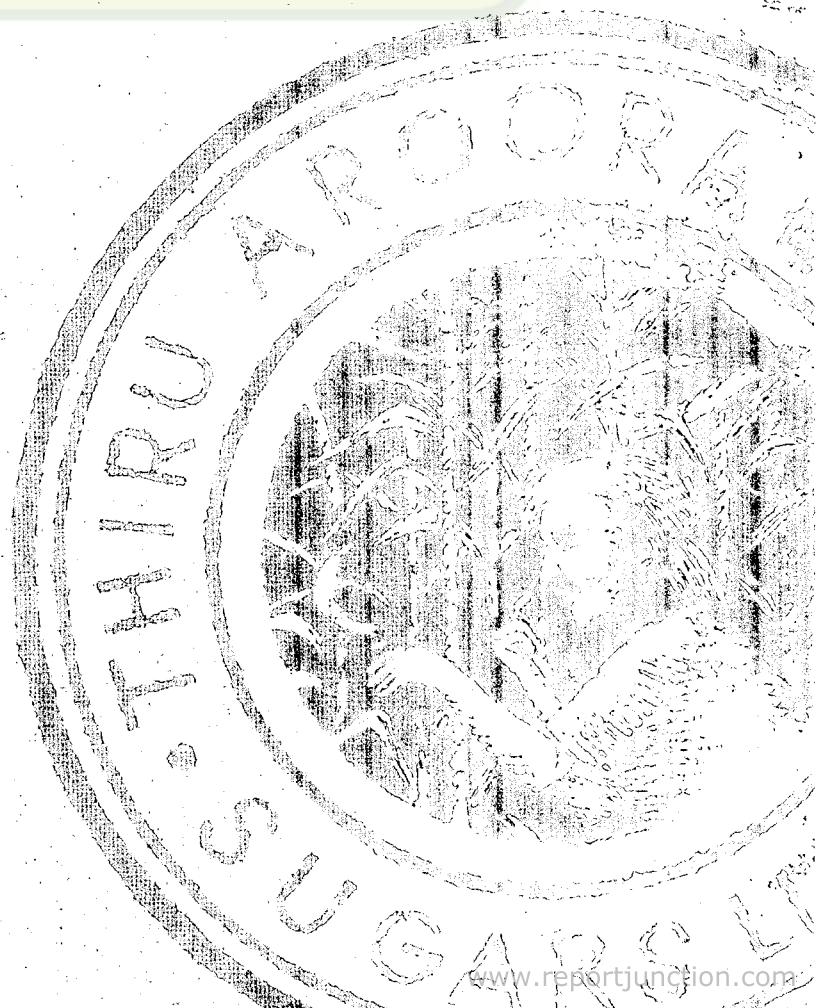


down to earth

THIRU AROORAN SUGARS LIMITED
CORPORATE STATEMENT 1997-98

MD	✓	BKC	✓
CS	✓	EPY	NA
RO	✓	DIV	✓
TRA	NA	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

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THIRU AROORAN SUGARS LIMITED

Regd. Office : "ELDORADO" (Fifth Floor) 112, Nungambakkam High Road, Chennai - 600 034

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Third Annual General Meeting of the Shareholders of the Company will be held at the Auditorium of the Tamilnadu Pollution Control Board, 100 Anna Salai, Chennai 600 032 on Thursday, 24th September, 1998 at 10.30 a.m. to transact the following business :

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March, 1998, together with the Auditors Report thereon.
2. To declare dividend.
3. To elect a Director in the place of Mrs Malathi Ram Tyagarajan, who retires by rotation and is eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

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

"RESOLVED that M/s S N S Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs. 90,000/-, apart from reimbursement of travelling and other out of pocket expenses that they may incur in connection with the audit".

SPECIAL BUSINESS

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

RESOLVED that Mr R Vijayaraghavan, vacating office as a Director of the Company under section 262 of the Companies Act, 1956, and in respect of whom due notice under section 257 of the Companies Act, 1956, have been received by the Company, be and is hereby appointed as a Director of the Company liable to retirement by rotation.

6. 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 mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situate, present and future and the whole of the undertaking of the Company to or in favour of Punjab National Bank (PNB) to secure the Rupee Term Loan of Rs. 2000 lakhs (Rupees Two thousand lakhs only) lent and advanced/agreed to be lent and advanced by PNB to the Company together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to PNB in terms of their Loan Agreement entered into by the Company in respect of the said rupee term loan and

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with PNB the documents for creating aforesaid mortgage and/or charge and to do all such acts and

things as may be necessary for giving effect to the above resolution.

7. 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 provision, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and moveable properties of the Company wheresoever situate, present and future and the whole of the undertaking of the Company to or in favour of Union Bank of India (UBI) to secure the Rupee Term Loan of Rs. 2500 lakhs (Rupees Two thousand five hundred lakhs only) lent and advanced / agreed to be lent and advanced by UBI to the Company together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to UBI in terms of their Loan Agreement entered into by the Company in respect of the said rupee term loan and

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with UBI the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

8. 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 provision, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and moveable properties of the Company wheresoever situate, present and future and the whole of the undertaking of the company to or in favour of Canara Bank to secure the Term Loan of Rs. 2500 lakhs (Rupees two thousand five hundred lakhs only) lent and advanced/agreed to be lent and advanced by Canara Bank to the Company together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to Canara Bank in terms of their Loan Agreement entered into/to be entered into by the Company in respect of the said term loan and

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with Canara Bank the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

9. 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 mortgaging and/or charging by the Board of Directors of the Company of all the immovable and moveable properties of the Company wheresoever situate, present and future and the whole of the undertaking of the Company to or in favour of Industrial Credit and Investment Corporation of India Limited (ICICI) to secure the Rupee Term Loan of Rs. 2500 lakhs (Rupees Two thousand five hundred lakhs only) sanctioned by ICICI together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to ICICI in terms of the Loan Agreement entered into by the Company in respect of the said term said term loan and

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with ICICI the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution

Chennai
July 28, 1998

By order of the Board
for **THIRU AROORAN SUGARS LIMITED**
N SRINIVASAN
Secretary

NOTES :

1. A member entitled to vote at the meeting is entitled to appoint a proxy and vote instead of himself and a proxy need not be a member. A proxy form is **attached**.
2. Instrument of proxy form for use at the above meeting must be lodged at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
3. Dividend for the year 1997-98, when declared, will be paid to those members whose name appear in the Register of Members on 24th September, 1998
4. The Register of Members and the Share Transfer books of the company will remain closed from 16th September, 1998 to 24th September, 1998 (both days inclusive).
5. Pursuant to Section 205(A) of the Companies Act, 1956, all unclaimed dividends, upto and including dividend for the year ended 31st March, 1994 have been transferred within prescribed time to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Shastri Bhawan, 26 Haddows Road, Chennai 600 006.
6. Members are requested to notify immediately any change in their address to the Registered Office of the Company.
7. Members who are holding shares in identical order of names in more than one account are requested to intimate to the Company, the ledger folio of such accounts together with the share certificate(s) numbers to enable the Company to consolidate all the holdings into one account. The share certificate(s) will be returned to the members after endorsements in due course.
8. Members are requested to bring their copies of Annual Report to the Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr R Vijayaraghavan, Director was appointed under section 262 of the Companies Act, 1956, in the casual vacancy caused by the resignation of Mr. C C Ganapathy. Mr R Vijayaraghavan, is an Advocate by profession and his association would be of immense benefit to the Company.

Memorandum of Interest

None of the Directors of the Company other than Mr R Vijayaraghavan, is in any way concerned or interested in the resolution.

Item No. 6,7, & 8

The Company has carried out a restructuring of the entire debt port-folio so as to pre-pay foreign currency loans / high cost loans and substitute them by rupee loans. To meet such prepayment obligation, the company has availed term loans of Rs. 20 crores from Punjab National Bank and Rs. 25 crores each from Canara Bank and Union Bank of India respectively.

As per terms of sanction, the above loans are to be secured by way of mortgage and charge in favour of the said Banks over the Company's immovable and moveable properties, both present and future, of the Company.

Since the mortgaging by the Company of its immoveable and moveable properties as aforesaid in favour of the aforesaid Banks may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the companies Act, 1956 and accordingly the requisite Ordinary Resolution is proposed in the Notice for the consent of the Members and Directors recommend the same for approval.

Memorandum of Interest

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 9

The Company has been sanctioned a Term Loan of Rs. 25 crores to finance a capital expenditure of Rs. 10 crores and a sum of Rs. 15 Crores to augment long term working capital requirements.

As per the terms of sanction, the above loan is to be secured by way of mortgage and charge in favour of the said Institution over the Company's immovable and moveable properties, both present and future, of the Company,

Since the mortgaging by the Company of its immoveable and moveable properties as aforesaid in favour of the aforesaid Institution may be regarded as disposal of the Company's properties / undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 and accordingly the requisite Ordinary Resolution is proposed in the Notice for the consent of the Members and Directors recommend the same for approval.

Memorandum of Interest

None of the Directors of the Company other than Mr. V. Thirupathi who is a Nominee Director of ICICI is in any way concerned or interested in the resolution.

By order of the Board

for **THIRU AROORAN SUGARS LIMITED**

N SRINIVASAN

Secretary

Chennai

July 28, 1998

'Anyone who has got any pleasure at all from nature should try to put something back. Life is like a superlative meal and the world is the maitre d'hotel. What I am doing is the equivalent of leaving a reasonable tip.'

- Gerald Durrell



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What is Thiru Arooran Sugars ?

• Thiru Arooran Sugars Limited (TASL) is one of the most integrated sugar manufacturers in India. The company's operations are spread over two locations: at Kollumandugi (2500 tcd) and Tirumandankudi (5000 tcd) in Tamil Nadu.

• Both plants of Thiru Arooran are located in the fertile Cauvery delta of Thanjavur District. This area has a rich agricultural tradition with favourable agro-climatic conditions, fertile soil and adequate ground water. The plants are also linked by road and rail with Chennai and Tuticorin, facilitating the export of sugar during times of excess production.

• During 1997-98, the company completed the relocation of its sugar operations from Vadapathimangalam to Kollumangudi. This has helped the company in accessing cane from a smaller radial distance, resulting in lower transport costs. As a result of the relocation, the 2000 tcd manufacturing capacity at Vadapathimangalam has been phased out and replaced by a 2500 tcd capacity at Kollumangudi.

• The molasses generated by this aggregate 7500 tcd capacity feeds the company's alcohol producing distillery. This distillery has an installed capacity of 60 kl per day of rectified spirit and 30 kl per day of extra neutral alcohol.

• What makes Thiru Arooran different from most sugar manufacturers in India is its investment in

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co-generation. The company has an aggregate co-generation capacity of 47 MW. During the sugar season when bagasse is available as a byproduct, the plant is capable of generating 36 MW; in the non-sugar season, the capacity is 38 MW. The proximity to lignite at Neyveli is a major advantage for the multi-fuel co-generation facilities.

- Thiru Arooran has a strong commitment to the environment and converts effluents generated in the various processes at its factories to make soil-enriching organic manure, liquid fertilisers and aqua feed. The company has also invested heavily in pollution control equipment, which has helped keep effluent discharge and particulate emissions well below the levels specified by the regulatory agencies.
- What sets Thiru Arooran apart is its integrated programme to maximise value-addition by utilising its byproducts. Apart from the manufacture of sugar which is a core operation, the byproduct molasses is used to make alcohol; the byproduct bagasse is used in the generation of electricity which is then commercially exported to the Tamil Nadu electricity grid. This degree of horizontal integration is perhaps the widest in the Indian sugar industry, helping the company insulate itself to a large extent from the cyclicity of the sugar industry.
- The promoters of Thiru Arooran hold a 40 per cent stake in the equity of the company. The company's shares are listed on the Chennai, Mumbai and National Stock Exchanges.

Our Vision

To achieve enhanced, sustainable, long-term shareowner value in responsible partnership with the environment.



Our Mission

- To maximise value from cane through core and down stream operations.
- To pursue efficient solutions through front-line technologies for delivering value.
- To be recognised as the industry proxy for balanced growth.
- To be respected as a credible and dependable partner with its stakeholders - the farmers, customers and employees.
- To remain committed to the highest standards of conduct which include a respect for the laws of the land, the production of an output of acceptable quality, protection of the environment in which the company operates and fairness in dealing with its stakeholders.