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CS			DPY	<input checked="" type="checkbox"/>
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RAJSHREE SUGARS & CHEMICALS LIMITED



12th
Annual Report
1997 - 98



Contents	Page
AGM Notice	2
Directors' Report	6
Annexure to Directors' Report	12
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Schedules	22
Notes on Accounts	30
Balance Sheet Abstract	36
Cashflow Statement	37
Statement under Section 212	39
Annual Report of Chincholi Sugar Mills Limited	40

RAJSHREE SUGARS & CHEMICALS LIMITED



RAJSHREE SUGARS & CHEMICALS LIMITED

Chairman & Managing Director

Smt. RAJSHREE PATHY

Board of Directors

Shri SURESH T. KILACHAND
Shri J.A. RAJ MOHAMMED
Dr. V. GENGUSWAMY
Dr. P. SURULINARAYANASAMY
Shri R. RATNAM
[Expired on 22.03.98]
Shri G.R. KARTHIKEYAN
Shri S.Y. KALYANASUNDARAM
ICICI Nominee
Shri MYDUR ANAND
Smt. JAISHREE VARADARAJ
Smt. RAJINI RANGANATHAN

Company Secretary
Shri S. RAGHURAMAN

Auditors

M/s. SRIKISHEN & Co.
11, Street No. 1
Seth Narayandas Layout
Coimbatore - 641 012

Registered Office

'Uffizi'
338, Avanashi Road
Peelamedu
Coimbatore - 641 004

Factory

Varadaraj Nagar
Varadaraj Nagar P.O.
Pin 625 603
Periyakulam Taluk
Theni District.

Bankers

State Bank of India
State Bank of Travancore
State Bank of Mysore



NOTICE TO THE MEMBERS

Notice is hereby given that the 12th Annual General Meeting of the Members of **Rajshree Sugars & Chemicals Limited** will be held on Friday, the 28th August, 1998 at 10.00 AM at Naani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, to transact the following business :

A G E N D A

ORDINARY BUSINESS

1. To consider, approve and adopt the Profit & Loss Account for the year ended 31st March 1998, the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in the place of Dr. P. Surulinarayanasamy, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri J.A. Raj Mohammed, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Shri Suresh T. Kilachand, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification the following resolutions as Special Resolutions pursuant to Sec. 81 (1A) of the Companies Act, 1956:

RESOLVED that pursuant to Section 81 (1A) of the Companies Act, 1956 and any other approvals as may be required and subject to compliance with the Securities and Exchange Board of India (SEBI) Guidelines with regard to preferential allotment of warrants, the Company hereby authorises the allotment of 31,84,438 warrants to the Core Promoters and their Associate Companies, with an option to convert the same into an equivalent number of equity shares (of Rs.10/- each at par or at a price to be determined in accordance with SEBI Guidelines in relation to Preferential Issues dated August 04, 1994 and certified by the Statutory Auditors of the Company) of the Company at any time within a period of 18 months from the date of allotment. An amount equivalent to 10% of the price determined in accordance with the SEBI Guidelines, will be the upfront amount payable to the company for allotment of warrants, which amount will be adjusted against the share price, upon exercise of warrants by them.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions and matter arising out of and incidental to the proposed offer and issue of equity shares and take all steps which the Board, in its absolute discretion, considers necessary, proper or expedient for implementing this resolution.

RAJSHREE SUGARS & CHEMICALS LIMITED

RESOLVED FURTHER THAT the Board be and is hereby authorised to make on its own accord or to accept such amendments, modifications, variations and alterations as the Government of India, Securities and Exchange Board of India (SEBI) and / or Financial Institutions may stipulate in that behalf and to amend, modify, vary or alter or any of the terms of the Preferential Issue on such manner as the Board may in its absolute discretion decide within the Guidelines of the Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Secretary of the Company be and is hereby authorised to sign all relevant documents and take adequate steps in this regard.

8. To consider and if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolutions:

RESOLVED THAT pursuant to the provisions of Sec. 198, 269, 309, 310 and other applicable provisions and Schedule XIII as amended, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Smt. Rajshree Pathy as Managing Director for a period of 5 years with effect from 16th March, 1999 on a remuneration to be calculated at 5% of the Net Profits of the Company in the manner provided under Section 349 and 350 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of absence of profits or inadequacy of profits in any one year, the remuneration payable to the Managing Director be as under :

- 1) Salary : Rs. 87,500/- per month.
- 2) Perquisites : a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961.
b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

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

RESOLVED THAT the authorised capital of the Company be increased to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of Rs.10/- each from the existing Rs.25,00,00,000/- divided into 2,50,00,000 equity shares by creation of additional 50,00,000 equity shares of Rs.10/- each.

10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED THAT Clause V of the Memorandum of Association of the Company be deleted and the following be substituted therefor namely,

.....V. The share capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of Rs.10/- each with power to increase or reduce or alter the capital in accordance with the provisions of the Companies Act, 1956...



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

RESOLVED THAT the existing article 3(a) of the Articles of Association of the Company be deleted and the following Article be substituted therefor:

3 (a) The share capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of Rs.10/- each.

By Order of the Board

Place : Coimbatore

Date : 19th June, 1998.

S. RAGHURAMAN

Company Secretary

NOTE

1. The Register of Members of the Company will remain closed from 1st August, 1998 to 28th August, 1998 (both days inclusive).
2. Dividend as approved at the Annual General Meeting will be paid to the eligible shareholders on or after 30th September, 1998.
3. Pursuant to Section 205A of the Companies Act 1956, the unclaimed dividend pertaining to the financial year ended 31.3.95 will be transferred to General Revenue Account of the Central Government on or after 15.9.98. Thereafter, the Shareholders will have to claim the amount from the Registrar of Companies Tamilnadu, Coimbatore, Bank of Baroda Building, 82, Bank Road, Coimbatore 641 018.
4. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.
5. Members are requested to intimate the change of address, if any, immediately to the Registrars and Transfer Agents of the Company whose address is given below :

✓
19/6/98

S.K.D.C. Consultants Limited

Post Box No. 2979, 11, Street No. 1

Seth Narayandas Layout

Coimbatore - 641 012.

6. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
7. Shareholders who have not paid the allotment money with interest will note that the Dividend will be adjusted against the allotment money with interest.

RAJSHREE SUGARS & CHEMICALS LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956.

ITEM NO. 7 OF THE AGENDA :

In the context of globalisation and liberalisation process taking place in this country, there is a need for the promoting class to demonstrate their unflinching commitment towards the companies they control. The existing Promoters of your Company have contributed significantly in the development of the company by implementing Distillery, Co-Generation of Power and Textiles in a well phased and structured manner to create wealth to the shareholders of the company against all odds. Today, your Company is poised for significant growth by implementing additional sugar factories both within the country and abroad. In view of the excellent track record of the existing promoters, it is desirable to strengthen their hands by allowing them to consolidate their equity stake in the best interest of your Company. The consequent increase in the equity capital would enable your Company to have a larger resource base to implement effectively its growth plans.

It is accordingly proposed to issue to the Core Promoters and their Associate Companies, 31,84,438 warrants entitling them to exchange these warrants for equity shares of Rs.10/- each or at a price to be determined in accordance with the Securities and Exchange Board of India (SEBI) Guidelines in relation to Preferential Issues dated August 4, 1994 and Certified by the Statutory Auditors of the Company.

The issue of warrants shall be subject to necessary consent being obtained from Financial Institutions and other Government Authorities like SEBI.

After the issue of shares underlying the above warrants, the existing shareholding of the Promoters and their associates shall increase from the present 20.97 % to 30.69 % of the enhanced capital.

The warrants to be allotted will have a lock-in period upto the date of exercise of the option and the underlying equity shares will have a lock-in period of five years from the date of allotment of such shares.

Your Directors commend the resolution for your approval.

Interest of Directors :

Smt. Rajshree Pathy and Smt. Jaishree Varadaraj may be deemed to be concerned or interested in this special resolution to this extent of the warrants that may be offered to them. No other Director is concerned or deemed to be interested in the resolution.



ITEM NO. 8 OF THE AGENDA :

The existing term of appointment of Smt. Rajshree Pathy, Managing Director expires on 15th March, 1999. The Board of Directors have, vide a resolution passed at the Meeting held on 19th June, 1998 approved the re-appointment of the Managing Director for a further period of 5 years with effect from 16th March, 1999.

The proposed resolution under Item No. 8 and this explanatory statement may be treated as abstract of the terms & conditions of the re-appointment of Smt. Rajshree Pathy, Managing Director, pursuant to Sec. 302 of the Companies Act, 1956.

Your Directors commend the resolution for your approval.

Interest of Directors :

Smt. Rajshree Pathy and Smt. Jaishree Varadaraj are interested in the resolution.

ITEM NO. 9, 10, AND 11 OF THE AGENDA :

It is proposed to issue share warrants on preferential basis to the Core Promoters and their Associate Companies. When the holders of share warrants opting to convert the warrants into equity shares, the present unissued share capital will not be sufficient to issue the number of shares opted for. Hence, it is necessary to increase the authorised capital. It is proposed to increase the authorised capital to Rs.30 Crores divided into 3 Crore equity shares of Rs.10/- each. The capital clause of the Memorandum and Articles of Association of the Company also requires amendment consequent on the increase in the authorised capital.

Your Directors commend the resolution for your approval.

Interest of Directors :

None of the Directors are deemed to be interested.

By Order of the Board

Place : Coimbatore

Date : 19th June, 1998

S. RAGHURAMAN
Company Secretary

RAJSHREE SUGARS & CHEMICALS LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 12th Annual Report with the audited financial statements on the working and affairs of the Company for the year ended 31st March, 1998.

FINANCIAL HIGHLIGHTS	1997-98	1996-97
	Rs. Lakhs	
Total Income	8,781.99	8,439.17
Profit before Interest and Depreciation	1,150.87	1,623.27
Less : Interest Charges	771.49	603.37
Cash Profit	379.38	1,019.90
Less : Depreciation	338.78	256.19
Profit before Tax	40.60	763.71
Add : Surplus brought forward	233.42	110.03
Excess Provision Reversed	23.41	—
Available for Appropriation	297.43	873.74
Appropriations:		
i) Prior Period Expenses	2.58	Nil
ii) Income Tax of Prior Year	6.35	Nil
iii) Proposed Dividend	226.89	340.33
Percentage of Dividend	10 %	15 %
Provision for Dividend Tax (including Rs.34.03 lakhs of Prior Year)	56.72	—
iv) General Reserve	—	300.00
v) Total Appropriations	292.54	640.33
vi) Surplus carried over	4.89	233.41
Total	297.43	873.74

No provision has been made for Minimum Alternate Tax payable and the tax paid has been treated as Advance Income Tax.

DIVIDEND

Your Directors recommend a Dividend of 10% on the Paid-up Equity Capital of Rs. 2268.88 Lakhs for the year ended 31st March, 1998 which if approved by the shareholders in the ensuing Annual General Meeting will absorb a sum of Rs. 226.89 Lakhs, the same will be met from balance brought forward in the Profit & Loss Account.