

REPORT

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RAJSHREE SUGARS & CHEMICALS LIMITED

13th Annual Report
1998-99



RAJSHREE SUGARS & CHEMICALS LIMITED

Chairman and Managing Director

Smt. RAJSHREE PATHY

BOARD OF DIRECTORS

Shri SURESH T. KILACHAND

Shri J.A. RAJ MOHAMMED

Dr. V. GENGUSWAMY

Dr. P. SURULINARAYANASAMY

Shri G.R. KARTHIKEYAN

Shri S. KISHORE - ICICI Nominee

Shri MYDUR ANAND

Smt. JAISHREE VARADARAJ

Smt. RAJINI RANGANATHAN

Asst. General Manager (Finance) &
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

Sugar & Distillery Division

Varadaraj Nager P.O

PIN 625 562

Periakulam Taluk

Theni District

Textile Division :

6/7 A, Velankurichi Road

Peelamedu

Coimbatore - 641 004

BANKERS

State Bank of India

State Bank of Travancore

State Bank of Mysore

RAJSHREE SUGARS & CHEMICALS LIMITED

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NOTICE TO THE MEMBERS

Notice is hereby given that the 13th Annual General Meeting of the members of **Rajshree Sugars & Chemicals Limited** will be held on Monday, the 9th August 1999 at 3.00 PM at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Profit & Loss Account for the year ended 31st March 1999, the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors.
2. To appoint a Director in the place of Dr.V. Genguswamy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Smt. Jaishree Varadaraj, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in the place of Shri. Mydur Anand, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

Place : Coimbatore
Date : 27th May 1999

S.RAGHURAMAN
Company Secretary

NOTE

1. The Register of Members of the Company will remain closed from 16th July 1999 to 9th August 1999 (both days inclusive).
2. 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 / herself and the proxy need not be a member.
3. Members are requested to intimate the change of address, if any, immediately to the Registrars and Transfer Agents of the Company, M/s. S.K.D.C. Consultants Limited, Post Box No.2979, Street No.1, Seth Narayandas Layout, Coimbatore - 641 012.
4. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
5. Pursuant to Section 205A of the Companies Act 1956, the unclaimed dividend pertaining to the financial year ended 31.3.1995 was transferred to General Revenue Account of the Central Government. Member's who have not encashed the dividend warrant of the said period are requested to claim the amount from the Registrar of Companies Tamilnadu, Coimbatore, Bank of Baroda Buildings, 82 Bank Road, Coimbatore 641 018. Members who have not encashed the dividend warrant for the subsequent years may please write to the Company at "The Uffizi", 338 Avanashi Road, Peelamedu, Coimbatore 641 004.

RAJSHREE SUGARS & CHEMICALS LIMITED**DIRECTORS' REPORT TO SHAREHOLDERS**

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 13th Annual Report with the audited financial statements on the working and affairs of the Company for the year ended 31st March 1999.

FINANCIAL HIGHLIGHTS	1998-99	1997-98
	Rs. lacs	
Total income	10,408.87	8,781.99
Profit before interest and Depreciation	901.67	1,150.87
Less : Interest Charges	1,078.52	771.49
Cash Profit / (Loss)	(176.85)	379.38
Less : Depreciation	383.12	338.78
Profit / (Loss) before Tax	(559.97)	40.60
Add : Surplus brought forward	4.89	233.42
Excess Provision Reversed	---	23.41
Income Tax of Prior Year	(391.19)	---
Profit / (Loss) before Appropriation	(946.27)	297.43

Appropriations :

i) Prior Period Expenses	---	2.58
ii) Income Tax of Prior Year	---	6.35
iii) Proposed Dividend	---	226.89
Percentage of Dividend	---	10%
Provision for Dividend Tax (including Rs. 34.03 lakhs of Prior Year)	---	56.72
iv) Surplus / (Deficit) carried over	(946.27)	4.89
Total	(946.27)	297.43



OPERATIONS

SUGAR DIVISION

The highlights / statistical data of operations during the year compared with the immediately preceding financial year are as under :

Particulars	1998-99	1997-98
No. of Crushing days	282	202
Cane Crushed (Ton)	7,42,298	4,69,877
Sugar Produced - Nett (Ton)	72,239	45,077
Sugar Bagged (Ton)	72,237	45,084
Average Recovery	9.73%	9.59%

Cane Development :

Your Company's continued efforts to expand and develop the cane potential in the command area and adoption of various scientific methods to improve the per acre yield of cane, has yielded fruitful results during the planting season October 1997 to September 1998. The ongoing planting continue to be encouraging for the ensuing crushing season.

DISTILLERY DIVISION :

The operational data with corresponding figures for the previous year are given below :

Particulars	1998-99	1997-98
No. of days of operation	203	117
Raw Material - Molasses consumed (Tons)	28,850	13,356
Alcohol produced (Litres)	67,81,766	33,18,633
Yield per ton (Litres)	235	248

CO-GENERATION OF POWER

Your Company has exported 1,23,24,240 kwh of power during the year 1998-99 to the state grid apart from the captive consumption of the Sugar & Distillery Divisions aggregating to 2,20,56,612 kwh. Both the I and II phase of the system were operational during the Year.

PROPERTY DEVELOPMENT

Due to the unfavourable market conditions throughout the year, no property was sold during the year.

TEXTILE DIVISION

The Textile industry continued to reel under the pressure of recession during this year also which has affected the textile division of your company. As part of operational restructuring, your company has undertaken job work from outsiders effective from December 1998. This has resulted in substantial reduction in operational losses.

RAJSHREE SUGARS & CHEMICALS LIMITED**VIETNAM PROJECT**

Due to unfavourable and recessionary economic scenario world over and the crisis affecting South East Asian countries especially, your company could not find a joint venture partner and hence the sugar project at Vietnam is put on hold for the present.

SUBSIDIARY COMPANY

M/s. Chincholi Sugar Mills Limited, Bangalore, subsidiary of your company is making necessary arrangements for tying up the finance for the project. The commissioning of the project will be expedited once the financial closure is over.

SHARE CAPITAL

During the year, your Company increased the Authorised share capital from Rs.25 crores to Rs.30 crores. Due to unfavourable economic and market conditions, the implementation of additional sugar factories both within the country and abroad did not materialise during the year. Accordingly the proposed equity issue in terms of special resolution passed at the 12 th Annual General Meeting to the promoters was dropped.

DIRECTORS

The following Directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment :

1. Dr. V. Genguswamy
2. Smt. Jaishree Varadaraj
3. Shri. Mydur Anand

ICICI Limited has appointed Mr. S. Kishore as its nominee in place of Shri. S. Y. Kalyanasundaram with effect from 15th November 1998. Your Directors wish to place on record the valuable services rendered by Shri. S. Y. Kalyanasundaram during his Directorship.

AUDITORS

M/s. Srikishen & Co. Chartered Accountants, the present auditors of the company, retire at the ensuing Annual General Meeting and are eligible for re- appointment. They have furnished necessary certificate in terms of Sec. 224 (IB) of the Companies Act,1956.

Y2K COMPLIANCE

The conversion of the system and application softwares used in the company to the latest products satisfying Y2K requirements is nearing completion and it is expected that all the systems will be Y2K compliant by September 1999.



ENVIRONMENTAL SAFETY

Your Company constantly strives to preserve the factory environment. While the Company adopts zero pollution system in treating its distillery effluents/ spent wash, it has also focused on developing the green belt around the factory with an eucalyptus and horticulture plantation exclusively developed for effective disposal of effluents from the sugar factory.

PUBLIC DEPOSITS

One fixed deposit amounting to Rs.2,000/- accepted under the Fixed Deposit Scheme and matured during the year 1997-98 remained unpaid / un renewed for want of instructions from the depositor concerned.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)

Particulars required to be furnished under sub- section (2A) of Section 217 of the Companies Act., 1956 is enclosed to this report.

CONSERVATION OF ENERGY

Particulars required to be furnished under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are also annexed to this report.

ACKNOWLEDGMENT

The Board of Directors thanks the Financial Institutions - ICICI & IREDA and the Consortium Bankers- State Bank of India, State Bank of Mysore and State Bank of Travancore for their valuable and timely financial assistance and support provided to the Company. The Board also thanks the cane growers, suppliers, Government Institutions and others for the co-operation extended to the Company. The Board also places on record its appreciation of the dedicated services rendered by the employees of the Company.

May the Goddess Lakshmi shower her blessings for the continued prosperity of the Company.

Place : Coimbatore

Date : 27th May 1999

For and on behalf of the Board

RAJSHREE PATHY

Chairman and Managing Director

RAJSHREE SUGARS & CHEMICALS LIMITED**ANNEXURE TO DIRECTORS' REPORT**AS PER RULE 2 OF COMPANIES (DISCLOSURE OF PARTICULARS
IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**A. POWER AND FUEL CONSUMPTION**

	Units	Sugar Division	Distillery Division	Co-gen Division	Textile Division
1. Electricity					
a. Purchased	KWH	2,74,312	25,000	NIL	44,95,160
		(6,45,544)	(27,840)	(NIL)	(41,76,880)
Total Value	Rs. in lacs	23.37 (34.36)	2.13 (1.48)	NIL (NIL)	171.30 (144.73)
Rate per unit (including demand charge)	Rs.	8.52 (5.32)	8.52 (5.32)	NIL (NIL)	3.81 (3.47)
b. Own Generation					
i) Through Diesel Gensets					
Qty. produced		9,140	NIL	NIL	17,03,570
	KWH	(11,010)	(NIL)	(NIL)	(12,82,829)
Units per ltr of Diesel		2.00	NIL	NIL	3.27
		(2.79)	(NIL)	(NIL)	(3.31)
Cost per unit	Rs.	4.55	NIL	NIL	2.89
		(4.01)	(NIL)	(NIL)	(2.77)
ii) Through Steam Turbine					
Qty. produced	KWH	4,71,952	NIL	NIL	NIL
		(20,72,200)	(NIL)	(NIL)	(NIL)
Cost per unit	Rs.	1.35	NIL	NIL	NIL
		(2.34)	(NIL)	(NIL)	(NIL)
iii) Through Co- Generation					
Qty. produced	KWH	2,09,84,752	10,71,860	NIL	NIL
		(1,05,59,620)	(4,77,080)	(NIL)	(NIL)
Total value	Rs in lacs	545.60 (261.88)	27.86 (11.83)	NIL (NIL)	NIL (NIL)
Rate per unit	Rs.	2.60 (2.43)	2.60 (2.43)	NIL (NIL)	NIL (NIL)
2. Coal		NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)



3. Furnace Oil Quantity	KL	0.34 (2.78)	NIL (NIL)	24.66 (22.72)	NIL (NIL)
Total Value	Rs in lacs	0.02 (0.18)	NIL (NIL)	1.60 (1.50)	NIL (NIL)
Average Rate / Ltr.	Rs.	6.48 (6.58)	NIL (NIL)	6.48 (6.58)	NIL (NIL)
4 Others/ Internal Generation					
Co-generation					
Qty. produced	KWH	NIL (NIL)	NIL (NIL)	3,43,80,852 (1,69,52,960)	NIL (NIL)
Cost per unit	Rs	NIL (NIL)	NIL (NIL)	0.92 (2.46)	NIL (NIL)
Bagasse Consumed Quantity	MT	2,547 (13,082)	NIL (NIL)	1,83,021 (1,07,023)	NIL (NIL)
Total Value					
				Own Bagasse consumed	
B. CONSUMPTION PER UNIT OF PRODUCTION :					
Product			Per Quintal White Crystal Sugar	Per Litre Industrial Alcohol	Per Kg Cotton Yarn
Electricity	(KWH)		30.10 (29.48)	0.15 (0.15)	2.96 (3.22)
Average Count					
Cotton					32.86 (24.86)
Polyester / Viscose					37.28 (NIL)
NOTE :					
1. Power produced by the Co- generation division includes, power consumed by other divisions .During the year 2,20,56,612 units was transferred at a total value of Rs. 573.46 lakhs. (Previous year units : 1,10,36,700 - Value Rs. 273.71 lakhs)					
2. In respect of internal consumption of bagasse for Co-generation purpose, the rate adopted has been Rs. 100/- per ton against Rs. 300/- per ton in the previous year being the prevalent market rate. Hence the cost per unit is also lower.					
3. Previous year figures are shown in the parenthesis					