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**15<sup>th</sup>**  
**Annual Report**  
**1999 - 2000**

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**CERTIFIED TRUE COPY**  
**For Shree Vaani Sugars & Industries Limited**

*[Signature]*  
**Director**

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**SHREE VAANI SUGARS**  
**AND INDUSTRIES LIMITED**

## BOARD OF DIRECTORS

<b>Shri D.K. Audikesavulu</b>	Chairman and Managing Director
<b>Shri D.A. Srinivas</b>	Executive Director
<b>Dr. M.G.G. Naidu</b>	Director
<b>Shri N.V. Varadarajulu</b>	Director
<b>Dr. J. Bapu Reddy, IAS (Rtd.)</b>	Director (Nominee of APIDC)
<b>Shri G. Ramachandraiah</b>	Director
<b>Shri T. Suryachandra Rao</b>	Director
 <b>Shri D.V. Ramanaiah</b>	 Finance Manager

## AUDITORS

**M/s. C. Ramachandram & Co.,**  
Chartered Accountants,  
3-5-45/6/2, Edenbagh,  
Ramkote, Hyderabad - 500 001

## BANKERS

State Bank of India  
State Bank of Mysore  
The Vysya Bank Limited

## REGISTERED OFFICE & FACTORY

Mudipapanapalli, Sugalimitta (Post)  
Punganur, Chittoor District,  
Andhra Pradesh  
Pin : 517 247

## SHARE TRANSFER DEPARTMENT

**M/s. Shree Vaani Sugars and Industries Limited**  
No. 17, Sankey Road, Bangalore - 560 020  
Phones : 3315862, 3347037 Fax : 080-3310040

## NOTICE

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the company will be held on Saturday, 29<sup>th</sup> July, 2000 at 11.00 A.M. at the registered office of the company at Mudipapanapalli, Punganur, Chittoor District to transact the following business.

### Ordinary Business :

1. To receive, consider and adopt audited profit and loss Account for the year ended 31<sup>st</sup> March, 2000 the Balance Sheet as on that date along with the relevant schedules, the report of Auditors and Director's Report thereon.
2. To appoint a director in place of Sri. G.RAMACHANDRAIAH, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. N.V. VARADARAJULU, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration and in this regard to consider and if thought fit to pass with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT M/s. C. Ramachandram and Company, Chartered Accountants the retiring Auditors, be and are hereby re-appointed as Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors, in addition to reimbursement of out of pocket expenses to be incurred by them for the purpose of Audit of the Company's Accounts".

### Special Business

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

"RESOLVED THAT Pursuant to the provision of section 17 of the Companies Act, 1956 and subject to the approval of share holders at the ensuing Annual General meeting consent of the Board is hereby given for alteration of Clause III (A) of the main object Clause of the Memorandum of Association of the company adding the following Sub-Clause (6) after the existing Sub-Clause (5) ".

- 6) To generate electrical power by conventional, non-conventional methods including coal, gas, lignite, Naptha oil, Bio-mass, Begasse,

waste Thermal Solar, Hydel, Geo-Hydel, Minor tidal waves and to promote, own acquire erect, construct, establish, maintain, improve, manage, operate, alter carry on, control take on hire / lease, power plants, Co-Generation plants, energy conversion projects power houses, transmission and distribution system for generation, transmission and supply of electrical energy and buy, sell, supply own use, exchange, market function as a license and deal in electrical power, energy to the State Electricity Board, State Government, Appropriate, authorities licenses, specific industrial units and other consumer for industrial commercial .agricultural, household and any other purposes in India and else where specified by the State / Central Government, local authority in State Electricity Board and any other competent authority in accordance with the provisions of Indian Electricity Act and / or Electricity (Supply) Act or any statutory modification or reenactment thereof and rules made thereunder, and to establish captive or Other power plants on a Co-Operative basis or otherwise for a group of industrial and other consumers and supply power directly or through the transmission lines of the State Electricity Board or other authorities by entering into necessary agreements.

By Order of the Board  
For **SHREE VAANI SUGARS AND INDUSTRIES LIMITED**

(D.K. AUDIKESAVULU)  
Chairman and Managing Director

Place : Mudipapanapalli  
Date : 08-06-2000

#### NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. The instrument of proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and share transfer books of the Company will be closed during the period from 25-07-2000 to 29-07-2000 (both days inclusive).
3. Members are advised to bring their copies of the Annual Reports to the Meeting as there will be no supply of additional copies.
4. Members are requested to notify immediately any change in their address to the Registered Office of the Company by quoting their folio number.

**Annexure to and Forming part of the Notice convening the  
15th Annual General Meeting of the Company**

**Explanatory Statement pursuant to Sec. 173(2) of the companies Act, 1956**

**On Item No. 5**

Your company having established itself in the sugar Industry, has been looking for opportunities in other areas as well for diversifying its activities it is in this context that it is proposed to diversify its activities into power generation. As you are aware, the power Industries enjoy various concessions from the Government, particularly on Tax matters. Your Directors are confident that the diversification of your company's activities into this industries would be in its best interest. As the object clause in the memorandum of Association of your company presently do not have provision for expanding your company's activities in the above area. It is proposed to amend the said Clause as mentioned in the resolution.

None of the Directors are interested in the resolution except to the extent of shares, if any, held by him/her in the share capital of the company.

Copies of the memorandum & Articles of Association of the company are available for inspection at the Registered office of the company during the business hours on any working day till the Annual General Meeting.

By Order of the Board  
For **SHREE VAANI SUGARS AND INDUSTRIES LIMITED**

**(D.K. AUDIKESAVULU)**  
Chairman and Managing Director

Place : Mudipapanapalli  
Date : 08-06-2000

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## DIRECTORS' REPORT

Dear Share holders,

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2000.

### The Year in Retrospect

Your Directors are happy to inform you that during the Crushing season 1999-2000, which commenced on 12<sup>th</sup> November 1999, your company has Crushed 296721.930 Tonnes of sugarcane till 31<sup>st</sup> March 2000, with an average recovery of 9.60%.

As per the release order issued by the Government of India from time to time, your company sold 318679 Qtls. Of white Crystal sugar, out of 375078 Qtls bagged by it during the period under review. As on 31<sup>st</sup> March 2000, your company had held 304675 Qtls of sugar in stock.

### Financial Results

The Financial results of your company for the year ended 31<sup>st</sup> March 2000 are summarised below:

	(Rs. In Lakhs)	
	Year Ended 31-03-2000	18 Months Period ended 31-03-99
Sales and other income	4342.93	3945.81
Profit before interest and Depreciation	784.32	870.25
Interest and Depreciation	644.88	688.71
Profit / (Loss) before taxes	139.44	181.54
Provision for Tax	16.10	19.54
Profit / (Loss) after Taxes	123.34	162.00
Loss brought down from previous Year	101.09	263.09
Profit / (Loss) carried to Balance sheet	22.25	(101.09)

### Year in Prospect

We have crushed 3.98 lakhs M.T. of cane for the season 1999-2000 till 05-06-2000 with hectic efforts as there is stiff competition to draw cane among factories, as most of the factories are in want of cane due to prevailed, prolonged drought conditions for 4 to 5 months, more particularly during grand growth phase of cane crop. Even jaggery prices maintained in such a way that jaggery also equally remunerative.

Whatever may be the adverse conditions, we are able to crush 3.98 lakh M.T. consisting of 1,96,300 M.T. of our own zone cane, and 2,01,713 M.T. from non-zone areas.

For 2000-2001 season, sugar cane is being grown in about 18,000 acres consisting

of 12,000 acres of plant and 6000 acres of ratoon. So far we have entered into agreement 10,500 acres with farmers, consisting of 6,500 acres of plant and 4000 acres of ratoon crop by extending seed and Fertilizer loans. This time we have stopped issue of seed loans to self-seed and local jaggery variety i.e. C062175. All possible steps have been taken upto arrest jaggery diversion. But, as we are not able to crush maximum cane during peak recovery period i.e. from January to March, it's adverse affect there on in cane-diversion and sugar recovery. Cane department is making their best and sincere efforts to get some more area under agreement by motivating and educating the farmers about the pivotal-role of our sugar factory in the development of the factory zonal area and farming community. From the cane area already contracted and likely to be contracted, we expect around 2,50,000 M.T of cane from our own zone and around 2,00,000 M.T from non-zone areas like Karnataka, Chittoor border villages and Tamilnadu. In that way, we can easily crush around 4.50 lakh M.T of cane by the end of April though we start the 2000-2001 season from 1<sup>st</sup> week of Nov'2000. But it is highly impossible for achieving the target if we are not able to crush maximum during peak recovery period i.e. January to March.

#### **Improvement in Cane Cultivation and Procurement**

Your company, through constant good rapport with farmers and extending necessary timely technical know-how for the improvement of cane production and productivity, made a break through in attracting the farmers to the company's fold to create awareness and continuous supply of Sugarcane exclusively to the factory. Your company is confident that it would draw maximum sugarcane from zone farmers by intensive drive by our cane-department. This would also intensively procuring maximum sugarcane from the zone farmers year after year by increasing maximum cane cultivation and more cane yield per unit and unit time in your factory's zone. Irrigation water is the main constraint of the zone area. We are making every effort to fulfil the same as it is having profound effect on cane area improvement as well as cane yield and sugar recovery. Even then for a year or two, we have to depend non-zone cane to about 2.0lakh M.T as we are aiming to crush 4.50 to 5.0lakh M.T for each crushing season though it is at exorbitant prices and additional transport costs. Your company would definitely thrive to improve and increase its productivity and profitability as it is being seen for the last two years.

#### **Barley and Sugar Reserach Project**

Your company has been working on "Barely and Sugar Research Project" exclusively of M/s. United Breweries Limited as per the guidelines given by Research and Development Department of M/s. United Breweries Limited. This would improve and increase the revenues of your company besides encouraging the farmers of your zone by planting Barley in their fields as a source of inter cropping. The net revenue earned by your company during the year under review is Rs. 1.18 Crores. The project would be on a continuous basis, which would increase revenue to your company in future years. Your company would also create nurseries for sugarcane and propagate through demonstration plots in the factory zone.

### **Finance**

The company has repaid the total term loan to the financial Institutions viz., Industrial Development Bank of India and Industrial Credit and Investment corporation of India Limited as per the one time settlement. The first charge on fixed assets is relieved from Financial Institutions viz., Industrial Development Bank of India and Industrial Credit and Investment Corporation of India Limited and deposited the title deeds with Working Capital lending banks viz., State Bank of India, IFB., Hyderabad, State Bank of Mysore, Punganur and The Vysya Bank Limited, Punganur and created first charge on pari pasu basis.

### **Pollution Control**

Your company has installed the required equipment to prevent water and air pollution as per the Standards laid down by the Andhra Pradesh Pollution Control Board. Necessary steps have also been taken such as plantation of trees, saplings and seedlings in and around factory area and in the Colony, to protect the environment ecology.

### **Insurance**

Your company's Assets have been adequately insured against all expected perils.

### **Fixed Deposits**

Your company has not accepted any Deposits from public during the period under review.

### **Industrial Relations**

Employee relations during the period under review were cordial and harmonious.

### **Directors**

Shri. N.V. VARADARAJULU and Shri. G. RAMACHANDRAIAH, Directors retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

### **Auditors**

M/s. C. Ramachandram and company Chartered Accountants, Hyderabad the Auditors of the Company hold office until the conclusion of this Annual General Meeting and are recommended for re-appointment as they are eligible.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Your company had taken necessary steps to conserve energy by installing various advanced equipment and improving the inplant skills.

### **Research and Development**

Your company has been attempting cultivation of various varieties of sugarcane in the notified area to identify the variety, which is more suitable to the existing agro-climatic conditions. Continuous efforts are also being made in this direction to grow sugarcane variety, which gives higher sugarcane yield and higher recovery in the notified area.