



ANNUAL REPORT
AND
ACCOUNTS

1998-99

Certified to be true copy

for THE PRATAPPUR SUGAR & INDUSTRIES LTD


Secretary

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
SHRI KAILASH KAPUR
SHRI B. K. KANORIA
SHRI K. M. BHANDARI

SECRETARY

SHRI N. BRAHMA

BANKER

CENTRAL BANK OF INDIA

AUDITORS

JAIN & CO.
CHARTERED ACCOUNTANTS
P-21/22, RADHA BAZAR 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, 1999

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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, 1999.

FINANCIAL RESULTS :

	Rs.	Rs.
During the year, there was an		
Operating profit of		4,63,04,306
Out of which, provisions have been made for :		
Depreciation	2,38,63,486	
Interest	2,07,65,927	
Molasses Fund	86,935	4,47,16,348
Which leaves a surplus of		15,87,958
To this has been added :		
Last year's surplus brought forward		62,43,070
Making a total surplus of		78,31,028
After providing for Dividend	54,00,000	
and corporate tax thereon	5,94,000	59,94,000
there remains a balance of		18,37,028
Transfer to Genral Reserve		4,00,000
Balance carried to Balance Sheet		14,37,028

DIVIDEND :

Your Directors recommend the payment of dividend of Rs. 1.50 per Equity share for the financial year ended 31st October, 1999, in respect of Company's 36,00,000 Equity shares of Rs.10/- each.

INDUSTRY :

During the year under review, as also reported earlier, Industry was under pressure and more, particularly in East U.P. and Bihar. Due to continuous imports, prices continued to be low. In East U. P. and Bihar, because of floods, cane availability was lower and there was also a sharp decline in recovery. Recovery at your Company's factory was lower by more than 1% compared to the previous season. Other factories in the vicinity also showed similar or more decline in recovery. Though crushing and recovery were lower, cane price in U.P. was increased from Rs.75 to Rs.80 per quintal. Due to all this, there was a heavy decline in your Company's profit. However, during the current season, better profits are expected because, sugar prices have shown an increase after the Government's decision to curb imports by including imported sugar under release mechanism and increasing import duty. The reduction of levy obligation from 40% to 30% from 1.1.2000 shall also help in improved sales realisation. Recovery at your factory is higher than last year, though not upto the desired levels. Cane crop is good and since your factory has



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completed first phase of expansion to 3200 TCD, sizeable increase over last season's cane figures is expected. In the crushing operations so far, both cane crushed and recovery are higher than last year.

Statutory minimum cane price has been increased from Rs. 52.70 per quintal in 1998-99 to Rs. 56.10 in 1999-2000 but the actual cane price in U.P. has been raised from Rs.80 per quintal in 1998-99 to Rs. 85 per quintal in 1999-2000.

EXPANSION :

The Company has expanded its capacity to 3200 TCD but since because of non-receipt of funds from Sugar Development Fund, it has not been possible to install all the necessary equipments of plant and machinery, full efficiency shall not be achieved in this season. It is hoped that funds would be received soon and it will be possible to install all equipments for achieving maximum efficiency during next season. Steps are also being initiated for expansion to 5000 TCD.

HYDEL POWER :

The Company has initiated steps for setting up a hydel power project in Himachal Pradesh.

DIRECTORS :

Shri B. K. Kanoria and Shri S. S. Kothari retire by rotation from the office of Director but, being eligible, offer themselves for reappointment.

Smt. Sonal Hada resigned from the Board of Directors of the Company on and from 28.8.99. The Board placed on record its appreciation of the services rendered by Smt. Sonal Hada during the tenure of her office.

Shri K. M. Bhandari was appointed a Director of the Company on 16.12.99 to fill up the casual vacancy caused by the resignation of Smt. Sonal Hada.

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.

STATUS ON Y2K PREPAREDNESS :

All the Software and Hardware equipments are Y2K compliant.

AUDITORS :

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

AUDITORS' REPORT :

Points raised in the Auditors' Report are mentioned in the Notes which are self-explanatory.

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**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.

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 22nd day of January, 2000

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 endeavouring to modernise plant and 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 :

- (a) Installed Multistage Turbine at Fibrizer and Efficient Power Turbine whose steam consumption is lower than any conventional turbine.
- (b) Power Capacitors installed to maintain 0.9 power factor.
- (c) High Power Bulbs have been replaced with fluorescent tubes and M.V. Lamps.
- (d) Mechanical Cane Unloaders have been replaced with Hydraulic Cane Unloaders.
- (e) One D. C. Drive Machine installed which will result in power saving.
- (f) Pressure Reducing Cum Desuperheating station installed with automation to avoid wastage of any steam.
- (g) New D. G. Set of 500 KW. set and 200 KW set installed for better generation with Diesel.

(A) Power and Fuel Consumption :

	<u>Current Year</u>	<u>Previous Year</u>
1. Electricity*		
(a) Purchased Units	Nil	Nil
Total amount (Rs.)	Nil	Nil
Rate/Unit(Rs.)	Nil	Nil
(b) Own Generation		
(i) Through Diesel Generator Sets-Units	9,12,423 KWH	4,63,809 KWH
Units per litre of Diesel Oil	2.95	2.87
Cost per Unit (Rs.)	3.85	3.76
(ii) Through Steam Turbine/Generator-Units	38,58,684 KWH	52,48,339 KWH
Unit per quintal of Bagasse	} Steam produced by	use of own bagasse
Cost/Unit		

* inclusive of electricity consumed for the project and capitalised during the year.

2. Coal, Furnace Oil & Others**N.A.****N.A.****(B) Consumption per Unit**

Production (Sugar in Quintals)	2,51,811	2,88,600
Electricity	18.95	19.79
Furnace Oil	Nil	Nil
Coal (in Kg.)	Nil	Nil
Others (Specify)	Nil	Nil

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

In order to increase sugarcane availability and sugar percent, an effective Cane Development Programme on the basis of modern scientific technology has been adopted in the operational zone of the factory. The Scheme of Research and Development conceived has the following major components :-

- (i) To enhance cane yield and sugar per unit area.
- (ii) To increase the profitability of sugarcane farmers.
- (iii) Reducing cost of production of sugar and thereby achieving better profit margin for the Company.

Keeping the strength and habits of the farmers in view, widely adoptable and well planned Cane Development Programme has been undertaken with thrust on the following aspects :

- (i) Multiplication of high sugared and high yielding varieties cane seed by establishing seed nurseries under 3 Tier seed programme.
- (ii) Treatment of cane seed by moist hot air treatment therapy to make the disease and pest free bold cane seed for the cane growers.
- (iii) Ratoon management practices has been introduced as recommended by the scientists to increase yield and quality of ratoon cane.
- (iv) Application of different type of pesticides and fungicides to protect cane crop from pest and diseases.

There was an involvement of Rs. 15.08 lakhs on the above cane development measures.

3. Foreign Exchange Earnings and Outgo :

	<u>Current Year</u>	<u>Previous Year</u>
(i) Activities relating to exports, initiatives taken to increase exports	Various export proposal are being examined	None
(ii) Development of new export markets for products and services and export plan	-do-	None
(iii) Total Foreign Exchange Earned	Nil	Nil
(iv) Total Foreign Exchange Used (Rs.)	2,18,413	Nil

For and on behalf of the Board

P. K. KANORIA

Chairman

11/1, Sarat Bose Road,
Calcutta, the 22nd day of January, 2000

Information required to be furnished under the Listing Agreement :

- a) The names and addresses of the Stock Exchanges where the Company's Shares are Listed :-
 1. The Calcutta Stock Exchange Association Limited
7, Lyons Range, Calcutta-700 001
 2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
 3. Jaipur Stock Exchange Limited.
Stock Exchange Building
Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur - 302 017, (Rajasthan)
- b) The Listing Fees for the year 1999-2000 has been paid on time to the above Stock Exchanges.