



MD	✓		BKC	-
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	ND		AC	✓
AGM	NA	-	SHI	✓
YE	✓	-		

new note

ANNUAL REPORT AND ACCOUNTS

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1997-98

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED





THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

DIRECTORS

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

SECRETARY

SHRI N. BRAHMA

BANKER

CENTRAL BANK OF INDIA

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, 1998

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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, 1998.

FINANCIAL RESULTS :

	Rs.	Rs.
During the year, there was an		
Operating profit of		7,57,42,822
Out of which, provisions have been made for :		
Depreciation	2,94,97,263	
Interest	2,74,20,979	
Molasses Fund	<u>64,975</u>	<u>5,69,83,217</u>
which leaves a surplus of		1,87,59,605
To this has been added :		
Transfer from Molasses Fund	2,22,589	
Last year's surplus brought forward	<u>62,80,876</u>	<u>65,03,465</u>
Making a total surplus of		2,52,63,070
After providing for Dividend	72,00,000	
and corporate tax thereon	<u>7,20,000</u>	<u>79,20,000</u>
there remains a balance of		1,73,43,070
Transfer to General Reserve		<u>1,11,00,000</u>
Balance carried to Balance Sheet		<u>62,43,070</u>

DIVIDEND :

Your Directors recommend a dividend of Rs.2/- per Equity share for the financial year ended 31st October, 1998, in respect of Company's 36,00,000 Equity shares of Rs.10/- each.

INDUSTRY :

During the year under review, gross profit has shown a marginal increase over last year. Better recovery and higher sales realisation have led to better profit in spite of production being slightly lower.

During the current season, sugar production is expected to be around 150 lakh tonnes and with a carry-over of about 55 lakh tonnes as on 1st October, 1998, there will be more than sufficient sugar for meeting domestic consumption of about 150 lakh tonnes. During last few months, sizeable quantity of sugar has been imported. This needs to be checked to avoid glut of sugar. As such there is a very strong case for increasing import duty on sugar. If this is not done, domestic prices of free sale sugar would remain at unremunerative levels and the Industry might be faced with a difficult situation and which might result in cane arrears. The situation would be



THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

still more difficult in the regions of East U.P. and Bihar, where from your factory draws its cane, because on the one hand, cane prices and other costs have gone up, while on the other, production would be lower in these regions due to flood in spite of increase in all India production; recovery in these regions has also been lower than last year.

Statutory minimum cane price increased from Rs.48.45 per quintal in 1997-98 to Rs.52.70 per quintal in 1998-99 but the actual cane price in U.P. has been raised from Rs.75 per quintal in 1997-98 to Rs.80 per quintal in 1998-99.

EXPANSION :

The Company has already taken steps for expansion to 5000 TCD. First phase of expansion to 3500 TCD is expected to be completed prior to season 1999-2000.

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.

DIRECTORS :

Shri H.V.Lodha and Smt. Sonal Hada retire by rotation from the office of Director but, being eligible, offer themselves for reappointment.

Shri R.K.Choudhury was appointed additional Director of the Company on 26.6.98 and he holds office only upto the ensuing Annual General Meeting of the Company, but being eligible offers himself 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 Year ending 31st October, 1999.

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

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED



Absorption and Foreign Exchange Earnings and Outgo is annexed hereto (Annexure-I) and forms part of this report.

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.



11/1, Sarat Bose Road,
Calcutta, the 24th day of December, 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 :-

- Installation of bigger size and efficient Mill, efficient Centrifugal Machines and Semi Kestner.
- Installation of Hydraulic Cane Unloader and Pressure reducing and De-Super Heating Station.
- 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 :

Current Year

Previous Year

1. Electricity :

(a) Purchased Units

Total Amount (Rs.)

Rate/Unit (Rs.)

Nil

Nil

Nil

Nil

Nil

Nil

(b) Own Generation :

(i) Through Diesel Generator Sets - Units

Units per litre of Diesel Oil

Cost per Unit (Rs.)

4,63,809 KWH

2.87

3.76

4,18,203 KWH

2.90

3.23

(ii) Through Steam Turbine/ Generator Units

Unit per quintal of Bagasse,

Cost/Unit

52,48,339 KWH

49,72,029 KWH

Steam produced by
use of own Bagasse

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)

2,88,600

19.79

Nil

Nil

Nil

2,92,257

18.44

Nil

Nil

Nil

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED



2. Research & Development and Technology Absorption:

With a view to improve the sugar recovery performance, productivity and availability of cane through a multi-pronged approach, a systematic cane development programme is under implementation, in the command area of the factory. The scheme of R & D conceived has the following major components :-

- (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) Multiplication of foundation cane seed by rearing of nurseries.
- (2) Heat treatment therapy to treat cane seed in order to get higher yield of sugarcane per acre of land.
- (3) Ratoon management by managing the Ratoon crop of cane to increase yield and recovery.
- (4) Pest Control measures to protect cane from diseases.

The Expenditure incurred on Research and Cane Development is Rs.20.39 lakhs

While we have not imported any technology, the available technology is being continuously upgraded to exploit the production potential of our area through systematic transfer of changing farm technology to the farmers.

3. Foreign Exchange Earnings and Outgo :

	<u>Current Year</u>	<u>Previous Year</u>
i) Activities relating to exports, initiatives taken to increase exports	None	None
ii) Development of new export markets for products and services and export plan	None	None
iii) Total Foreign Exchange Earned	Nil	Nil
iv) Total Foreign Exchange Used	Nil	Nil

11/1, Sarat Bose Road,
Calcutta, the 24th day of December, 1998

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