



Sri Chamundeswari Sugars Limited



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**Sri Chamundeswari Sugars Limited
29th 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 K. Prakash

Shri N.U. Nampoothiri - Nominee IFCI

Shri A. Arjunaraj - Nominee IREDA

Company Secretary

Shri S. Subramonia Iyer

Auditors

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

Internal Auditors

Shri G. 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. Mandya

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
ಛೇರಾಮನ್
ಶ್ರೀ ಎ. ಅಳಗಪ್ಪನ್
ಎಕ್ಸಿಕ್ಯೂಟಿವ್ ವೈಸ್ ಛೇರಾಮನ್

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 ಕೆ. ಪ್ರಕಾಶ್

ಶ್ರೀ ಎನ್. ಯು. ನಂಪೂತಿರಿ
ಐ.ಎಫ್.ಸಿ.ಐ, ನಾಮ ನಿರ್ದೇಶನ

ಶ್ರೀ ಎ. ಅರ್ಜುನ ರಾಜ್
ಐ.ಆರ್.ಇ.ಡಿ.ಎ. ನಾಮ ನಿರ್ದೇಶನ

ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ

ಶ್ರೀ ಎಸ್. ಸುಬ್ರಮಣಿಯ ಅಯ್ಯರ್

ಆಡಿಟರ್‌ಗಳು

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

ಇಂಟರ್ನ್ಯಲ್ ಆಡಿಟರ್‌ಗಳು

ಶ್ರೀ ಜಿ. 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 ಇಂಡೋರ್
ದಿ ಲಕ್ಷ್ಮೀವಿಲಾಸ್ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್
ಮಂಡ್ಯ ಡಿಸ್ಟ್ರಿಕ್ಟ್ ಕೋ-ಆಪರೇಟಿವ್ ಸೆಂಟ್ರಲ್
ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್ ಮಂಡ್ಯ

ನೋಂದಾಯಿತ ಕಛೇರಿ

76, ಅಲಸೂರುರಸ್ತೆ
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 29th 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 Monday, the 30th September, 2002 at 3 P.M. to transact the following business:

1. To consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31.3.2002 and the Audited Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in the place of Shri K.N.V. Ramani who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Shri V.K. Swaminathan who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri B. Appaji Gowda who retires by rotation and is eligible for re-appointment.
5. 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 such remuneration as mutually agreed upon.

Special Business :

6. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :

RESOLVED that Shri K. Prakash appointed as a Director in the Board by the Board of Directors with effect from 28th June 2002 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 Shri K. Prakash 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.

7. To consider and, if thought fit, to pass with or without modification, the following resolutions as Special Resolutions :

RESOLVED THAT pursuant to section 81(IA) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enhancement thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Guidelines on Preferential issue of shares issued by the Securities and Exchange Board of India (SEBI), and other applicable Regulations/Guidelines, if any, and subject to such conditions and modifications as may be considered appropriate by the Board of Directors, consent of the Company be and is hereby accorded to the Board to offer, issue and allot to the persons detailed below 60,00,000 Equity Shares of Rs.10 each for cash at a premium of Rs. 2.50 per share on preferential allotment

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basis and that the Board may finalise all matters incidental thereto as it may in their absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf :

	Name of Persons	No. of Equity Shares
1.	Sakthi Beverages Limited	16,00,000
2.	ABT Industries Limited	28.00,000
3.	Chamundeswari Enterprises (P) Ltd.	16,00,000

RESOLVED FURTHER THAT the "Relevant Date" in relation to the shares for the purpose of determining the issue price under SEBI Guidelines for Preferential issue shall be 30th August 2002 being the date 30 days prior to the date of passing the Resolution.

RESOLVED FURTHER THAT the equity shares shall rank pari passu with the existing equity shares of the company except that the shares allotted during the financial year shall be entitled to the dividend, if any, declared for that Financial year on a pro rata basis from the date of allotment of shares and on the amount paid up for the time being thereon.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make and accept all such condition(s), modification(s) and alteration(s) stipulated by any relevant authorities while according approvals or consents to the issue as may be considered necessary, proper or expedient to effect such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

RESOLVED that pursuant to Articles 7(a) and 7(b) of the Articles of Association of the company and subject to other statutory provisions, if any, Redeemable Cumulative Preference Shares of Rs. 100/- each forming part of the Authorized capital of the company and remaining un-subscribed be issued at par upto the extent of Rs. 10,00,00,000/- (Rupees Ten Crores) and the same be allotted to any person or persons and on such terms as to dividend, preferential payment or return of the amount paid-up thereon and redemption as the Board of Directors may deem fit.

9. To consider and, if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolutions :

RESOLVED that the consent of the Company be and is hereby accorded to the Board of Directors of Sri Chamundeswari Sugars Ltd. in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging of all the immovable and movable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of Indian Renewable Energy Development Agency Limited (IREDA) for securing the Rupee term loan of Rs.4895 lakhs (Rupees Four Thousand, Eight Hundred and Ninety-five lakhs only) lent and advanced by IREDA to the Company as per the terms and conditions of the Loan Agreement in connection with setting up of 22 MW Bagasse based Co-generation plant at Sri Chamundeswari Sugars Limited's existing 4000 TCD Sugar Plant at Village Bharathi Nagara, Maddur Taluk, Mandya District, Karnataka State (Project No. 1458)

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RESOLVED FURTHER that the mortgage, charge created/to be created and/or all agreements, documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors are hereby confirmed and ratified.

10. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to lease the distillery undertaking on such terms and conditions as may be determined by them.

By Order of the Board
For **SRI CHAMUNDESWARI SUGARS LTD.**
S. SUBRAMONIA IYER
Company Secretary

Place : Coimbatore
Date : 30th August, 2002

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 24th September, 2002 to 27th September, 2002 (both days inclusive).
5. Members are requested to bring their copies of Annual Report to the meeting.
6. Members are requested to inform their change of address, if any, to the Registered office of the Company.

ATTENDANCE SLIP HAS TO BE SIGNED AND DELIVERED AT THE MEETING

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Explanatory Statement under Section 173 of the Companies Act, 1956

Item No. 6.

Shri K. Prakash was appointed as an additional Director on the Board with effect from 28th June, 2002. He holds office upto the date of the Annual General Meeting. Notice has been received from a member proposing him as Director of the Company. His proposed appointment would be in the interest of the Company.

Item No. 7.

To finance the setting up of Co-generation plant and also ongoing distillery project, the Board of Directors have decided to issue 60,00,000 equity shares of Rs.10/- each at a premium of Rs.2.50 to persons detailed below on preferential allotment basis:

	Name of Persons	No. of Equity Shares
1.	Sakthi Beverages Limited (Company incorporated under the Companies Act 1956 and having its Registered Office at 180, Race Course Road, Coimbatore-641018.)	16,00,000
2.	ABT Industries Limited (Company incorporated under the Companies Act 1956 and having its Registered Office at 180, Race Course Road, Coimbatore - 641 018)	28,00,000
3.	Chamundeswari Enterprises (P) Ltd (Company incorporated under the Companies Act 1956 and having its Registered Office at 76, Ulsoor Road, Bangalore - 560 042)	16,00,000

The above persons have indicated their intention to subscribe to this issue of shares.

Sec. 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(IA) and other applicable provisions of the Companies Act, 1956, SEBI Guidelines and in terms of the provisions of the Listing Agreements to issue and allot equity shares as stated in the Special Resolutions.

The equity shares of the face value of Rs.10/- each will be issued and allotted at a premium of Rs.2.50 per share, which is higher than the price prescribed under SEBI Guidelines.

The disclosures which are required to be given in the notice of the General Meeting (called for the purpose of consideration of the preferential allotment) in accordance with Regulation 3(l)(c)(ii) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 are furnished below:

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1. Allottee Details	
a. Name of the Allottee(s) and its relation, if any, with the existing promoters	(a) Sakthi Beverages Ltd.
In case, the allottee(s) is a Company, identify its promoters or persons in control over the company and the group they belong to	Board of Directors: Sri.B.K.Krishnaraj Vanavarayar Sri.K.V.Ramachandran Sri.C.Sanjeevi Sri.P.R.Vittel Sri.N.V.Ravi Sri.S.Murugaiyan Sakthi Group
	(b) ABT Industries Limited
	Board of Directors: 1. Dr.N.Mahalingam 2. Sri.M.Balasubramaniam 3. Sri.M.Srinivaasan 4. Sri M.Manickam 5. Sri. A.Alagappan 6. Sri.M.Chenniappan 7. Sri.P.K.Ramalingam 8. Sri.V.L.Govindarajan Sakthi Group
	(c) Chamundeswari Enterprises (P) Ltd
	Board of Directors Sri A. Alagappan Sri. M. Srinivaasan Sakthi Group
II. Acquisition Details :	
a. No and % of shares proposed to be allotted pursuant to special resolution passed under Section 81(1A) - preferential allotment	60,00,000 equity shares of Rs. 10/- each 76.48% (on expanded capital)

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b. No. and % shares proposed to be allotted to each of the allottees mentioned at (I) above :		
Name of the person	No. of shares proposed to be allotted	% of shares (on expanded capital)
Sakthi Beverages Limited	16,00,000	20.39
ABT Industries Limited	28,00,000	35.69
Chamundeswari Enterprises (P) Ltd	16,00,000	20.39
c. 1) Price at which allotment is proposed		
The price of the equity shares will be Rs.12.50 per equity share, which is higher than the price prescribed under SEBI Guidelines.		
2) Terms of payment		
Rs.12.50 per share payable on application		
d. Purpose and reason of the said allotment		
To finance the setting up of the Co-generation plant and ongoing distillery project		
e. Consequential changes, if any, in the Board of Directors		
There will be no change in the Board of Directors		
f. Consequential changes, if any, in the shareholding pattern of the target company	Pre-allotment in terms of shares No. and %	Post-allotment in terms of shares No. and %
1. Promoters Group :		
a. Acquirer		
Sakthi Beverages Limited	—	16,00,000 (20.39%)
ABT Industries Limited	—	28,00,000 (35.69%)
Chamundeswari Enterprises (P) Ltd	76,050 (4.12%)	16,76,050 (21.36%)
Sub Total	76,050 (4.12%)	60,76,050 (77.44%)
b. Others	7,82,834 (42.42%)	7,82,834 (9.98%)
c. Total	8,58,884 (46.54%)	68,58,884 (87.42%)
2. Acquirer(s)	NIL	NIL
3. MFs/FIIs/ FIs	73,465 (3.98%)	73,465 (0.94%)
4. Public	9,13,024 (49.48%)	9,13,024 (11.64%)
Total paid up equity of the company	18,45,373 (100%)	78,45,373 (100%)