

Rajshree Sugars & Chemicals Limited



15th Annual Report
2000-2001



RAJSHREE SUGARS & CHEMICALS LIMITED

Board of Directors

Shri JA RAJ MOHAMMED
Dr. V GENGUSWAMY
Dr. P SURULINARAYANASAMY
Shri GR KARTHIKEYAN
Shri S KISHORE – ICICI NOMINEE
Shri MYDUR ANAND
Smt. JAISHREE VARADARAJ
Shri JESPER HOUGAARD
(from 8th September 2000)
Smt. RAJINI VARADARAJAN
Wholetime Director
Smt. RAJSHREE PATHY
Chairman and Managing Director

Vice President (Finance) & Company Secretary

Shri PK VISWANATHAN

Auditors

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

Registered Office

'The Uffizi'
338 Avanashi Road
Peelamedu
Coimbatore - 641 004.

Factory – Sugar

Varadaraj Nagar P.O.
PIN - 625 562
Periyakulam Taluk
Theni District.

Factory-Textiles

6/7-A Vilankurichi Road
Thaneerpandal Thottam
Peelamedu
Coimbatore - 641 004.

Bankers

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

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NOTICE TO THE MEMBERS

Notice is hereby given that the 15th Annual General Meeting of the members of Rajshree Sugars & Chemicals Limited will be held on Wednesday, the 5th day of September 2001 at 3.00 PM at Naani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 to transact the following business:

ORDINARY BUSINESS

- 01 To consider, approve and adopt the Profit & Loss Account for the year ended 31st March 2001, the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors.
- 02 To declare a dividend.
- 03 To appoint a Director in the place of Smt. Jaishree Varadaraj who retires by rotation and being eligible, offers herself for re-appointment.
- 04 To appoint a Director in the place of Dr. V. Genguswamy who retires by rotation and being eligible, offers himself for re-appointment.
- 05 To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 06 To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.

"RESOLVED that Shri Jesper Hougaard, a Director who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 8th September 2000 and who holds office as such upto the date of the Fifteenth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from some members signifying their intention to propose Shri Jesper Hougaard as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company".

- 07 To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, Smt. Rajini Varadarajan be reappointed as Wholetime Director for a period of 5 years with effect from April 1, 2002 upon the terms and conditions set out below.

Remuneration:

- a. Salary : Rs.40,000/- per month
- b. Perquisites: In addition to the salary, the Wholetime Director shall also be entitled to the following:
 - i) Company's contribution to Provident Fund and Superannuation Fund as per the rules of the Company to the extent these, either singly or together, are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity not exceeding half a month's salary for each completed year of service.
 - iii) Encashment of earned leave at the end of tenure.

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Provision of a Company's car with driver for use on Company's business and telephone facility at her residence will not be considered as perquisites. However, personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to Wholtime Director.

The minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit, in any financial year during the tenure of office, shall be the remuneration as mentioned above, subject to such ceiling which may be fixed from time to time as per Schedule XIII of the Companies Act, 1956."

- 08 To consider and if thought fit, to pass the following resolution as an ordinary resolution.

"RESOLVED to approve the donation of an aggregate sum of Rs.1,44,500/- including the contribution of Rs.1,25,000/- to Gujarat Earthquake Relief Fund in terms of Section 293 (1)(e) of the Companies Act, 1961."

By Order of the Board

PK VISWANATHAN

Vice President (Finance) &

Company Secretary

Place : Coimbatore
Date : 21st May 2001

NOTE

- 01 The Register of Members of the Company will remain closed from 17th August 2001 to 5th September 2001 (both days inclusive).
- 02 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.
- 03 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.
- 04 Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
- 05 The Company's equity shares are listed on the following stock exchanges at present:
- Madras Stock Exchange Limited
Exchange Building
11 Second Line Beach
Chennai - 600 001.
 - National Stock Exchange Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.
 - The Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.
 - Ahmedabad Stock Exchange Limited
Kamadhenu Complex
Opp. Sahajanand College
Panjarapole
Ahmedabad - 380 015.



- e. The Delhi Stock Exchange Association Limited
West Plaza, Indira Gandhi Stadium
Indiraprashta
New Delhi -110 002.

The Company has paid the annual listing fees for the period 2001-02 in respect of the above stock exchanges.

- 06 The dividend declared for the year ended 31st March 1995 which remained unclaimed has been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956.

Consequent upon an amendment to Section 205A of the Companies Act, 1956 and introduction of new Section 205C by the Companies (Amendment) Ordinance, 1999, the amount of dividend remaining unclaimed / unpaid for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrant(s) so far, for the financial year ended 31st March 1996 and/or any subsequent dividend payment are requested to make their claims to the Company at "The Uffizi", 338 Avanashi Road, Peelamedu, Coimbatore - 641 004.

Members who have not encashed the dividend warrants for the earlier years prior to the year ended 31st March 1996 are requested to claim the same by submitting an application in Form No.II as prescribed under Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, to the Registrar of Companies (Tamilnadu), Stock Exchange Buildings, Trichy Road, Coimbatore - 641 045.

07. As per SEBI circular dated 29th May 2000, the equity shares of the Company have been dematerialised for trading by all investors, by admitting the shares into National Securities Depository Limited and Central Depository Services (India) Limited.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.6

Shri Jesper Hougaard was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 8th September 2000. As per the provisions of the Companies Act, he will be retiring on the date of the Annual General Meeting. The Company has received nomination proposing Shri Jesper Hougaard along with the required deposit of Rs.500/-.

None of the Directors is interested in the resolution.

ITEM NO.7

The existing term of appointment of Smt. Rajini Varadarajan, Wholetime Director expires on 31st March 2002. The Board of Directors has, vide a resolution passed at the meeting held on 21st May 2001, approved the re-appointment of the Wholetime Director for a further period of 5 years with effect from 1st April 2002.

The proposed resolution under Item No.7 and this explanatory statement may be treated as abstract of the terms and conditions of the re-appointment of Smt. Rajini Varadarajan, Wholetime Director, pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

Your Directors commend the resolution for your approval.

None of the Directors is interested in the resolution.

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ITEM NO.8

Your Company has contributed Rs.1,25,000/- to Gujarat Earthquake Relief Fund to mitigate the hardships faced by the people of Gujarat. As a result, the aggregate amount of donation other than to the welfare of the employees of the Company exceeds the limit as per Section 293 (1) (e) of the Companies Act, 1961. The Board recommends the same for your approval.

By Order of the Board

PK VISWANATHAN

Vice President (Finance) &
Company Secretary

Place : Coimbatore
Date : 21st May 2001





DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen

Your Directors have pleasure in presenting the 15th Annual Report with the audited financial statements on the working and affairs of the Company for the year ended 31st March 2001.

FINANCIAL HIGHLIGHTS

	2000-2001	1999-2000
	Rs.	Rs.
Total Income	1,093,996,282	1,196,805,711
Profit before Interest and Depreciation	251,811,227	211,856,717
Less: Interest Charges	102,287,389	110,388,822
Cash Profit	149,523,838	101,467,895
Less: Depreciation	48,816,833	40,350,188
Profit before Tax	100,707,005	61,117,707
Appropriations:		
i) Provision for Direct Taxes	8,750,000	—
ii) Prior Period Expenses	438,300	—
iii) Vietnam Project Expenses	—	8,240,489
iv) Direct Taxes of Prior Years	(1,803,753)	640,356
v) Proposed Dividend	22,690,599	18,151,952
vi) Provision for Dividend Tax	2,314,441	3,993,429
vii) Transfer to / (from) General Reserve	25,000,000	(22,500,000)
Total	57,389,587	8,526,226
viii) Surplus	1,281,556	

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1/- per share.

OPERATIONS

a) SUGAR

During the year under review, the factory could crush only 588,172 tons of sugarcane as against 900,617 tons during the previous year. The drop has been mainly due to non availability of cane for want of rains during the previous season and maintenance works undertaken. The additional 55 TPH boiler has been installed and approvals are awaited for commissioning.

b) DISTILLERY

The Distillery worked for almost the same number of days as in last year and produced 5,000,721 B.Lts. of alcohol as against 4,878,285 B.Lts. during last year.

c) CO-GENERATION OF POWER

Your Company generated 32,066,132 KWH of power during the year as against 49,579,600 KWH during the previous year and exported 10,569,840 KWH to the grid out of which 5,497,520 KWH have been consumed in

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the textile division under wheeling arrangements with TNEB and consumed the balance 21,496,292 KWH captively in the sugar, distillery and cogeneration divisions. The lower cane crushing affected the generation of power also.

d) TEXTILE

The textile unit continued to operate on job work during the year under review. The agreement executed for sale of the textile undertaking of the Company could not be put through as the buyer was not able to arrange the funds within the stipulated time.

e) PROPERTY DEVELOPMENT

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

PROSPECTS

The planting of sugarcane for the ensuing crushing season is encouraging and the scientific methods adopted by the Company has resulted in higher yield. However, the sugar industry is facing unprecedented glut of sugar which has affected the realisation price for open market sugar. The international price situation also remains depressed due to over supply.

The levy quota has been reduced to 15% and the futures market is being opened up for sugar. These and other government initiatives may stabilize the sugar market.

DIRECTORS

Shri Suresh T Kilachand resigned as Director of the Company due to increasing work commitments. The Board places on record its appreciation of the valuable services rendered by him during his association with the Company.

Shri Jesper Hougaard was appointed as an Additional Director in the Board Meeting held on 8th September 2000 and will be retiring at the ensuing Annual General Meeting. Necessary resolution is placed before the General Meeting for his appointment as a Director of the Company.

Dr.V Genguswamy and Ms. Jaishree Varadaraj, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

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 Section 224 (1B) of the Companies Act, 1956.

DEMATERIALISATION OF SHARES

As per SEBI Circular No.SMDRP/Policy/CIR 23/2000 dated 29.5.2000, the equity shares of your Company are dematerialised for trading by all investors.

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 / unrenewed for want of instructions from the depositor concerned both as at the close of the year and till date.



PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)

None of the employees of the Company was in receipt of remuneration, which in the aggregate exceeded the limits fixed under Sub-section (2A) of Section 217 of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that in the preparation of the annual accounts, the applicable accounting standards have been followed; they have 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 fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period; they have 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 and that the annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY

Particulars required to be furnished under Sub-section 1 (e) of Section 217 of the Companies Act, 1956 are also annexed to this report.

CHARITY AND DONATION

Considering the emergent needs arising out of the devastating earthquake in Gujarat, the Company had contributed a sum of Rs.1,25,000/- for the cause. The aggregate amount of donation during the year, Rs.1,44,500/-, including the above exceeds the limit under Section 293 (1) (e) of the Companies Act, 1961 for which, necessary resolution is being placed before the members at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

The SEBI guidelines on corporate governance is applicable to your Company effective from 1.4.2001 and your Company has constituted an audit committee.

ACKNOWLEDGEMENT

The Board of Directors thanks the Financial Institutions – ICICI & IREDA and the Consortium Bankers – State Bank of India, State Bank of Mysore, State Bank of Travancore and State Bank of Hyderabad 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.

For and on behalf of the Board

Place : Coimbatore
Date : 21st May 2001

RAJSHREE PATHY
Chairman and Managing Director