



66th
Annual Report
2000-2001

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Triveni
ENGINEERING & INDUSTRIES LIMITED

SHAREHOLDERS' INFORMATION

Names & Addresses of Stock Exchanges at which the Equity Shares of the Company are Listed in respect of which Annual Listing Fees for Financial Year 2001-2002 have been paid :

The Delhi Stock Exchange Association Ltd.

(Regional Stock Exchange)
DSE House, 3/1, Asaf Ali Road
NEW DELHI 110 002

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers
Dalal Street,
MUMBAI 400 001

National Stock Exchange of India Ltd

Trade World, Senapati Bapat Marg
Lower Parel, MUMBAI 400 013

The Calcutta Stock Exchange Association Ltd.

7, Lyons Range,
CALCUTTA 700 001

REGISTERED OFFICE

Deoband, District Saharanpur,
Uttar Pradesh -247 554
Phone : 22497, 22185, 22866, 23791
Fax : 01336 - 22220

CORPORATE OFFICE

"Kailash", 2nd Floor,
26, Kasturba Gandhi Marg,
New Delhi - 110 001
Phone : 3310021 (4 Lines), 3714460 (3 Lines)
Fax : 011-3310117

**SHARE DEPARTMENT/
INVESTORS' GRIEVANCES**

1106-1107, Ansal Bhawan,
16, Kasturba Gandhi Marg,
New Delhi - 110 001
Phone : 011-3357577, 3721750

TURBINE BUSINESS GROUP

12-A, Peenya Industrial Area, Peenya,
Bangalore-560 058
Phone : 8394721 (4 Lines), 8394843, 8394771 & 8395276
Fax : 080-8395211

GEARS DIVISION

1,2,3 Belagola Indl.Area,
Metagalli, K.R.S.Road, Mysore - 570 016
Phone : 582807, 582148
Fax : 0821-582694

FIXED DEPOSIT SECTION

Accounts Department,
Jeevan Tara Building, Gate No.4, 1st Floor,
5, Parliament Street,
New Delhi - 110 001
Phone : 3362522-24, 3362526-29
Fax : 011-3362525

PROJECTS & ENGG. BUSINESS GROUP

D-196, Okhla Industrial Area, Phase-1,
New Delhi - 110 020
Phone : 6811878, 6819015, 6812930
6811895
Fax : 011-6812280, 6818216

KHATAULI SUGAR UNIT

Khatauli
Distt. Muzaffarnagar, U.P. - 251 201
Phone : 72561, 72562
Fax : 01396 - 72543

DEOBAND SUGAR UNIT

Deoband
Distt.Saharanpur, U.P. - 247 554
Phone : 22497, 22185, 22866, 23791
Fax : 01336 - 22220

RAMKOLA SUGAR UNIT

Ramkola
Distt. Kushinagar, U.P. - 274 305
Phone : 05564 - 22218
05567 - 26021, 26071, 26072, 26243
Fax : 05567 - 26248

OIL & GAS DIVISION

Jeevan Tara Building,
Gate No.4, 1st Floor, 5, Parliament Street,
New Delhi - 110 001
Phone : 3362522 - 24, 3362526-29
Fax : 011-3362525

SUBSIDIARY COMPANY

TRIVENI SRI LIMITED

"Kailash", 2nd Floor,
26, Kasturba Gandhi Marg,
New Delhi - 110 001
Phone : 3310021 (4 Lines)
3714460 (3 Lines)
Fax : 011 - 3310117

TRIVENI GROUP WEBSITE : www.trivenigroup.com

CHAIRMAN & MANAGING DIRECTOR

Mr. Dhruv M. Sawhney

BOARD OF DIRECTORS

Mr. F.C. Kohli

Mr. J.B. Dadachanji

Lt.Gen. K.K. Hazari (Retd.)

Mr. M.K. Daga

Mr. M.V. Subbiah

Mr. R.C. Sharma

Mr. S.K. Seth

Mr. V. Venkateswarlu (IDBI Nominee)

ADVISOR TO THE BOARD

Mr. Devi Chand Sawhney

**GROUP GENERAL MANAGER (LEGAL) &
COMPANY SECRETARY**

Mr. V.P. Ghuliani

BANKERS

Punjab National Bank

Central Bank of India

Canara Bank

Oriental Bank of Commerce

Union Bank of India

Standard Chartered Bank

State Bank of Travancore

AUDITORS

M/s J.C. Bhalla & Co.

BRANCH AUDITORS

M/s Virmani & Associates

M/s R.S. Gupta & Co.

REGISTERED OFFICE

Deoband

District Saharanpur

Uttar Pradesh 247 554

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Notice

NOTICE is hereby given that the 66th Annual General Meeting of the Members of Triveni Engineering & Industries Ltd. will be held on Wednesday, the 8th day of August, 2001 at 2.00 P.M. at the Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, Uttar Pradesh - 247 554 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Share Capital for the year ended 31st March, 2001.
3. To appoint a Director in place of Mr. R.C. Sharma, 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 the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. J.C. Bhalla & Co., retiring Auditors are eligible and offer themselves for re-appointment.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s) the following resolutions: -

5. As an Ordinary Resolution:

RESOLVED that Mr. S.K. Seth, who was appointed a Director by the Board of Directors of the Company in the casual vacancy caused by the resignation of Mr. L.K. Anand and who ceases to hold office at this Annual General Meeting under Section 262 of the Companies Act, 1956, and in respect of whom the Company has received a notice, in writing, from a member proposing his candidature for the office of a Director be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

6. As an Ordinary Resolution:

RESOLVED that Lt. Gen. K.K. Hazari (Retd.), who was appointed a Director by the Board of Directors of the Company in the casual vacancy caused by the resignation of Mr. R.C. Sanghi and who ceases to hold office at this Annual General Meeting under Section 262 of the Companies Act, 1956, and in respect of whom the Company has received a notice, in writing, from a member proposing his candidature for the office of a Director be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

7. As an Ordinary Resolution:

RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Executive Sub-Committee of the Board) to mortgage and/or charge all or any of the movable and/or immovable properties of the Company, wherever situate, both present and future, and the whole or substantially the whole of the undertakings of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of Industrial Development Bank of India (IDBI), Central Bank of India and members of Consortium of Bankers to secure: -

- (a) Rupee Term Loan not exceeding Rs. 2500 lacs (Rupees two thousand five hundred lacs only) lent and advanced/agreed to be lent and advanced by IDBI to the Company;
- (b) Rupee Term Loan not exceeding Rs. 112.50 lacs (Rupees one hundred twelve lacs and fifty thousand only) lent and advanced/agreed to be lent and advanced by Central Bank of India to the Company; and
- (c) The Lead Bank of the Consortium of Bankers acting for itself and on behalf of other members of Consortium of Bankers for their fund and non-fund based credit



facilities not exceeding Rs.38883.89 lacs (Rupees three hundred eighty eight crores eighty three lacs eighty nine thousand only) sanctioned and availed/agreed to be sanctioned and availed of by the Company;

together with interest at the respective agreed rates, compound/additional interest, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to IDBI/Central Bank of India/Consortium of Bankers in terms of their respective Loan Agreements/Heads of Agreements/ Letters of Sanction/Memorandum of terms and conditions, entered into/to be entered into by the Company, in respect of the said term loans and credit facilities availed/to be availed.

RESOLVED FURTHER that the Board be and is hereby authorised to finalise with IDBI/Central Bank of India/Consortium of Bankers the documents for creating the aforesaid mortgages, and/or charges, to execute and sign the same or to delegate the authority in this respect to the executives of the Company and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution.

8. As an Ordinary Resolution:

RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Executive Sub-Committee of the Board) to the creation of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecation created by the Company, as may be necessary on such of the assets of the Company whether movable or immovable, both present and future, in such manner and on such basis as the Board may direct together with power to take over the management of the business and concern of the Company in certain events, to or in favour of any Financial Institution/Bank/any other Financial or Promotional Agency (hereinafter referred to as the 'Lenders')/Trustees for the holders of Debentures/other Instruments which may be

issued on private placement basis or otherwise to secure term loans, working capital limits, debentures or any other kind of financial assistance as may be deemed necessary, desirable and in the best interest of the Company from time to time up to an aggregate value not exceeding Rs.100 crores (Rupees one hundred crores) together with interest at the respective agreed rates, compound/ additional interest, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Lenders/Trustees under their respective Loan Agreements/ Heads of Agreements/Debenture Trust Deed to be entered into by the Company, in respect of the said borrowings.

RESOLVED FURTHER that the Board be and is hereby authorised to finalise with the Lenders/Trustees for Debentureholders all the documents for creating the aforesaid mortgages, charges and/or hypothecations, to execute and sign the same or to delegate the authority in this respect to the executives of the Company and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution.

9. As an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 293(1)(e) and all other enabling provisions, if any, of the Companies Act, 1956 (Act), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the term "Board of Directors" shall include Executive Sub-Committee of the Board) to contribute to charitable and other funds not directly related to the business of the Company or to the welfare of its employees such amounts from time to time as the Board of Directors in their discretion deem fit, in any financial year to the extent of Rs.50 lacs or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Place : New Delhi
Dated : July 4, 2001

By Order of the Board
V.P. GHULIANI
GGM(L) & Co. Secretary

Triveni ENGINEERING & INDUSTRIES LTD.

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos.5 to 9 is annexed hereto.

2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.**

A proxy may be sent in the form enclosed and in order to be effective must reach at the Regd. Office of the Company or at Share Department at 1107, Ansal Bhawan, 16-Kasturba Gandhi Marg, New Delhi 110 001 at least forty eight (48) hours before the commencement of the meeting.

3. The Company's Register of Members and Share Transfer Books will remain closed from Friday, the 20th July, 2001 to Wednesday, the 25th July, 2001 (both days inclusive).

4. Dividend, if declared at the Meeting, will be paid to those Members or their mandate whose names appear on the Register of Members of the Company on 25th July, 2001. In respect of shares held in demat form, the dividend will be paid to Beneficial Owners as per details to be furnished by NSDL/CDSL for this purpose.

5. **Members who have not yet surrendered their share certificate(s) of Gangeshwar Limited and/or the erstwhile Triveni Engineering & Industries Limited/Triveni Pool Intaldril Limited/Triveni Oilfield Services Limited/The Triveni Engineering Works Limited for exchange with the new share certificate(s) of the Company are requested to send their respective share certificate(s) immediately.**

Since the equity shares of the Company have come under compulsory de-materialisation and the same have been activated in de-mat form on both the Depositories i.e. NSDL and CDSL, members are advised to get their shares de-materialised.

6. Members are requested to notify change of address, if any.
7. To and fro conveyance for attending the Annual General Meeting will be provided to the

shareholders at their request. Buses will leave sharp at 8.30 A.M. on 8th August, 2001 from Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi 110 001. Interested members may give their request in writing giving their names, folio number or DP/client ID, number of shares held by them to the Share Department latest by 31st July, 2001. Only one of the joint holders will be accommodated.

8. Queries, if any, may please be sent to the Company at its Corporate Office at 'Kailash', 2nd Floor, 26, Kasturba Gandhi Marg, New Delhi 110001 latest by 31st July, 2001.

9. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund of the Central Government.

In view of the new regulation the shareholders are advised to send all unencashed dividend warrants for the year ended 1994-95 onwards to the Company.

10. Members can avail of the nomination facility by filing Form 2B with the Company.

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

Item No.5

Mr. S.K. Seth was appointed as a Director of the Company on 3rd April, 2000 by the Board of Directors of the Company in the casual vacancy caused by the resignation of Mr. L.K. Anand. Mr. Anand, Director would have retired by rotation at the forthcoming Annual General Meeting of the Company had he not resigned. Accordingly, as per provisions of Section 262 of the Companies Act, 1956, Mr. S.K. Seth shall cease to hold office as a Director at the Annual General Meeting.

Mr. Seth is a Science Graduate from Benaras University. He is a fellow of the Chartered Insurance Institute, London and also of the Insurance Institute of India, Mumbai.

Mr. Seth has rich experience at senior levels which includes some prestigious positions. He was Chairman-Cum-Managing Director of National Insurance Co. Ltd. and also of New India Assurance Co. Ltd. besides being the President of the Insurance



Institute of India in 1988 and 1989. He was a member of the Working Group on Social Security of the Economic Administrative Reforms Commission appointed by the Government of India. He was also a member of the Tariff Advisory Committee. He was a Director of Loss Prevention Association of India Ltd., Industrial Finance Corporation of India, India International Insurance Pvt. Ltd., Singapore and a member of the Governing Board of the National Insurance Academy. He was also a Director on the Board of some of the well known companies in the private sector e.g. Brooke Bond (India) Ltd., Hindustan Aluminium Ltd., South India Viscose Ltd.

Mr. S.K. Seth has been associated with Triveni Group as a Director since 1992. He is a Member/Chairman of the following Committees of the Board of Directors of this Company: -

- | | |
|--|------------|
| 1. Executive Sub-Committee |] Chairman |
| 2. Audit Committee | |
| 3. Investors' Grievances & Share Transfer/Transmission Committee | |
| 4. Remuneration Committee | Member |

Mr Seth was Advisor to the Multilateral Insurance Working Group of FICCI from 1995 to 2000.

Keeping in view the background and experience of Mr. S.K. Seth, the Board of Directors consider it advisable to continue to avail of his services as a Director of the Company.

As required by Section 257 of the Companies Act, 1956 notice in writing, has been received by the Company from a member signifying his intention to propose the appointment of Mr. S.K. Seth as a Director of the Company along with requisite deposit.

The Board commends the passing of Resolution at Item No.5 of the Notice.

None of the Directors except Mr. S.K. Seth, the appointee is either directly or indirectly interested or concerned in this resolution.

Item No.6

Lt. Gen. K.K. Hazari (Retd.) was appointed as a Director of the Company on 3rd April, 2000 by the Board of Directors of the Company in the casual vacancy caused by the resignation of Mr. R.C. Sanghi. Mr. Sanghi, Director would have retired by rotation at

the forthcoming Annual General Meeting of the Company had he not resigned. Accordingly, as per the provisions of Section 262 of the Companies Act, 1956, Lt. Gen. Hazari shall cease to hold office as a Director at the Annual General Meeting.

Lt. Gen. Hazari is a graduate of Defence Services Staff College, Camberley, U.K. and National Defence College, New Delhi. He is a former Vice Chief of Army Staff having rendered 38 years of distinguished service in the Armed Forces. After retirement, he has been closely associated with the corporate sector. During 1988-1992 he was Advisor in Management and Marketing to M/s Furmanite Nicco Ltd. and a Director on the Board of Nicco Batteries Ltd. He has special interest in matters like long term planning, management structures and systems and financial planning and has written extensively on these subjects. He was a member of the Committee of Defence Expenditure appointed by the Government in 1990 as also of the Kargil Review Committee constituted by the Government of India to review events leading upto the Kargil Conflict. He is also deeply involved in studies relating to India's national security interests and writes extensively on the subject. He is the Vice Chairman of the Forum of Strategic & Security Studies.

Lt. Gen. Hazari has been associated with Triveni Group as a Director since 1994. He is a Member of the following Committees of the Board of Directors of this Company:-

1. Executive Sub-Committee
2. Audit Committee
3. Investors' Grievances & Share Transfer/Transmission Committee
4. Remuneration Committee

Lt. Gen. Hazari is a Director/Chairman of other Companies as under: -

- | | |
|--------------------------------------|------------|
| - Interglobe Enterprises Ltd. |] Director |
| - Galileo India Ltd. | |
| - Magoo Strategic Infotech Pvt. Ltd. | |

Keeping in view the background and experience of Lt. Gen. K.K. Hazari (Retd.), the Board of Directors consider it advisable to continue to avail of his services as a Director of the Company.

As required by Section 257 of the Companies Act, 1956 notice, in writing, has been received by the Company from a member signifying his intention

to propose the appointment of Lt. Gen. K.K. Hazari (Retd.) as a Director of the Company along with requisite deposit.

The Board commends the passing of Resolution at Item No.6 of the Notice.

None of the Directors except Lt. Gen. K.K. Hazari (Retd.), the appointee is either directly or indirectly interested or concerned in this resolution.

Item No.7

The Company had availed of a term loan of Rs.2500 lacs from IDBI for capital expenditure and margin money for working capital. In addition, the Company has been sanctioned a term loan of Rs.112.50 lacs by Central Bank of India for construction of a godown and molasses tank at its Ramkola Sugar Unit. The said loans were/are to be secured by a first pari-passu mortgage and charge on all or any of the movable and immovable assets of the Company, both present and future.

The Company has also been availing of fund and non-fund credit facilities from the Consortium of Bankers. The present limit is Rs.38883.89 lacs. One of the conditions of the sanction of these facilities is that the amount sanctioned shall be secured by way of creation of a third charge/mortgage in favour of Consortium of Bankers on all or any of the movable and immovable assets of the company, both present and future.

Section 293(1)(a) of the Companies Act, 1956 provides, inter-alia, that the Board of Directors of a public Company shall not, without the consent of such public Company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

Since the creation of mortgage/charge by the Company on its movable and immovable properties as aforesaid in favour of IDBI and 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.

Copies of relevant documents/correspondence between IDBI/Banks and the Company are open for inspection at the Registered Office of the Company between 10 a.m. and 12.00 noon on all working days prior to the date of the meeting and shall also be available for inspection at the meeting.

The Board commends the passing of Resolution at Item No.7 of the Notice.

None of the Directors of the Company is either directly or indirectly interested or concerned in this resolution except Mr. V. Venkateswarlu, who is a Nominee Director of IDBI.

Item No.8

To meet a part of capital expenditure and working capital requirements, the Company may, in near future avail of additional financial assistance from Financial Institutions/Banks/any other Lending Agencies (hereinafter referred to as the 'Lenders') by way of loans, issue of debentures etc. as set out in the resolution. To secure, such borrowings, the Company would have to create charge/mortgage on the assets of the Company, both present and future, as may be required by the Lenders/Trustees. It is therefore proposed to pass an enabling resolution for the creation of mortgages, charges and/or hypothecations on such of the assets of the Company as the Board may decide upto an additional value not exceeding Rs.100 crores.

Section 293(1)(a) of the Companies Act, 1956 provides, inter-alia, that the Board of Directors of a public Company shall not, without the consent of such public Company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

Since the creation of mortgage/charge by the Company on its movable and immovable properties as aforesaid in favour of Lenders/Trustees 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.



The Board commends the passing of Resolution at Item No.8 of the Notice.

Mr. V. Venkateswarlu, who is a Nominee Director of IDBI on the Board of this Company may be regarded as interested or concerned in this resolution. No other Director is either directly or indirectly interested or concerned.

Item No.9

The Company is approached from time to time with request and appeals made by various charitable organisations and funds for making contributions and donations for social welfare causes as well as for mitigating hardships caused by natural disasters and calamities.

Section 293(1)(e) of the Companies Act, 1956 provides that the Board of Directors of a Company cannot, except with the consent of the Company in general meeting, contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs.50,000/- or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

The average net profits for the three financial years immediately preceding of the Company as determined in accordance with the provisions of Sections 349 and

350 of Act may be inadequate to meet its social obligations. Shareholders approval is therefore sought for making donations to charitable organisations as also contributions to funds formed for the purpose of providing immediate relief to the victims of natural calamities, fire, cyclones, droughts, floods, earth quakes, civil disturbances etc.

The Board commends the passing of Resolution at Item No.9 of the Notice.

None of the Directors of the Company is either directly or indirectly interested or concerned in this resolution.

Brief Resume of Mr R.C. Sharma, Director seeking re-appointment at the Annual General Meeting - Item No. 3 of the Notice - As per requirement of Corporate Governance guidelines.

Mr R.C. Sharma holds a Masters Degree from Delhi University. He worked with Ceat Tyres India Ltd. for about 22 years and retired as a Senior Executive. He has profound experience in marketing and sales. Now he is in business.

Mr Sharma has been associated with Triveni Group as a Director since 1982. He is a Member of the following Committees of the Board of Directors of this Company:

1. Executive Sub-Committee
2. Investors' Grievances & Share Transfer/ Transmission Committee

Report of the Directors

Your Directors have pleasure in presenting the sixty-sixth Annual Report and Audited Statement of Accounts of the Company for the accounting year ended 31st March 2001.

FINANCIAL PERFORMANCE

	Rupees in crores	
	Current year Ended 31.3.01	Previous period Ended 31.3.00
Income from Operations (Gross)	520.22	974.20
Income from Operations (Net)	487.02	911.39
Other Income	6.66	19.04
Total Income	493.68	930.43
Operating expenses	429.43	811.72
Profit before dep. & finance charges	64.25	118.71
Depreciation	9.95	22.57
Finance charges	47.14	76.36
Impact of change in Accounting Policies	—	24.16
Profit/(Loss) after dep. & finance charges	7.16	(4.38)
Taxation	0.75	0.17
Profit/(Loss) after Taxation	6.41	(4.55)
Prior Period Adjustment (Net)	0.05	9.79
Profit/(Loss)	6.36	(14.34)
Earnings Per Share (Rs)	5.17	—

Accounts for the current accounting year are in respect of operations of the merged Company for 12 months ended 31.3.2001, whereas accounts for the previous period ended 31.3.00 are for operations of the pre-merged Gangeshwar Ltd. for 12 months ended 31.3.00, and operations of the erstwhile Triveni Engineering & Industries Ltd. for 30 months from the appointed date viz. 1.10.97 to 31.3.2000. Figures for the current year are not comparable with those of the previous period.

Profit before Taxation for the year is Rs 7.16 crores compared to a loss of Rs 4.38 crores during the previous period. Profit after Taxation and all extraordinary charges is Rs 6.36 crores, while in the last period there was a loss of Rs 14.34 crores.

The Directors are pleased to recommend a dividend of 15% involving an outgo of Rs 2.03 crores including taxes, subject to the approval of shareholders in the Annual General Meeting. After adjusting the brought forward surplus of Rs 2.93 lacs, and the transfer of Rs 5.39 crores from Debenture Redemption Reserve, a sum of Rs 5.00 crores has been transferred to the General Reserve, and a surplus of Rs 4.74 crores has been carried forward to the Balance Sheet.

OPERATIONAL PERFORMANCE

SUGAR

The latest forecast is for a record All India production of 18.4 million tonnes by 30th September, 2001, and this again makes India the largest sugar producer in the world. Owing to the ban on buying sugar from India by Pakistan, and a late revival in world sugar prices, exports in the current year are not expected to be more than 0.8 million tonnes. This will leave a record stock of over 11.2 million tonnes at the beginning of the next sugar year.

Your Directors were pleased that Government further liberalised its sugar policy, and made sugar under the Public Distribution System (PDS) only available to those Below the Poverty Line (BPL). This brought about a change in the levy/free ratio from 30:70 to 15:85 with effect from 1.2.2001. Government also freed exports from the levy obligation, and allowed adjustment of export despatches after 12 months. Your company was the largest exporter of sugar to Pakistan by rail, and exported 41,332 tonnes in the last financial year.

Government has further liberalized the sale of sugar in domestic and export markets, and we

