



**SRI CHAMUNDESWARI
SUGARS LIMITED**

28th

**Annual Report
2000-2001**

Report



Sri Chamundeswari Sugars Limited 28th 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 K.N.V. Ramani

Shri V.K. Swaminathan

Shri C.R. Lingiah

Shri B. Appaji Gowda

Dr. K. Krishnamurthy

Dr. A. Selvakumar

Shri N.U. Nampoothri - Nominee IFCI

Company Secretary

Shri K.N. Sathyanarayana Rao

Auditors

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

Internal Auditors

Shri Srinivas
Chartered Accountant
Gogeneni & Co.
Chartered Accountants, Bangalore

Bankers

State Bank of Mysore
Vijaya Bank
Dena Bank
Syndicate Bank
State Bank of Travancore
State Bank of Indore
The Lakshmi Vilas Bank Ltd.
Mandya District Co-operative Central
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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ಶ್ರೀ ಚಾಮುಂಡೇಶ್ವರಿ ಸುಗರ್ಸ್ ಲಿಮಿಟೆಡ್, ಬೆಂಗಳೂರು

ನಿರ್ದೇಶಕರುಗಳು

ಡಾ|| ಎನ್. ಮಹಾಲಿಂಗಂ
ಛೇರ್ಮನ್

ಶ್ರೀ ಎ. ಅಳಗಪ್ಪನ್
ಎಕ್ಸ್‌ಕ್ಯೂಟಿವ್ ವೈಸ್ ಛೇರ್ಮನ್

ಶ್ರೀ ಎಂ. ಶ್ರೀನಿವಾಸನ್
ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್

ಶ್ರೀ ಎಂ. ಮಾಣಿಕ್ಯಮ್

ಶ್ರೀ ಎಂ. ಬಾಲಸುಬ್ರಹ್ಮಣ್ಯಮ್

ಶ್ರೀ ಕೆ.ಎನ್.ವಿ. ರಮಣಿ

ಶ್ರೀ ವಿ.ಕೆ. ಸ್ವಾಮಿನಾಥನ್

ಶ್ರೀ ಸಿ. ಆರ್. ಲಿಂಗಯ್ಯ

ಶ್ರೀ ಬಿ. ಅಪ್ಪಾಜಿ ಗೌಡ

ಡಾ|| ಕೆ. ಕೃಷ್ಣಮೂರ್ತಿ

ಡಾ|| ಎ. ಶೆಲ್ವಕುಮಾರ್

ಶ್ರೀ ಎನ್. ಯು. ನಂಪೂರ್ತಿ
ಐ.ಎಫ್.ಸಿ.ಐ, ನೇಮಿತ

ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ

ಶ್ರೀ ಕೆ.ಎನ್. ಸತ್ಯನಾರಾಯಣ್ ರಾವ್

ಆಡಿಟರ್‌ಗಳು

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

ಇಂಟರ್ನ್ಯಲ್ ಆಡಿಟರ್‌ಗಳು

ಶ್ರೀ ಶ್ರೀನಿವಾಸ್
ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್
ಗೋಗಿನೇನಿ ಅಂಡ್ ಕಂ.
ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ಬೆಂಗಳೂರು

ಬ್ಯಾಂಕರುಗಳು

ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು
ವಿಜಯ ಬ್ಯಾಂಕ್
ದೇನಾ ಬ್ಯಾಂಕ್
ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್
ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಟ್ರಾವನ್ ಕೋರ್
ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂದೋರ್
ದಿ ಲಕ್ಷ್ಮೀವಿಲಾಸ್ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್
ಮಂಡ್ಯ ಡಿಸ್ಟ್ರಿಕ್ಟ್ ಕೋ-ಅಪರೇಟಿವ್ ಸೆಂಟ್ರಲ್
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 28th Annual General Meeting of the members of the Company will be held at N.D.K Kalyana Mandira, 13th Main, HAL Second Stage, 100 Feet Road, Indiranagar, Bangalore 560 008 on Friday, the Twentyeighth September Two Thousand One 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 31.3.2001 and the Audited Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend on equity shares - Refer Report of the Directors also.
3. To appoint a Director in the place of Shri C.R.Lingiah who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri M. Manickam who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Shri M. Balasubramaniam who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration and to pass with or without modification the following resolution as Ordinary Resolution:

RESOLVED that Messrs. P.N.Raghavendra Rao & Co., Chartered Accountants, Coimbatore be and are hereby re-appointed as the Auditors of the Company to hold the office till the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs.1,50,000/- and out of pocket expenses and Managing Director be and is hereby authorised to pay remuneration for other services rendered by them at his discretion.

Special Business :

7. To consider and if thought fit to pass the following resolution as an Ordinary Resolution :

RESOLVED that Dr. K. Krishnamurthy appointed as Director to the Board by the Board of Directors with effect from 19th February 2001 whose term of office expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act proposing the candidature of Dr.K. Krishnamurthy for the office of the Director with the requisite deposit under Section 257 of the Act having been made in time, be and is hereby elected/appointed as a Director of the Company.

8. To consider and if thought fit to pass the following resolution as an Ordinary Resolution :

RESOLVED that Dr. A. Selvakumar appointed as Director to the Board by the Board of Directors with effect from 19th February 2001 whose term of office expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in

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respect of whom the Company has received a notice from a member under Section 257 of the Companies Act proposing the candidature of Dr. A. Selvakumar for the office of the Director with the requisite deposit under Section 257 of the Act having been made in time, be and is hereby elected/appointed as a Director of the Company.

Place: Bangalore
Date : 28th June, 2001

By Order of the Board
For SRI CHAMUNDESWARI SUGARS LTD.
K.N.SATHYANARAYANA RAO
Company Secretary

Note :

1. The relative Explanatory Statement as required under Section 173 of the Companies Act 1956 in respect of Special Business/Resolutions is given forming part of the Notice.
2. 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.
3. 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 share holders may claim their unclaimed dividends from Registrar of Companies, Karnataka, Department of Company Affairs, E Wing, II Floor, Kendriya Sadana, Koramangala, Bangalore - 560 034 by filing necessary forms.
Unclaimed dividends for the year ended 30.9.1996 have also been remitted to Central Government. But the Registrar of Companies have not accepted the Returns in view of the amendments to the provisions of the Companies Act relating to the remittance of unclaimed dividends to Central Government. Company has claimed refund. Hence share holders are requested to claim the unpaid dividends for the year ended 30.9.1996 with the Registered Office of the Company at 76, Ulsoor Road, Bangalore 560 042.
4. The Register of Members of the Company will be closed from 12th September 2001 to 28th September 2001 (both days inclusive).
5. Members are requested to bring their copies of Annual Report to the meeting.

ATTENDANCE SLIP HAS TO BE SIGNED AND DELIVERED AT THE MEETING

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

Items Ordinary resolutions relating to election/ appointment of Dr K. Krishnamurthy 7 and 8 and Dr. A.Selvakumar:

Dr. K. Krishnamurthy, Former Vice Chancellor, University of Agricultural Sciences and Agricultural Consultant and Dr. A. Selvakumar, Technocrat were appointed as additional Directors on the Board W.E.F. 19th February, 2001. They hold office upto the date of the Annual General Meeting. Notices have been received from share holders proposing them as Directors of the Company. Their proposed appointments would be in the interest of the Company.

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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, 2001.

Financial Results :

	Rs.
Profit as per Profit and Loss Account	2,07,93,248
Add : Surplus from previous year	1,03,04,132
	3,10,97,380
Less : Direct Taxes	20,12,707
Transfer to General Reserve	2,00,00,000
Provision for proposed Dividend at 12%	22,14,448
Tax on proposed Dividend	2,25,873
Provision for diminution in market value of Investments	63,217
	2,45,16,245
Surplus carried to Balance Sheet	65,81,135

Dividend :

Your Directors recommend a Dividend of 12% on the paid up equity share capital of the Company for the year ended 31.3.2001, which is however subject to approval of IFCI.

Declaration of Dividend at the Annual General Meeting will be possible only if the prior approval of IFCI which the Company has sought from them is received before the date of the Annual General Meeting.

Review of Operations :

During the year under review 8.06 lakh tonnes of sugarcane was crushed at an average recovery of 10.03 percent. The levy sugar obligation has been refixed at 15% of sugar produced with effect from 1st February, 2001. Due to continuous high production of sugar in the country the realisable price of sugar remained stagnant and uneconomical. In spite of depressed sugar prices, due to improved recovery of sugar and good technical performance, satisfactory result could be achieved.

In the current year the sugarcane crushing is expected to be around 9 lakh tonnes.

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	1.10.1999 to 30.9.2000	Rs. 660 per M.T.
Sugar Season	1.10.2000 to 30.9.2001	Rs. 707 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 1.10.1999 to 30.9.2000	Rs. 1102.72 per quintal
From 1.10.2000 to 30.9.2001	Rs. 1147.24 per quintal

Co-generation Project :

The implementation of Co-generation project has been taken up. The installed capacity of the proposed Co-generation plant is 22 MW. The financial and technical tie ups for the implementation of the project are in final stages. The project is expected to be completed within 22 months.

Deposits :

Fixed Deposit/Cumulative Deposits matured but not claimed as on 31.3.2001 :
2 Nos. amounting to Rs. 1,00,000/-

Particulars of Employees :

The particulars prescribed under Section 217 (2A) of the Companies Act, 1956 :
For the accounting period 31.3.2001 - Nil.

Conservation of Energy :

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

Directors :

IFCI have nominated Sri T.K. Subramanian in the place of Sri H.C Sharma and later appointed Sri N.U. Nampoothri in the place of Sri T.K.Subramanian.

Your Directors wish to place on record the valuable services rendered by Sri H.C. Sharma and Sri T.K. Subramanian during the tenure of their offices as Directors.

Sri C.R. Lingiah, Sri M. Manickam, Sri M. Balasubramaniam retire by rotation and are eligible for re-election.

Sri Linge Gowda @ Thamme Gowda and Sri S. Krishnappa, Directors resigned with effect from 20th February, 2001.

Your Directors wish to place on record the valuable services rendered by these two Directors during the tenure of their office as Directors.

Dr. K. Krishnamurthy, Former Vice Chancellor, University of Agricultural Sciences and Agricultural Consultant and Dr. A.Selvakumar, Technocrat were appointed as additional Directors on the Board with effect from 19th February, 2001. They hold office upto the date of the Annual General Meeting. Notices have been received from share holders with appropriate deposit of money proposing their names as Directors of the Company.

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Auditors :

Messrs. P.N.Raghavendra Rao & Co., Chartered Accountants appointed as Auditors at the previous Annual General Meeting hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment.

Cost Audit :

Sri A.V.S.Rao appointed as Cost Auditor for the year ended 31st March, 2001 demised on 6.3.2001.

Your Directors wish to record the assistance rendered by late Sri A.V.S.Rao during the year of his association as Cost Auditor of the Company.

Company has made application to the Central Government seeking approval for appointment of Sri G.I.Srinivasa Murthy, Cost Accountant as Cost Auditor for the year ended 31st March, 2001 and for next financial year ending 31st March, 2002.

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 2001-2002.

Directors responsibility statement :

Pursuant to requirements under Sec. 217 (2AA) of the Companies Act 1956 with respect to Directors' responsibility statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ending 31.3.2001 the applicable accounting standards other than Accounting Standard 2 in respect of valuation of finished goods had been followed and that proper explanation has been provided vide Accounting Policies - Note No. 8 relating to material departure,
- (ii) that the directors had 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 or loss of the company for the year under review,
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- (iv) that the directors had prepared the annual accounts on a going concern basis.

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With regard to remarks by the Auditors :

1. Proper care would be taken to remit the Provident Funds with the appropriate authorities within due date in future.
2. The reasons for the non compliance of Accounting Standard 2 with regard to valuation of closing stock of finished goods have been furnished in the Note no. 8 in Accounting Policies.

Acknowledgement :

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

Place: Bangalore
Date : 28th June, 2001

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

INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 PERIOD FROM 1.4.2000 TO 31.3.2001

CONSERVATION OF ENERGY :

1. Energy Conservation measures taken :
 - 3 nos. multi-tray sugar hoppers with heating and cooling arrangement provided at Centrifugal station by removing the old sugar dryer unit.
2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
 - Additional investment of nearly Rs. 75 lakhs for installing 1 no. 750 HP planetary gear DC Drive system for the first mill in the milling tandem by replacing the previous hydraulic drive.
3. Impact of measures at (1) and (2) for reduction of energy consumption and consequent impact on the cost of production of goods :
 1. By replacing the old sugar dryer at the Centrifugal with 3 Nos. multi-tray hoppers, the installed power has been reduced from 185 HP to 85 HP, resulting in a direct reduction in energy consumption of 100 HP.
 2. With the above multi-tray hopper system, the colour of the final product, sugar is expected to further increase, enhancing better marketability.

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3. There would be a direct saving of 90 HP power due to installation of planetary gear DC drive system for the I Mill in the milling tandem, as this is of 750 HP and the old Hydraulic Drive was having installed power of 840 HP.
4. Further, since the planetary gear DC Drive system is an indigenous equipment, maintenance will be cheaper and lesser compared to the imported Hydraulic Drive system.

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY (FROM 1.4.2000 TO 31.3.2001)

PARTICULARS	CURRENT YEAR	PERVIOUS YEAR
A. POWER AND FUEL CONSUMPTION :		
I. Electricity :		
a. Purchased - Units	6,78,114	5,08,640
Total amount - Rs.	36,01,189	28,59,592
Rate per Unit - Rs.	5.31	5.62
b. Own Generation :		
i. Through Diesel Generator	35,363	1,88,148
Units per ltr. of diesel oil	3.0	3.0
Cost per unit - Rs.	6.00	4.20
ii. Through Steam Turbine/Generator	2,11,20,227	1,92,43,348
Units	77	77
Units/lit. of fuel oil/gas	(Units per tonne of steam)	(Units per tonne of steam)
II. OTHERS/INTERNAL GENERATION :		
a. Bagasse - Qty. (MT)	2,30,378.488	2,24,748.370
Total cost - Rs.	(Own Bagasse used)	(Own Bagasse used)
b. Firewood - Qty. (MT)	Nil	97,340.00
Total Cost - Rs.	Nil	87,234.02
CONSUMPTION PER UNIT OF PRODUCTION :		
Product	Sugar	Sugar
Units	Quintals	Quintals
Electricity - Units	27.00	27.25