

SRI CHAMUNDESWARI SUGARS LIMITED,



26th Annual Report 1997 - 99

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Sri Chamundeswari Sugars Limited, Bangalore

Directors

Dr. N. Mahalingam
Chairman

Shri A. Alagappan
Executive Vice Chairman

Shri M. Srinivaasan
Managing Director

Shri M. Manickam

Shri M. Balasubramaniam

Shri B. Appaji Gowda

Shri Lingegowda @Thammegowda

Shri V.K. Swaminathan

Shri S. Krishnappa

Shri C.R. Lingiah

Shri P. Krishnan - Nominee IFCI

Shri K.N.V. Ramani

Company Secretary

Shri K.N. Sathyanarayana Rao

Auditors

Brahmayya & Co.
Chartered Accountants, Bangalore

Internal Auditors

P.N. Raghavendra Rao & Co.
Chartered Accountants, Coimbatore

Bankers

State Bank of Mysore

Vijaya Bank

Dena Bank

Syndicate Bank

State Bank of Travancore

State Bank of Indore

The Lakshmi Vilas Bank Ltd.

Registered Office

76, Ulsoor Road
Bangalore - 560 042

Factory

Bharathinagara (K.M. Doddi)
Maddur Tq., Mandya Dist.
Karnataka State

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ನಿರ್ದೇಶಕರುಗಳು

ಡಾ.ಎನ್.ಮಹಾಲಿಂಗಂ
ಭೇರ್‌ಮನ್

ಶ್ರೀ ಎ. ಅಳಗಪ್ಪನ್
ಎಕ್ಸ್‌ಕ್ಯೂಟಿವ್ ವೈಸ್ ಭೇರ್‌ಮನ್

ಶ್ರೀ ಎಂ. ಶ್ರೀನಿವಾಸನ್
ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್

ಶ್ರೀ ಎಂ. ಮಾಣಿಕ್ಕಮ್

ಶ್ರೀ ಎಂ. ಬಾಲಸುಬ್ರಹ್ಮಣ್ಯಮ್

ಶ್ರೀ ಬಿ. ಅಪ್ಪಾಜಿ ಗೌಡ

ಶ್ರೀ ಲಿಂಗೇಗೌಡ @ ತಮ್ಮೇಗೌಡ

ಶ್ರೀ ವಿ.ಕೆ.ಸ್ವಾಮಿನಾಥನ್

ಶ್ರೀ ಎಸ್. ಕೃಷ್ಣಪ್ಪ

ಶ್ರೀ ಸಿ. ಆರ್.ಲಿಂಗಯ್ಯ

ಶ್ರೀ ಪಿ. ಕೃಷ್ಣನ್ ಐ. ಎಫ್. ಸಿ. ಐ. ನೇಮಕ

ಶ್ರೀ ಕೆ.ಎನ್. ವಿ. ರಮಣಿ

ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ

ಶ್ರೀ ಕೆ.ಎನ್. ಸತ್ಯನಾರಾಯಣ್ ರಾವ್

ಆಡಿಟರ್‌ಗಳು

ಬ್ರಹ್ಮಯ್ಯ ಅಂಡ್ ಕಂಪೆನಿ
ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ಬೆಂಗಳೂರು

ಇಂಟರ್ನ್ಯಲ್ ಆಡಿಟರ್‌ಗಳು

ಪಿ.ಎನ್.ರಾಘವೇಂದ್ರ ರಾವ್ ಅಂಡ್ ಕಂಪೆನಿ
ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ಕೊಯಮತ್ತೂರು

ಬ್ಯಾಂಕರುಗಳು

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು

ವಿಜಯ ಬ್ಯಾಂಕ್

ದೇನಾ ಬ್ಯಾಂಕ್

ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಟ್ರಾವನ್‌ಕೋರ್

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂದೋರ್

ದಿ ಲಕ್ಷ್ಮಿವಿಲಾಸ್ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್

ಪ್ರಧಾನ ಕಛೇರಿ

76, ಅಲಸೂರು ರಸ್ತೆ
ಬೆಂಗಳೂರು - 560 042

ಕಾರ್ಖಾನೆ

ಭಾರತಿನಗರ (ಕೆ. ಎಂ. ದೊಡ್ಡಿ)
ಮದ್ದೂರು ತಾಲ್ಲೂಕು, ಮಂಡ್ಯ ಜಿಲ್ಲೆ
ಕರ್ನಾಟಕ ರಾಜ್ಯ

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NOTICE OF THE ANNUAL GENERAL MEETING:

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on FRIDAY - Twenty Fourth September Nineteen Ninetynine at 2.30 PM afternoon at N.D.K. Kalyana Mandira, 13th Main, HAL second stage, Indiranagar, Bangalore 560 008 for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet and profit and Loss Account for the year ended 31st March, 1999 along with the Report by Board of Directors to the Members and Auditors' Report relating thereto.
2. To elect/appoint a Director in place of Shri.M.Balasubramaniam who retires by rotation and is eligible for re-election/appointment.
3. To elect/appoint a Director in place of Shri. Lingegowda Alias Thammegowdawho retires by rotation and is eligible for re-election/ appointment.
4. To elect/appoint a Director in place of Shri. S.Krishnappa who retires by rotation and is eligible for re-election/appointment.
5. To appoint Auditors and fix their remuneration and to pass with or without modification the following resolutions as Ordinary Resolutions:

RESOLVED that Messrs Brahmayya & CO., Chartered Accountants, Bangalore be and are hereby re-appointed as the Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rupees one lakh ten thousand only and out of pocket expenses that may be incurred by them.

RESOLVED further that the Remuneration of the Auditors of the Company namely Messrs Brahmayya & co., Chartered Accountants, as determined at the 25th Annual General Meeting held on 27.3.98 be enhanced from Rs.1,10,000/- to Rs.1,65,000/- (exclusive of out of pocket expenses) for the financial year of the company from 1.10.97 extended to a period of 18 months upto 31.3.99, in view of the Financial Year having been so extended to cover a larger period than originally envisaged.

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SPECIAL BUSINESS

6. To consider and if thought fit to pass **with or without modifications the following Resolutions as Special Resolutions:**

RESOLVED consent and approval be and is hereby accorded that Dr.N.Mahalingam who shall continue as Chairman of the Board of Directors be paid in consideration of his services as Non-Executive chairman - remuneration by way of commission calculated at one percent of the net profits of the Company, computed in the manner laid down in Companies Act 1956 for each financial year of the Company or part thereof (Pro-rata) for a further period of five years commencing from 1st day of April 1998 and that no sitting fee shall be paid to him for attending any meetings of the Board of Directors or Committee of the Board when he is in receipt of commission, by way of Remuneration.

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

RESOLVED that consent/approval be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 310, 311 and schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 for the re-appointment of Shri. A.Alagappan as Executive vice chairman (wholetime Director) of the Company for a period of Five years effective from 9th June 1998 (Nineth June Ninetyeight) on the following terms and conditions as to remuneration and perquisites.

1. SALARY: Rs.40,000 per month.

2. COMMISSION: 1% on the net profits of the Company computed in accordance with section 349 of the companies Act 1956.

3. PERQUISITES: In addition to salary and commission, the Executive vice chairman (Whole time Director) shall also be entitled to perquisites such as contribution to Provident Fund and Annuity/Superannuation Fund, Gratuity at the rate of 15 days salary for each completed year of service, company owned or hired furnished accommodation with gas, electricity, furniture, water and furnishings or alternatively monthly house rent allowance restricted to half a month salary, medical reimbursement for self, spouse, dependent children and dependent parents, one month earned leave per year on full pay and perquisites with liberty to accumulate such leave for a maximum period of 120 days and encashment of unavailed leave at the end of the tenure, casual

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and sick leave as applicable to other officers of the company, leave travel concession and allowance for self, spouse, dependent children and dependent parents including foreign travel, club fees and personal Accident Insurance.

Subject to the conditions that:

- a) Perquisites shall be restricted to an amount equal to Rs. Five Lakhs per annum;
- b) Perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable;
- c) Contribution to Provident Fund and superannuation Fund or Annuity Fund to the extent they either singly or put together are not taxable under the Income Tax Act 1961 and Rules, Gratuity and encashment of leave at the end of tenure are not to be included in the computation of ceiling for perquisites aforesaid;
- d) Provision for use of Company's car for official duties and telephone at residence (including payment for local and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

The remuneration, commission and perquisites shall be subject to the overall ceiling under sections 198 and 309 of the Companies Act 1956. In the event of absence or inadequacy of profits in any financial year during the tenure of the Executive Vice Chairman (wholetime Director), the remuneration and perquisites would be paid as above subject to the ceiling under section II Remuneration payable by companies having no profits or inadequate profits of part II of schedule XIII of the Companies Act 1956 as modified from time to time.

Family means the spouse, dependent children and dependent parents of Shri. A.Alagappan.

The Executive vice chairman (Wholetime Director) shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or a committee thereof.

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The Executive vice chairman (Wholetime Director) shall be entitled to reimbursement of travelling and hotel expenses and entertainment expenses actually incurred in the course of the Company's business. Shri. A.Alagappan satisfying the conditions as stipulated under schedule XIII and the re-appointment made without approval of central Govt. Shri. A.Alagappan, Executive vice chairman (Wholetime Director) shall exercise such powers and functions delegated to him by the Board.

8. To consider and if thought fit to pass with or without modifications the followings Resolutions as ordinary Resolutions:

RESOLVED that consent/approval be and is hereby accorded pursuant to the provisions of Sections 198,269,309,310,311 and schedule XIII and other applicable provisions if any, of the companies Act, 1956 for the re-appointment of Shri.M.Srinivaasan as Managing Director of the Company for a period of five years effective from 9th June 1998 (Nineth June Ninetyeight) on the following terms and conditions as to remuneration and perquisites.

1. SALARY: Rs.40,000 per month.
2. COMMISSION: 1% on the net profits of the Company computed in accordance with section 349 of the Companies Act, 1956.
3. PERQUISITES: In addition to salary and commission, the Managing Director shall also be entitled to perquisites such as contribution to ProvidentFund and Annuity/Superannuation Fund, Gratuity at the rate of 15 days Salary for each completed year of service, company owned or hired furnished accomodation with gas, electricity, furniture, water and furnishings or alternatively, monthly house rent allowance restricted to half a month salary, medical reimbursement for self, spouse, dependent children and dependent parents, one month earned leave per year on full pay and per quisites with liberty to accumulate such leave for a maximum period of 120 days and encashment of unavailed leave at the end of the tenure, casual and sick leave as applicable to other officers of the company , leave travel concession and allowance for self, spouse, dependent children and dependent parents including foreign travel, club fees and personal Accident Insurance.

Subject to the conditions that:

- a) Perquisites shall be restricted to an amount equal to Rs.Four Lakhs per annum;

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b) Perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable;

c) Contribution to provident Fund and superannuation Fund or Annuity Fund to the extent they either singly or put together are not taxable under the Income Tax Act 1961 and Rules, Gratuity and encashment of leave at the end of tenure are not to be included in the computation of ceiling for perquisites aforesaid;

d) Provision for use of Company's car for official duties and telephone at residence (including payment for local and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

The remuneration, commission and perquisites shall be subject to the overall ceiling under sections 198 and 309 of the companies Act 1956. In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, the remuneration and perquisites would be paid as above subject to the ceiling under section II Remuneration payable by companies having no profits or inadequate profits of part II of schedule XIII of the Companies Act 1956 as modified from time to time.

Family means the spouse, dependent children and dependent parents of Shri M Srinivaasan

The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or a Committee thereof.

The Managing Director shall be entitled to reimbursement of travelling and hotel expenses and entertainment expenses actually incurred in the course of the Company's business.

Shri.M.Srinivaasan satisfying the conditions as stipulated under schedule XIII and the re-appointment made without approval of central Govt.

Shri. M.Srinivaasan as Managing Director shall exercise such powers and functions delegated to him by the Board.

9. To consider and if thought fit to pass with or without modifications the following Resolutions as special Resolutions:

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RESOLVED that consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of section 293(1)(a) and other applicable provisions, if any, of the companies Act 1956 for extending residual charge of the existing mortgage by deposit of title deeds and/or charges with Industrial Finance Corporation of India Ltd., on the immovable properties detailed in the explanatory statement in favour of consortium of Banks with state Bank of Mysore as lead Bank, state Bank of Indore, state Bank of Travancore, Dena Bank, The Lakshmi Vilas Bank Ltd., Syndicate Bank, Vijaya Bank towards working capital facility of Rs.6120 lakhs which may vary from year to year depending upon level of operation (including working capital facility of Rs.3050 lakhs already approved for previous seasons)

RESOLVED that the action of the Board of Directors already taken and to be taken for executing the necessary documents and providing security to the extent of Rs.6120 lakhs (including Rs.3050 lakhs already sanctioned by the consortium of Banks for previous season) be and is hereby approved and also pursuant to provisions of Section 372-A of the Companies Amendment Ordinance and other applicable provision of the Companies Act and amendments from time to time over and above paid-up capital and free reserves of the company.

10. To consider and, if thought fit, pass with or without modification, the following resolution as a special resolution

"RESOLVED THAT pursuant to section 31 and other applicable provisions of the companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent set out here in below:

A) Article 1 of the Articles of Association shall include the following definitions after the definition of "Ordinary resolution"

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub section (1) of section (2) of the depositories Act 1996.

"Depositories Act" means the depositories Act, 1996 including any statutory modification or re-enactment thereof for the time being in force.

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"Depository" shall mean a Depository as defined under clause(e) of sub section (1) of section (2) of the Depositories Act 1996.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial owner (s) as defined in Clause (a) of sub section (1) of section (2) of the Depositories Act 1996.

B) The following Article be substituted for the existing Article 12.

"Article 12"

Except as ordered by a court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such shares on the part of any other person whether or not the company shall have expressed or implied notice thereof.

C) The following Article be added as Article 17 A after the existing Article 17.

DEPOSITORY SYSTEM

Article 17 A

The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act 1996 and the rules framed hereunder if any.

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the Beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial owner the required certificate of securities.