



**ANNUAL REPORT
1996-97**

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

MD.	✓	MD.	✓
CS	✓	CS	✓
RO	✓	RO	✓
TRA	✓	TRA	✓
AGM	✓	AGM	✓
YE	✓	YE	✓

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THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

DIRECTORS

SHRI P. K. KANORIA, *Chairman*
SHRI KAILASH KAPUR
SHRI S. S. KOTHARI
SHRI H. V. LODHA
SHRI SUSHIL JAIN
SHRI B. K. KANORIA
SMT SONAL HADA

BANKERS

PUNJAB NATIONAL BANK
CENTRAL BANK OF INDIA
AMERICAN EXPRESS BANK LIMITED

AUDITORS

JAIN & CO.
CHARTERED ACCOUNTANTS
P-21/22, RADHABAZAR STREET
CALCUTTA-700 001

REGISTERED OFFICE

'VNSS BUSINESS CENTRE'
IDEAL PLAZA, SOUTH BLOCK
11/1, SARAT BOSE ROAD
CALCUTTA-700 020

FACTORY

P. O. PRATAPPUR
DIST. DEORIA (U. P.)



THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

REPORTS & ACCOUNTS FOR THE YEAR ENDED, 31ST OCTOBER, 1997

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THE PRATAPPUR SUGAR & INDUSTRIES LIMITED



DIRECTORS' REPORT

The Directors of The Pratappur Sugar & Industries Limited submit their Report together with the audited accounts of the Company for the year ended 31st October, 1997.

FINANCIAL RESULTS :

	Rs.	Rs.
During the year, there was an Operating profit of		5,93,10,521
Out of which, provisions have been made for :		
Depreciation	1,07,40,514	
Interest	2,70,52,524	
Molasses Fund	72,128	
Income Tax for earlier year	38,51,014	4,17,16,180
which leaves a surplus of		1,75,94,341
To this has been added :		
Last year's surplus brought forward		55,68,135
Making a total surplus of		2,31,62,476
After providing for Dividend	72,00,000	
and corporate tax thereon	7,20,000	79,20,000
there remains a balance of		1,52,42,476
Transfer to General Reserve		89,61,600
Balance carried to Balance Sheet		62,80,876

DIVIDEND :

Your Directors recommend a dividend of Rs.2/- per Equity share for the financial year ended 31st October, 1997, in respect of Company's 36,00,000 Equity shares of Rs.10/- each.

INDUSTRY :

During the year under review there was a marked improvement in your Company's profits. This was because of better recovery also leading to marginal increase in production and increase over last year's level in the price realisation of both levy and free sale sugar.

The total production of sugar during the season 1996-97 declined by 21% to 130 lakhs tonnes from an all time high production 164.52 lakhs tonnes in 1995-96. This was a direct out come of larger scale cane price arrears prevalent during the last season.

The domestic consumption of sugar in current season is expected to be around 140 lakhs tonnes as against 130 lakhs tonnes last year. The opening stock will be 65 lakhs tonnes as on 1.10.1997 against corresponding figures 79 lakhs tonnes in the previous year.



THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

There has been an increase in statutory minimum cane price from Rs. 45.90 per quintal during the season 1996-97 to Rs. 48.45 per quintal for the season 1997-98. However the actual cane price from Rs. 70 per quintal for the season 1996-97 has been raised to Rs. 75 per quintal for the season 1997-98.

During the current year sugar production in the country is likely to be 120/125 lakhs tonnes. Production at your factory is expected to be better compared to last year.

EXPANSION :

The Company is now taking steps for further expansion to 5000 TCD, in stages and for this purpose necessary funds are proposed to be raised from the Financial Institutions.

SUBSIDIARY :

The audited accounts of the Company's subsidiary Pratappur Sugar Financial Services Limited, together with its Directors' and the Auditors' Reports thereon are attached.

Silaria Investors & Traders Limited a subsidiary of the Company has merged with Pratappur Sugar Financial Services Limited with effect from 1st April, 1997, pursuant to Order dated 5th August, 1997 of the Hon'ble High Court at Calcutta.

DIRECTORS :

Shri Kailash Kapur and Shri Sushil Jain, retire by rotation from the office of Director but, being eligible, offer themselves for reappointment.

AUDITORS :

The Company's Auditors, M/s.Jain & Company, Chartered Accountants, Calcutta, retire from the office at the forthcoming Annual General Meeting of the Company and are eligible for reappointment.

COST AUDITOR :

Your Directors have appointed Shri S.S.Kundu, Cost Accountant, Calcutta, as Cost Auditor for the Company's Financial Year ending 31st October, 1998.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto (Annexure-I) and forms part of this report.

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED**PARTICULARS OF EMPLOYEES :**

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is given in Annexure II to this report.

APPRECIATION :

The Directors appreciate the co-operation and assistance received from the Financial Institutions, Banks and the Government during the year under review.

The Directors also wish to place on record their appreciation of the devoted services rendered by the Company's staff at all levels.

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11/1, Sarat Bose Road,
Calcutta, the 28th day of January, 1998

For and on behalf of the Board
P. K. KANORIA
Chairman



THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

ANNEXURE — 'I'

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

1. Conservation of Energy

Company is continuously endeavoring to modernise the Plant & Machinery at every station for fuel economy on a sustained basis. The more important machinery and equipments commissioned and other measures taken for further conservation of energy include the following :-

- One Evaporator Body of 10,000 sq.ft. has been installed and commissioned.
- Smaller Dynamic Juice Heater and Smaller Vertical Juice Heaters (2 nos.) have been replaced by bigger and more efficient Juice Heaters.
- Installation of various ancillary machinery and equipments such as modification of Exhaust and Vapour Pipe Lines, Automation and Instrumental Control etc.
- The Company is continuously replacing high power bulbs with fluorescent tube light fittings and Vapour lamps etc., inside the factory. Further the Capacitors are being attached with the high power motors to get maximum efficiency.

These measures are expected to result in conservation of energy and consequently reduction in cost of production of sugar.

A) Power and Fuel Consumption :

1. Electricity :

	Current Year	Previous Year
(a) Purchased Units	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
(b) Own Generation :		
(i) Through Diesel Generator - Units	4,18,203 KWH	5,64,533 KWH
Units per litre of Diesel Oil	2.90	3.00
Cost per Unit (Rs.)	3.23	2.70
(ii) Through Steam Turbine/Generator Units	49,72,029 KWH	58,77,010 KWH
Unit per litre of fuel, Oil/Gas Cost/Unit] Not ascertainable as the quantity of bagasse used for the purpose cannot be weighed.	

2. Coal (specify quality and where used)

Quantity (M.T.)
Total Cost (Rs.)
Average Rate (Rs.)

] Not directly used in production

3. Furnace Oil

Quantity (Litre)
Total Amount (Rs.)
Average Rate (Rs.)

Nil

Nil

4. Other (Internal Generation)

Quantity (Litre)
Total Amount (Rs.)
Average Rate (Rs.)

Nil

Nil

B) Consumption per unit

Production (Sugar in Quintals)
Electricity
Furnace Oil
Coal (in Kg.)
Others (Specify)

2,94,091

2,86,427

18.33

22.49

Nil

Nil

Nil

Nil

Nil

Nil

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

**2. Research & Development and Technology Absorption:**

The study made by the R & D wing of the Company has indicated a wide gap between the existing and achievable sugarcane yield and recovery in the factory. A careful review of the set targets and achievements further reveals that the cane yield per hectare is tending to rise in larger part of the operational area of the factory, while in certain pockets the cane yield is largely static. Notwithstanding the fact that your Company is ahead in the matter of sugar recovery percent cane in comparison with other neighbouring sugar undertakings, both in East U.P. & Bihar, there is considerable scope for further improvement in this area. Your Company has recast its R & D Programme for achieving the following objectives in a short span i.e. by the year 2000 A.D.:-

- (i) Improvement in cane yield per hectare and sugar recovery percent;
- (ii) Increasing profitability to sugarcane growers; and
- (iii) Reducing cost of production of sugar and thereby achieving better profit margin to have sustainability of your Company.

Considering the strengths and weakness analysis of the programme in vogue, coupled with feed back from the community of the cane growers and to achieve the above objectives in particular, a strong, well planned Cane Development Programme has been undertaken with thrust on the following aspects :-

- (1) Production and supply of quality planting material (cane seed) of suitable varieties to farmers to enable them to adjust to the planting season, as per the programme of factory.
- (2) Arrangement of financial assistance to farmers to secure credit and inputs.
- (3) Production and supply of enriched compost, vermicompost by using PMC, bagasse, boiler ash etc., tissue cultured planting material, biological agents to control pests and diseases.
- (4) Suggesting suitable sugarcane based farming systems, based on the soil type, soil fertility and other resources available with farmers.
- (5) Providing services through custom service centres.
- (6) Transfer of sugarcane production technology through training front line demonstrations and guidance through frequent visits by cane development staff.

Expenditure incurred on Research and Cane Development : Rs.12.36 lakhs

We have not imported any technology. However, the available technology is being continuously upgraded to suit the agro-edaphic conditions of our area and the requirement of our cane growers.

3. 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 plan
- b) Total Foreign Exchange used and earned during the year.

With the promulgation of an ordinance for repealing the Sugar Export Promotion Act, 1958 to decanalise the Sugar Exports, the Company plans to export sugar in future.

	<u>Current Year</u>	<u>Previous Year</u>
	<u>Rs.</u>	<u>Rs.</u>
Total Foreign Exchange Used	Nil	2,73,865
Total Foreign Exchange Earned	Nil	Nil

11/1, Sarat Bose Road,
Calcutta, the 28th day of January, 1998

For and on behalf of the Board
P. K. KANORIA
Chairman