


**ANNUAL
REPORT
FOR THE
YEAR ENDED
30TH JUNE
2000**

 **Eastern Sugar & Industries Limited**

Eastern Sugar & Industries Limited

BOARD OF DIRECTORS : Shri B. K. Nopany, *Chairman*
Shri C. S. Nopany
Shri D. R. Rajgarhia
Shri D. Y. Manawwar
Shri O. P. Khaitan
Shri L. K. Tibrawalla
Shri V. Dave
Shri M. P. Dhandhanja
(Whole-time Director)
Shri S. K. Mondal
(IDBI Nominee)

COMPANY SECRETARY : Shri C. D. Agarwal

AUDITORS : Jainsarawgee & Co.
Chartered Accountants
32A, Chittaranjan Avenue
Calcutta - 700 012

BANKERS : Bank of India

REGISTERED OFFICE : PO : Hanuman Sugar Mills
Motihari - 845401
Dist. East Champaran
Bihar



Eastern Sugar & Industries Limited

N O T I C E

NOTICE is hereby given that the Annual General Meeting of the Members of Eastern Sugar & Industries Limited will be held at its Registered Office At. PO : Hanuman Sugar Mills, Motihari - 845 401, District East Champaran (Bihar) on Friday, the 29th December, 2000 at 1.00 P.M. to transact the following business :

1. To receive , consider and adopt audited Annual accounts for the year ended 30th June, 2000 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri B. K. Nopany who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri V. Dave who retires by rotation at this meeting and being eligible offers himself for re-appointment.
4. To appoint Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place : Calcutta

C. D. Agarwal

Date : 16th October, 2000

Secretary

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the time fixed for the commencement of the meeting.
2. The Register of Members and share Transfer books of the Company will remain closed from 23rd December, 2000 to 29th December, 2000 (both days inclusive).



Eastern Sugar & Industries Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Report together with the audited Statement of Accounts for the year ended 30th June, 2000.

This is the fifth year of operation of the Sugar mill at Motihari under the management of your Company.

FINANCIAL RESULTS :

	(In lacs of Rupees)	
	Year ended 30th June'00	Year ended 30th June'99
Sales	1094.94	2548.36
Gross Profit before interest		
Depreciation & Tax	554.71	638.82
Interest	278.07	256.97
Depreciation	269.24	257.09
Net Profit	7.40	(124.40)
Fixed Assets (Gross Block)	5184.54	3339.12

DIVIDEND :

In view of inadequate profit, your Directors express their inability to recommend payment of any dividend.

SUGAR SEASON 1999-2000 :

During the year, the Crushing Season commenced amidst favorable weather conditions. If the funds required for modernisation, expansion and capacity optimisation of the plant to be received from the Sugar Development Fund (ISDF), Government of India had been released in time as sanctioned, then more cane availability and higher percentage of recovery could have been achieved. Nevertheless, your company was able to achieve under the prevailing circumstances, increase in crushing by 13.02% and production of sugar by 17.78% during the year under review.

OPERATIONS :

The crushing of sugarcane at Motihari Factory during the season 1999-2000 was higher at 19.12 lac quintals as against 16.92 lac quintals during the Crushing Season 1998-99. The recovery was also higher at 9.01% as compared with 8.40% during the previous season. The factory worked for 108 days as against 104 days during the previous season.



Eastern Sugar & Industries Limited

The production of sugar was 1.58 lac quintals during the season 1999-2000 as against 1.35 lac quintals during the season 1998-99.

FUTURE PROSPECTS :

Sugar production in coming season is likely to increase in view of excellent crop conditions as also favourable climatic conditions.

SUGAR & SUGAR POLICY :

The unabated import of sugar inspite of record production in the country has created a extremely difficult situation for the industry resulting in sharp increase in interest cost and serious storage problem both for sugar and molasses. Bulk export of sugar is also not possible because of high cost of Indian sugar in comprison with international produce. In view of above industry has represented Government for creation of buffer stock and for providing subsidies to sugar industries.

At the year end country had closing stock of sugar around 97 lac tons which will be sufficient to meet internal consumption for 8 months. With effect from January, 2000 ratio of levy and free sale sugar was changed to 30.70 against 40.60 last year. The statutory minimum price (smp) of sugar cane was increased to Rs.56.10 per quintal as against Rs. 52.70 per quintal last year linked to a base recovery of 8.5%. The SMP arrived at our factory was Rs. 56.10 per quintal.

DIRECTORS :

During the year under review Shri S. M. Chitnis and Ms. Megha Patil, Directors of the Company resigned. Your Directors recorded their sincere appreciation for the valuable advises offered by them during their respective tenure of association as Directors of the Company.

Shri B. K. Nopany and Shri V. Dave retire from the Board by rotation and being eligible offered themselves for reelection.

AUDITORS :

The Notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

M/s Jainsarawgee & Co., the auditors of the company retire at the forth coming Annual General Meeting are eligible for re-appointment.

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

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required U/s 217(1)(e) of the Companies Act, 1956 are given in Annexure 1 attached hereto and forms part of this Report.



Eastern Sugar & Industries Limited

PARTICULARS OF EMPLOYEES :

There was no employee who was in receipt of remuneration required to be disclosed under section 217 (2A) of the companies Act, 1956.

ACKNOWLEDGEMENT :

Your Directors record their sincere appreciation for the valuable co-operation and support extended by the Financial Institutions, Bankers to the Company, Central and State Governments and the Sugar Directorate. The Directors are thankful to the Indian Sugar Mills Association for the dynamic role it has been playing on behalf of the Sugar Industry. The Directors also place on record their appreciation of the devoted services rendered by the workers, staff and executives of the company which have largely contributed to its efficient management.

12, Govt. Place East
Calcutta - 700 069
Dated 16th October, 2000.

For and on behalf of the Board
B. K. Nopany
Chairman

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Eastern Sugar & Industries Limited

ANNEXURE - I

Statement showing particulars pursuant to companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 30th June, 2000.

CONSERVATION OF ENERGY :

(a) Energy Conservation Measures taken :

Your Company continue to the high priority to conservation of energy on an ongoing basis. Some of the significant measures are taken :

- (i) Installation of high pressure turbines.
- (ii) Installation of continuous centrifugal machines.
- (iii) Installation of Electronic weigh bridges and bigger size efficient mills.
- (iv) Installation of Automatic Sugar Bagging System and Conveyors.
- (v) Installation of Evaporators, Pan and Crystallisers.
- (vi) Installation of Bagasse handling System.
- (vii) Installation of Fibrizor and High Horse Power Turbines.
- (viii) Installation of large capacity of juice clarifier.
- (ix) Installation of juice sulphitor.
- (x) Installation of Sugar Grader and Grass Hoppers.

(b) Additional Investments and proposal, if any, being implemented for reduction of consumption of energy.

- (i) Installation of high pressure boiler.
- (ii) Installation of high capacity Centrifugal Machines.
- (iii) Installation of Automatic Controlling Devices and Instruments.
- (iv) Extention of Cane Carrier.

The required data with regard to conservation of energy is furnished below:

A. Power & fuel Consumption :

	For the year ended 30.06.2000	For the year ended 30.06.1999
1. Electricity		
(a) Purchased :		
Units	406015	518592
Total Amount (Rs. in lacs)	18.44	17.66
Rate/Unit (Rs.)	4.54	3.40
(b) Own Generation :		
(i) Through Diesel Generator		
Units	586660	684420
Unit/Ltr. of diesel oil	3.16	2.73
Cost/Unit (Rs.)	4.29	3.80
(ii) Through steam turbine/generator		
Units	4242220	4025590
Units/Ltr of fuel oil/gas**		

****Not ascertainable as bagasse which is a by-product and being used for production of steam and power generation to save the cost.**