
SIXTY NINTH

ANNUAL

REPORT

2002-2003

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*Sir Shadi Lal
Enterprises Ltd.*

SIR SHADI LAL ENTERPRISES LIMITED**SIR SHADI LAL ENTERPRISES LIMITED**

BOARD OF DIRECTORS	: Shri Bhanubhai I. Patel - Chairman Ms. Rupa Lal (Managing Director) Shri Rajat Lal (Managing Director) Shri Hemantpat Singhania Shri Onke Aggarwal Smt. Sudha Singhania Smt. Manjula Viswanathan Shri R.L. Srivastava Shri Vivek Viswanathan Shri R.C. Sharma Shri K.B. Lal - Whole time Director-cum-Secretary
BANKERS	: State Bank of India Punjab National Bank
AUDITORS	: Messrs. Basant Ram & Sons Chartered Accountants A-18, Nizamuddin East, Murli Marg, New Delhi-110 013
REGISTERED OFFICE	: 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001
MANUFACTURING UNITS	: Upper Doab Sugar Mills Shamli, Distt. Muzaffarnagar (U.P.) Shamli Distillery & Chemical Works Shamli, Distt. Muzaffarnagar (U.P.) Pilkhani Distillery & Chemical Works Pilkhani, Distt. Saharanpur (U.P.)



SIR SHADI LAL ENTERPRISES LIMITED

SIR SHADI LAL ENTERPRISES LIMITED

Regd. Office : 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001

NOTICE FOR THE 69TH ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Thursday the 25th September, 2003 at 4.30 P.M. at P.H.D. House, Opposite Asian Games Village, New Delhi-110 016 to transact the following business :

A. ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003, Profit & Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To elect a Director in place of Sh. B.I. Patel, who retires by rotation and being eligible, offers himself for re-election.
3. To elect a Director in place of Smt. Manjula Viswanathan, who retires by rotation and being eligible, offers herself for re-election.
4. To elect a Director in place of Sh. R.L. Srivastva, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors for the Year 2003-2004 and to fix their remuneration.

B. SPECIAL BUSINESS :

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

"RESOLVED that in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary if required, the consent of the Company be and is hereby accorded to the reappointment of Ms. Rupa Lal as Managing Director of the Company for a period of five years w.e.f. 1st April, 2004 on the terms and conditions including remuneration as are set out in the explanatory statement to this resolution".

"RESOLVED further that the 'Remuneration Committee'/Board of Directors of the Company be and is hereby authorised to vary the terms and conditions of the said appointment and/or remuneration and perquisites including the

monetary value thereof as specified in the explanatory statement, to the extent the 'Remuneration Committee'/Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Companies Act, 1956 or schedule appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or in rules or regulations promulgated thereunder".

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

"RESOLVED that in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, if required, the consent of the Company be and is hereby accorded to the reappointment of Shri Rajat Lal, as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2004 on the terms and conditions including remuneration as are set out in the explanatory statement to this resolution".

"RESOLVED further that the 'Remuneration Committee'/Board of Directors of the Company be and is hereby authorised to vary the terms and conditions of the said appointment and/or the remuneration and perquisites including the monetary value thereof as specified in the explanatory statement, to the extent the 'Remuneration Committee'/Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Companies Act, 1956 or schedule appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or in rules or regulations promulgated thereunder".

By Order of the Board

Place : New Delhi
Dated : 2nd July, 2003

K.B. LAL
Secretary

SIR SHADI LAL ENTERPRISES LIMITED

**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 the proxy need not be a member of the Company.
Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item No. 6 & 7 set out above is annexed.
3. Information required pursuant to Clause 49 VI (A) of the listing agreement with Delhi Stock Exchange regarding reappointment of directors is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2003 to 18th September, 2003 (both days inclusive).
5. Shareholders are requested to intimate to the Company change, if any, in their registered address.
6. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company to enable it to consolidate their holdings in one folio.
7. Members are requested to bring their copies of the Report and Accounts to the meeting.
8. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about the intended query at least seven days in advance of the meeting.
9. Pursuant to section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and upto the Accounting period ended 31st March, 1994 have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, New Delhi.
10. Pursuant to section 205A and 205C of the Companies Act, 1956, unpaid/unclaimed dividends for the year ended 31st March 1995 have been transferred by the company to "Investor Education and Protection Fund" (IEPF) constituted by the Central Government under section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the Shareholders.
11. Pursuant to the Provisions of section 205A(5) of the Companies Act, 1956, dividend for the Financial year ended 31st March, 1996 and there after which remain unclaimed for a period of seven years will be transferred by the Company to the "Investor Education and Protection

Fund" (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Shareholders who have not so far encashed/claimed their dividend warrant's for the financial year from 1995-96 to 2001-2002 are requested to approach the company for revalidation of dividend warrant's or for obtaining duplicate dividend warrants. Shareholders are requested to note that no claim shall lie against the company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first become due for payment and no payment shall be made in respect of any such claim.

12. Section 109A of the Companies Act, 1956, has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the company the particulars of their nominations. Shareholders may please write to the company for the prescribed Nomination Form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 6 & 7

Ms. Rupa Lal and Shri Rajat Lal were appointed as the Joint Managing Directors of the Company by the shareholders in their meeting held on 27.05.1999 for a period of five years w.e.f. 01.04.1999, on the terms & conditions specified in the resolution.

The Board of Directors, in their meeting held on 24.03.2001 have designated Ms. Rupa Lal and Shri Rajat Lal, Joint Managing Directors of the Company, as the Managing Directors of the Company for the remaining period of their tenure of office i.e. upto 31.03.2004. The same was approved by share holders in their meeting held on 30.09.2002. Since 24.03.2001, Ms. Rupa Lal and Shri Rajat Lal have been discharging the responsibilities of the office of the Managing Director.

The 'Remuneration Committee' of the Board of Directors reviewed that both the Managing Directors are highly qualified and are having more than 19 years experience of the management of the Company. The Company has made significant progress and is being considered as one of the efficient and sound Company in the Sugar Industry in U.P. They have also discharged the responsibilities of office of the Managing Director successfully and effectively. Therefore, the 'Remuneration Committee' of the Board of Directors and the Board have approved to reappoint them as Managing Director of the Company for a period of five years w.e.f. 01.04.2004 on the terms and conditions



SIR SHADI LAL ENTERPRISES LIMITED

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including remuneration as given below.

SALARY PER MONTH :

Ms. Rupa Lal, Managing Director	: Rs. 1,00,000/-
Mr. Rajat Lal, Managing Director	: Rs. 1,00,000/-

COMMISSION :

Remuneration by way of commission will also be allowed, subject to the limits of total remuneration as laid down in section 198 and 309 read with Schedule XIII of the Companies Act, 1956, as under :

Equivalent to 4.5% of the net profits of the Company as reduced by the amount paid to them by way of salary and perquisites in each case.

PERQUISITES :

The above managerial personnel will be entitled to the following perquisites in addition to the above remuneration:-

PART-A :

1. **Housing** : 60% of the Salary in each case.
2. **Gas, Electricity and Water** : 5% of the Salary in each case.
3. **Medical Reimbursement** : Expenses incurred for self and family, subject to a ceiling of one month salary per year or 5 months salary in a period of 5 years in each case.
4. **Personal Accident Insurance and Mediclaim Insurance**: Premium not to exceed Rs. 10,000/- in each case.

PART-B :

1. **Company's contribution towards Provident Fund/ Superannuation Fund** : As per Rules of the Company.
2. **Gratuity** : As per Rules of the Company.
3. **Earned/Privilege leave** : As per rules of the Company, leave accumulated but not availed of during their tenure may be allowed to be encashed as per rules of the Company.

PART- C :

1. **Car** : Provision of a chauffeur driven car for office use.
2. **Telephone** : Free telephone facility at residence, personal long distance calls to be paid for by them.
3. **Entertainment Expenses**: Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

(Payments in Part-C will not be considered as perquisites for the purpose of ceiling under sections 198,309 of the Companies Act, 1956).

4. Other Terms applicable to the appointments & Minimum Remuneration :

- i) They will not be paid any 'sitting fee' for attending the meetings of the Board of Directors or Committee's thereof.
- ii) The Board/ "Remuneration Committee" may revise the existing terms or allow any other facilities/perquisites, from time to time, within the overall ceiling.
- iii) In the event of absence or inadequacy of profits in any financial year, they will be paid the above remuneration excluding commission as minimum remuneration, subject to the overall ceilings laid down in Section II of part II of Schedule XIII.

(In that event contribution to Provident Fund and Superannuation Fund to the extent these are exempted under the Income Tax Act, 1961, and gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites).

- iv) They will not become interested or otherwise concerned personally or through their relatives, in any selling agency of the company, without the prior approval of the Company Law Board.
- v) The appointment may be terminated by either party by giving six calendar month's notice in writing or lesser notice as may be agreed to.

In the event of termination of the appointment by the Company, they will be entitled to receive compensation in accordance with the provisions of section 318 of the Companies Act, 1956.

Ms. Rupa Lal, Mrs. Manjula Viswanathan and Sh. Vivek Viswanathan, being related, are interested in resolution no.6.

Mr. Rajat Lal, Mr. Hemantpat Singhania and Mrs. Sudha Singhania, being related, are interested in resolution no. 7.

INSPECTION :

A copy of the existing terms & conditions of payment of remuneration to Managing Directors and terms of appointment will be kept open at the Registered Office of the company on all working days between 11.00 A.M. to 1.00 P.M.

By Order of the Board

Place : New Delhi
Dated : 2nd July, 2003

K.B.Lal
Secretary



SIR SHADI LAL ENTERPRISES LIMITED

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have the pleasure in submitting their 69th Report together with audited statements of account of your Company for the year ended 31st March, 2003.

FINANCIAL RESULTS :

Both the segments of your Company, i.e. Sugar & Alcohol, passed through a very critical year. The Sugar Industry of U.P. suffered heavy losses during the year due to unremunerative sugar price, frequent modification in release mechanism and excess sugar coming to market due to high flow emanating from Court Order which was intended to over come the consequence of continued higher production. On All India basis, when the sugar production was 155.4 lac tons in 1998-99, it rose to between 182 lac tons to 185 lac tons during the years 1999-2000 onwards. Since the internal consumption did not rise proportionately, the Opening Stock, which was 58.04 lac tons on 1st October, 1998, rose to 109 lac tons on 1st October, 2002, sufficient to meet 7 to 8 months requirement as against the normal stock of 3 to 4 months. The production for the Crushing Season 2002-2003 is expected to cross 190 lac tons. With this excess production and excess stock, the sugar prices fell by about Rs. 200/- per quintal. It makes a difference of about Rs. 20 Crores in realization in the Sugar Unit alone in the size of your factory. In spite of its being one of the worst year, your Directors have the satisfaction to report that your Company has not suffered cash losses. The financial results for the year under review are as follows :-

(Rs. in lakhs)

- Cash profit, i.e. profit before providing for depreciation	223.07
- Less : Provision for Depreciation	<u>431.93</u>
- Net loss transferred to General Reserve	<u>208.86</u>

MANUFACTURING RESULTS :

(a) SUGAR :

The manufacturing results of your Sugar Factory for the Crushing Season 2002-2003 as compared to the last

Crushing Season are as under :-

	Season <u>2002-2003</u>	Season <u>2001-2002</u>
- Gross Working Days	184	199
- Total Cane Crushed (Qtls.)	95,71,751	1,03,94,602
- Average Cane Crush per crop day (Qtls.)	52,020	52,234
- Manufacturing losses (%)	2.07	2.09
- Average Sugar Recovery (%)	10.44	10.53
- Total Sugar Produced	9,99,327	10,94,485

Due to the disputes with the farmers regarding the cane price, who were insisting for the payment of State Advised Cane Price which the Sugar Factories in U.P. could not afford but were willing to pay the Statutory Minimum Price only, start of the Crushing Season was delayed by about 3-4 weeks. With the result, closure of the season was also delayed which affected the recovery also. However, your factory was able to crush all the cane of the area before it closed its Crushing Season on 30th May, 2003. The cane price matter is still pending in the Court. The Directors have provided full Statutory Minimum Cane Price in the books while preparing the final accounts.

(b) DISTILLERIES :

The Distilleries could not utilize their full capacity mainly due to the problem of very poor off-take and unremunerative prices. Due to cut-throat competition between U.P. Distilleries, the off-take of the Country Liquor also adversely affected. The Distilleries at present are seen by the Government only as a source of revenue and in this process during the year under review, the Excise Duty on Country Liquor has been increased w.e.f. 1.4.2002. The rates of Excise Duty in respect of other Distillery products in U.P. are also higher as compared to other neighbouring States. It is feared that the high rate of Excise Duty in the State of U.P. may also lead to import of liquor from other neighbouring States, which will be very much harmful to the U.P. Distilleries and Government Revenue. All these factors resulted in the poor off-take of the Spirit. The production of your both the Distilleries in the current financial year has been 1,41,43,347 BL against 1,48,29,522 BL in the previous financial year.

SIR SHADI LAL ENTERPRISES LIMITED**CANE DEVELOPMENT :**

Undoubtedly, the disease free and healthy cane is a base for good sugar recovery. Your Directors are giving top priority to develop high yielding varieties of sugarcane in the reserved area of the factory. For this purpose, not only premium on the supply of early maturing varieties of cane is being paid to the growers but sizable expenses are also incurred on other related activities, like development of roads in the area, supply of disease free cane seed & various pesticides at subsidized rates to the farmers besides educating them to grow such varieties of cane which are useful in the different parts of the cane Crushing Season. The recovery of your factory is one of the highest in U.P.

MODERNISATION :

The modernisation of the Industry is a continuous process. To bring down the cost of production, to achieve better manufacturing results, to manufacture standard quality products, to stand in comparison in the internal and international market and on pollution control equipments, your Management has spent a sum of Rs. 588.32 lacs during the year under consideration on modernisation of the Manufacturing Units.

DIVIDEND :

Your Directors are conscious of their responsibility towards the Shareholders and have been paying dividend to the Shareholders uninterruptedly for the last more than 10 years and have also issued Bonus Shares twice during this period. However, due to the loss suffered this year and the additional finances required for meeting the higher working capital requirement as well as other long term needs, the Directors regret their inability to recommend any dividend for the year ended 31st March, 2003 in the larger interest of the Company.

DIRECTORS :

The following Directors of your Company retire by rotation u/s 256 of the Companies Act. They are eligible for re-appointment and offer themselves for the same :-

1. Shri B.I. Patel
2. Smt. Manjula Viswanathan
3. Shri R.L. Srivastava

The tenure of office of both the Managing Directors, i.e. Ms. Rupa Lal & Shri Rajat Lal, is expiring on 31st March

2004. The Remuneration Committee of Directors and Board of Directors have recommended the re-appointment of both the Managing Directors for a period of five years w.e.f. 01.04.2004 on the terms & conditions including remuneration as set out in the respective resolution in the notice convening the meeting. The required information pursuant to clause 49 VI (A) of the listing agreement regarding experience, qualifications, names of the Companies in which the above Directors hold Directorship and Membership of the Committee of the Board are given in the notice convening this meeting against the relevant item of the agenda.

AUDITORS' REPORT :

The notes given by the Auditors in Schedule 'F' of the Balance Sheet are of routine nature and self explanatory, therefore, no further explanation is required.

PUBLIC DEPOSITS :

We report with satisfaction that the confidence of the public in placing their deposits with your Company is constantly increasing. The total amount of fixed deposits as on 31st March, 2003 was Rs. 1633.11 lacs as against Rs. 1353.09 lacs as on 31st March, 2002. Only a sum of Rs. 0.68 lac relating to three depositors was not claimed on due dates upto the end of accounting year. Of these, deposits of Rs. 0.13 lac relating to two depositors have been claimed and paid subsequently. The balance amount of Rs. 0.55 lac to the remaining one depositor will be paid when claimed. Necessary notice has been sent to him.

OTHER INFORMATION:

Information pursuant to sub-section 1(e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-1 of this report.

Information pursuant to sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date, is given in Annexure-2 of this report.

CORPORATE GOVERNANCE :

The guidelines on Corporate Governance issued by Securities and Exchange Board of India (SEBI) are applicable to our Company from the financial year 2001-2002. Your Company has complied with the various



SIR SHADI LAL ENTERPRISES LIMITED

DIRECTORS' REPORT CONTD.

recommendations made on Corporate Governance as incorporated in Clause 49 of the listing agreement with Delhi Stock Exchange Association Limited, New Delhi, for which a detailed report is given in Annexure-3 of this report.

DIRECTORS' REPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Company hereby state and confirm that -

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) 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 that period.
- (iii) 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) The Directors had prepared the annual accounts on a going concern basis.

LISTING AGREEMENT :

The shares of the Company are listed with the Delhi Stock Exchange Association Limited, "DSE House", 3/1, Asaf Ali Road, New Delhi-110002 and the listing fee for the year 2003-2004 has been paid to the said Stock Exchange.

CURRENT YEAR PROSPECTS :

In our last report, it was informed that the Sugar Industry is burdened with the excessive sugar stocks due to continuous higher production than the requirement of the country. The problem of excessive sugar stocks has been further increased in the current year. Presently, the Sugar Industry in U.P. is passing through a severe financial crises due to incidence of high cane price and lower free sale sugar realization. Despite several representations by the Industry, the Government of U.P. is pressing the Sugar Mills to pay the higher cane price inspite of the fact that the sale price

of sugar has sharply declined. It is unfortunate that the Sugar Industry continue to be subject to adhoc decision & policies both by the Central as well as State Government. Instability of the Government itself also leads to the arbitrary and short term decisions which ultimately disturbs the working and the liquidity position of the Sugar Factories which ultimately converts into cane arrears. If the U.P. Government wants to see the survival of Sugar Industry, it should reduce the cane price to a reasonable level of Statutory Minimum Price (SMP).

As reported above, the working results of the Sugar Industry are very much dependent on the conditions of cane crop and its cost as well as on the realization from finished products. Working of Alcohol Industry is also fully dependent upon the State policies like Excise Duty structure, availability of molasses and sale price from Country Liquor etc. As the Government Policy in respect of next Crushing Season is yet to be announced, it is too early to predict anything about the prospects of the next year. The Management of the Company will, however, continue to put hard efforts to achieve good manufacturing results in all the Manufacturing Units. We are, therefore, hopeful that given the favourable circumstances, realistic cane price, better realization of free sale sugar and reasonable Sugar & Alcochol Policy, the Company will be able to achieve reasonable financial results in the current financial year.

APPRECIATION :

Your Directors wish to place on record their appreciation for the devoted services rendered by the employees of the Company at all levels. We also place on record our appreciation to the Financial Institutions, Banks and Government Authorities for their valuable co-operation and support from time to time. We would also like to express our thanks to our Shareholders and Depositors for their continued confidence in the Company.

For and on behalf of the board

Place : New Delhi
Dated : 2nd July, 2003

B.I. Patel
Chairman

SIR SHADI LAL ENTERPRISES LIMITED



ANNEXURE '1' TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

: Following modifications are in progress to save energy:

i) Modification of Existing Wetscrubbers.

ii) 'A' Crystaliser Conventional Drive replacement with planetary Helical Drives.

iii) Auto combustion control for J.T. Boiler.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Planning is being made to identify and install more energy saving equipments to save energy.

d) Total energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure in respect of industries specified in the schedule thereto.

Particulars in respect of Sugar Unit of the Company as per Form 'A'

(A) Power and fuel consumption :

Current Year

Previous Year

1. Electricity :

a) Purchased (Units)

11,31,247

15,63,716

Total Amount (Rs.)

40,24,996

62,90,249

Rate/Unit (Rs.)

3.56

4.02

b) Own Generation :

i) Through Diesel Generator (Units)

6,96,020

5,39,596

Unit per Ltr. of Diesel Oil

3.08

2.77

Cost/Unit (Rs.)

7.02

7.45

ii) Through steam Turbine (Units)

2,12,33,760

2,34,11,070

Unit per pound of Steam

1.467

1.482

Cost/Unit (Rs.)

0.73

0.65

2. Coal (specify quality and where used) :

Fire-wood used in Boilers :

Quantity (MT)

NIL

NIL

Total Value (Rs.)

NIL

NIL

Average Rate per MT (Rs.)

NIL

NIL

3. Furnace Oil :

Quantity (KL)

NIL

NIL

Total Value (Rs.)

NIL

NIL

Average Rate per KL (Rs.)

NIL

NIL

4. Other (Own bagasse) :

Quantity (MT)

2,52,148

2,78,039

Total Value (Rs.)*

16,80,44,163

10,34,11,168

Average Rate per MT (Rs.)

666.45

371.93

*Bagasse, a residual received after crush of cane, is used as fuel in boilers. The notional value of the same has been taken at average sale price for the year.

(B) Consumption per unit of Production :

Products (Sugar in Qtls.)

9,52,204

10,23,743

Electricity KWH

24.22

24.92

Furnace Oil KL

NIL

NIL

Fire-wood MT

NIL

NIL

Bagasse MT

0.265

0.272

CONTD.



SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE 'I' TO DIRECTORS' REPORT CONTD.

B. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM 'B'

i) Research & Development (R&D) :

- | | |
|--|--|
| 1. Specific Areas in which R&D carried out by the Company | : The Company has been putting continuous efforts to develop disease free healthy cane of high yielding varieties in its area. |
| 2. Benefits derived as a result of the above R & D | : Due to the crushing of early maturing cane varieties, the recovery of sugar has improved. |
| 3. Future plan of action | : The Company plans to continue Research & Development for disease free healthy and high yielding varieties of cane in its area. |
| 4. Expenditure on R & D : | |
| a) Capital | Nil |
| b) Recurring | Rs. 19,96,570 |
| c) Total | Rs. 19,96,570 |
| d) Total R & D expenditure as a percentage of total turnover | 0.08% |

ii) Technology absorption, adaptation and innovation :

- | | |
|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | } Efforts are being made to adopt latest and most modern technologies for cane crushing and for sugar manufacturing process. |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. | |
| 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished : | |
| a) Technology imported | } No Technology has been imported during the last five years. |
| b) Year of Import | |
| c) Has technology been fully absorbed ? | |
| d) If not fully absorbed, areas where this has not taken place, reasons therefor, and future plans of action | |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---|--|
| a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. | Efforts are being made for export of Company's Products. |
| b) Total Foreign exchange used and earned : | |
| Used | Rs. 1,18,56,808 |
| Earned | Rs. NIL |

For and on behalf of the board

Place : New Delhi
Dated : 2nd July, 2003

B.I. Patel
Chairman