operations of the Nitric Acid Plant at Sanga Reddy have been suspended due to non viability and the Fixed and Current Assets of the unit are carried over at book values, as referred to in Note No.2(a) of Schedule 16. Certain Plant and Machineries at Karaikal and Kattur which are presently not in use are carried over at their respective book values (Note No. 2(b) & (c) of Schedule 16). Shortfall if any on disposal of these assets and the shortfall if any on the realisation of debts covered by Court cases (Note No. 9 of Schedule 16) are not presently quantifiable.
  - g) We further report that without considering the above, the effect of which could not be determined, the said accounts give a true and fair view of:
    - i) in so far it relates to the Balance Sheet, the State of Affairs as at 31<sup>st</sup> March 2000 and
    - ii) in so far it relates to the Profit and Loss Account, of the Loss for the year ended on that date.

**For FRASER & ROSS**  
**K.N. RAMASUBRAMANIAN**

**Place : Chennai**  
**Date : 31.07.2000**

Partner  
Chartered Accountants