

27th Annual Report 1999 - 2000



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**SRI CHAMUNDESWARI
SUGARS LIMITED**

Sri Chamundeswari Sugars Limited 27th Annual Report

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 H.C. Sharma - 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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Sri Chamundeswari Sugars Limited, Bangalore

ನಿರ್ದೇಶಕರುಗಳು

ಪಾ.ಎನ್.ಮಹಾಲಿಂಗಂ
ಛೇರಾಮನ್

ಶ್ರೀ ಎ. ಅಳಗಪ್ಪನ್
ಎಕ್ಸಿಕ್ಯೂಟಿವ್ ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್

ಶ್ರೀ ಎಂ. ಶ್ರೀನಿವಾಸನ್
ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್

ಶ್ರೀ ಎಂ. ಮಾಣಿಕ್ಯಮ್

ಶ್ರೀ ಎಂ. ಬಾಲಸುಬ್ರಹ್ಮಣ್ಯಮ್

ಶ್ರೀ ಬಿ. ಅಪ್ಪಾಜಿ ಗೌಡ

ಶ್ರೀ ಲಿಂಗೇಗೌಡ @ ತಮ್ಮೇಗೌಡ

ಶ್ರೀ ಪಿ.ಕೆ.ಸ್ವಾಮಿನಾಥನ್

ಶ್ರೀ ಎಸ್. ಕೃಷ್ಣಪ್ಪ

ಶ್ರೀ ಸಿ. ಆರ್.ಲಿಂಗಯ್ಯ

ಶ್ರೀ ಹೆಚ್.ಸಿ. ಶರ್ಮ 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.ಎಸ್.ರಾಘವೇಂದ್ರ ರಾವ್ ಅಂಡ ಕಂಪೆನಿ
ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ಕೊಯಮತ್ತೂರು

ಬ್ಯಾಂಕರುಗಳು

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು

ಪಿಜಯ ಬ್ಯಾಂಕ್

ದೇನಾ ಬ್ಯಾಂಕ್

ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಹೈದರಾಬಾದ್

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡೋರ್

ವಿ 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 27th Annual General Meeting of the members of the Company will be held at N.D.K. Kalyana Mandira, 13th Main, HAL Second Stage, Indiranagar, Bangalore - 560 008 on Friday, the Twentyninth day of September, Two Thousand at 2.30 P.M. Afternoon to transact the following business :

1. To consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31.3.2000 and the Audited Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri K.N.V. Ramani who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Sri B.Appaji Gowda who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Sri V.K. Swaminathan who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration :

A notice has been received from a shareholder of the company proposing the name of M/s P.N. Raghavendra Rao & Co., Chartered Accountants as Auditors for the financial year 2000-2001 to hold office till the conclusion of the next Annual General Meeting in the place of the retiring Auditors on a remuneration to be fixed by the Board of Directors.

By Order of the Board
FOR SRI CHAMUNDESWARI SUGARS LIMITED
K.N. SATHYANARAYANA RAO
Company Secretary

Place : Bangalore
Date : 23rd August 2000.

Note :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy. A proxy need not be a Member of the company.
 2. Unclaimed dividends for the years upto 31.3.1995 have been remitted to General Revenue Account of the Central Government with statements to the Registrar of Companies in Karnataka, Bangalore. Concerned shareholders may claim their unclaimed dividends from Registrar of Companies, Karnataka, Department of Company Affairs, E Wing, 11 Floor, Kendriya Sadana, Koramangala, Bangalore - 560 034 by filing necessary forms.
 3. Members are requested to bring their copies of Annual Report to the meeting.
- ATTENDANCE SLIP HAS TO BE SIGNED AND DELIVERED AT THE MEETING**

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REPORT OF THE DIRECTORS

Your Directors present their Annual Report together with audited financial accounts of the company for the year ended 31st March. 2000.

FINANCIAL RESULTS :	Rs.
Profit as per Profit and Loss Account	27,79,681
Add : Surplus from previous year	24,63,012
Transfer from Investment Allowance Reserve	50,00,000
Prior period income	3,03,257
	1,05,45,950
Less : Direct taxes	2,41,818
Surplus carried to Balance Sheet	1,03,04,132

REVIEW OF OPERATIONS :

During the year under review 7.30 Lakh tonnes of sugar cane was crushed at an average recovery of 9.98 percent. The cost of procurement of sugar cane increased further without any corresponding increase in the sale price of sugar. The unprecedented stock holding had resulted in increased cost of borrowing. Pursuant to repeated representations from Indian Sugar Industry, the Government of India imposed a higher duty on imported sugar and also subjected the same to release restrictions. The steps taken by the Government had restricted the import of sugar but due to record production of sugar within the country the prices of sugar did not increase to economical levels.

In the current year it is estimated that around 8 to 8.5 Lakh tonnes of sugar cane would be crushed. Favourable working results are anticipated provided the sugar prices improve and stock of sugar is liquidated.

STATUTORY MINIMUM CANE PRICE :

The Statutory Minimum Cane Price notified by the Government of India as applicable to our Company is as follows :

Sugar Season 1.10.98 to 30.9.1999	Rs. 595.20 per M.T.
Sugar Season 1.10.99 to 30.9.2000	Rs. 660.00 per M.T.

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LEVY SUGAR PRICE :

The Government of India have fixed levy prices for the sugar seasons as follows :

From 1.10.98 to 30.9.1999	Rs. 1028.37 per quintal
From 1.10.99 to 30.9.2000	Rs. 1102.72 per quintal

COGENERATION OF POWER :

Establishment of cogeneration plant utilising the bagasse of the company is under active consideration.

DEPOSITS :

FIXED / CUMULATIVE DEPOSITS matured but not claimed/repaid as on 31.3.2000 - 4 Nos. amounting to Rs. 1,07,500/-.

PARTICULARS OF EMPLOYEES : The particulars prescribed under section 217 (2A) of the Companies Act. 1956 are furnished in the annexure to this Report.

CONSERVATION OF ENERGY :

Information as per Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are furnished in the Annexure to this report and notes on accounts.

DIRECTORS :

IFCI Ltd. have withdrawn their Nominee Sri P. Krishnan and in his place have nominated Sri H.C. Sharma on the Board of the company. Your Directors wish to place on record the very valuable services rendered by Sri P. Krishnan during the tenure of his office as Director.

Sri K.N. V. Ramani, Sri B. Appaji Gowda and Sri V.K. Swaminathan, Directors retire by rotation and are eligible for re-election.

AUDITORS :

M/s. Brahmayya & Co., Chartered Accountants, Auditors of the Company retire on the conclusion at the Annual General Meeting and are eligible for re-appointment.

A notice has been received from a shareholder of the company proposing the name of M/s. P.N.Raghavendra Rao & Co., Chartered Accountants as Auditors of the Company to hold office till the conclusion of the next Annual General Meeting, in the place of the retiring Auditors.

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COST AUDIT :

As per the directions and approval of the Government of India Shri A.V.S. Rao, Cost Accountant has been appointed as the Cost Auditor for the financial year ended 31st March, 2000.

LISTING WITH STOCK EXCHANGES :

The Company's shares are listed at the following Stock Exchanges :

1. Bangalore Stock Exchange Ltd.
51, Stock Exchange Towers
1st Cross, J.C. Road
Bangalore - 560 027
2. Madras Stock Exchange Ltd.
11, Second Line Beach
Chennai 600 001

The listing fees for these Stock Exchanges have been paid for 2000-2001.

Stock Exchanges intimated to the Company of amendments relating to Corporate Governance which was referred to Company's Legal Advisers who have informed that as of now our Company is not covered by the listing provisions on Corporate Governance since the paid up capital of our Company is less than the prescribed limit.

ACKNOWLEDGEMENT :

Board of Directors wish to express their thanks to all cane growers, shareholders, State and Central Governments, Financial Institutions, Consortium of Bankers, Local Authorities and also appreciation to the Employees for their services rendered to the Company.

ADDENDUM TO DIRECTORS REPORT :

With reference to the Auditors' remarks we state as under :

By inadvertance there are slight delays in the remittance of Provident Fund Contribution. There are no arrears in Provident Fund Contributions. In future the remittance will be made within the stipulated time.

Place : Bangalore
Date : 23rd August 2000.

For and on behalf of Board of Directors
N. MAHALINGAM
Chairman

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STATEMENT OF PARTICULARS UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 (1.4.1999 TO 31.3.2000)									
Sl. No.	Name of the Employee	Designation	Nature of Duties	Gross Remuneration (Rs.)	Age (Years)	Qualification	Total Experience (Years)	Date of Commencement of Employment	Particulars of Previous employment
1	Shri A. Alagappan	Executive Vice Chairman	Overall management of the affairs of the Company.	1090895	66	Automobile Engineer.	38	May- 72	Managing Partner Anamallais Engineering.
2	M. Srinivaasan	Managing Director	General Administration, Purchase, Sales and Finance.	799823	33	B.E., M.B.A.	6	June-1993	---
<p>NOTE : 1. The nature of employment of the above employees is contractual.</p> <p>2. Gross remuneration includes salary, Company's contribution to Provident Fund, Superannuation Fund, Gratuity and other applicable perks.</p> <p>3. Sri. M. Srinivaasan is related to Sri. N. Mahalingam, Chairman, Sri. M. Manickam, Director and Sri. M. Balasubramaniam, Director.</p>									

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INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 PERIOD FROM 1.4.1999 TO 31.3.2000

CONSERVATION OF ENERGY :

1. Energy conservation measures taken:

- After confirming the performance of 2 Nos. of Mist condensers, 5 more Mist Condensers were erected for vacuum pans and evaporators.
- Modification works carried out in dry seed pumping.
- Utilisation of ejectors for O.C. Filters.

2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- Proposals submitted to procure one more mist condensor.

3. Impact of measures at (1) and (2) for reduction of energy consumption and consequent impact on the cost of production of goods:

- 2 Nos. of injection pumps were stopped, equalling to 200 HP motor, thus an energy saving of 150 K.Ws.
- Isolation of pumping of dry melt, thus saving of 15 K.Ws.

4. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- Automation implemented to measure flow quantity of juice and various parameters of quality of juice. Unit purchased from M/s. Forbes Marshall Ltd, (KROHNE CORIMASS, GERMANY).

- | | | |
|---------------------------------------|---|--------------------------------|
| a. Technology imported | - | Auto Analyser of juice |
| b. Year of import | - | 1999 |
| c. Has technology been fully absorbed | - | It is under observation still. |

FOREIGN EXCHANGE EARNINGS AND OUTGO :

- | | | |
|--|---|-----|
| 1. Activities relating to exports | - | Nil |
| 2. Foreign Exchange earned during the year | - | Nil |

OUT GO :

- | | | |
|---|---|-----------------|
| 1. Travelling | - | Nil |
| 2. Import of Stores & Spares | - | Rs. 8,98,585/- |
| 3. For establishing of letter of Credit | - | Nil |
| 4. Interest on E.C.B. | - | Rs. 72,06,968/- |

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FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY (FROM 1.4.1999 TO 31.3.2000)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A. POWER AND FUEL CONSUMPTION		
I. Electricity :		
a. Purchased - Units	5,08,640	5,68,468
Total amount - Rs.	28,59,592	33,98,659
Rate per unit - Rs.	5.62	5.97
b. Own Generation :		
i. Through Diesel Generator	1,88,148	2,75,433
Units per Ltr. of Diesel oil	3.0	3.19
Cost per unit - Rs.	4.20	3.76
ii. Through Steam Turbine/Generator		
Units	1,92,43,348	1,95,32,406
Units/Ltr. of fuel oil/gas	77.00	74.07
	(Units per Tonne of steam)	(Units per Tonne of steam)
II. OTHERS/INTERNAL GENERATION		
a. Bagasse - Qty. (M.T)	2,24,748.370	3,33,411.910
Total cost - Rs.	(Own Bagasse used)	(Own Bagasse used)
b. Firewood - Qty. (M.T)	97.340	237.670
Total cost - Rs.	87,234.02	2,34,379.00
CONSUMPTION PER UNIT OF PRODUCTION		
Product	Sugar	Sugar
Units	Quintals	Quintals
Electricity - Units	27.25	20.1

FORM - B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R & D) - (PROCESS SIDE) :

1. Specific areas in which R&D carried out by the Company:

- Introduction of Syrup Filters and Melt Filters.