

PALS DISTILLERIES LIMITED



**18 th Annual Report
1998-99**

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PALS DISTILLERIES LIMITED

BOARD OF DIRECTORS

SRI G.NARAYANASWAMY
SRI K.P.SANKARAN
SRI SRIRAM KAPUR
SRI K.P.BALASUBRAMANIAM
Vice Chairman
SRI S.KUMAR
SRI KAMAL TALWAR
SRI J.P.AWASTHI

AUDITORS

M/S BRAHMAYYA & CO.,
10/2, Kasturba Road,
BANGALORE - 560 001.

REGISTERED OFFICE

Jalahalli Camp Road,
Yeswanthpur,
BANGALORE - 560 022.

BANKERS

SYNDICATE BANK

BREWERY DIVISION

MIDC, WALUJ
AURANGABAD
MAHARASHTRA STATE.

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PALS DISTILLERIES LTD

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of M/s Pals Distilleries Limited will be held on Thursday, the 16th September 1999 at 3:15 pm at the Registered Office of the Company at Jalahalli Camp Road, Yeshwanthpur, Bangalore - 560 022, to transact the following business:

01. To receive, consider and adopt the Directors' Report to the Shareholders, Profit & Loss Account for the year ended 31st March 1999 and the Balance Sheet as at that date together with the Report of the Auditors thereon.
02. To declare dividend on equity shares.
03. To appoint a Director in place of Shri Kamal Talwar, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Shri. J.P. Awasthi, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
05. To appoint the Auditors of the Company for the year 1999-2000 and to fix their remuneration.

By Order of the Board,

(K.P. BALASUBRAMANIAM)
Vice Chairman

Bangalore
Date : 08.07.1999

NOTES :

01. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
02. The Register of Members and Share Transfer Register stand closed from 1st September 1999 to 16th September 1999 (both days inclusive).
03. Members are requested to bring their copy of the Annual Report to the meeting.
04. Members are requested to notify immediately any change in their address to the Company's Registrars and Transfer Agents:

M/s Sheshanka Financial Services (P) Ltd, S-702, South Block,
Manipal Centre, Dickenson Road, Bangalore - 560 042.

Ph:- 5597755

PALS DISTILLERIES LTD

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS:

Ladies & Gentlemen,

- Your Directors have pleasure in presenting their 18th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 1999

OPERATIONS:

Your Directors are pleased to inform that your company has carried out second full year of operation at Aurangabad unit since commissioning of the Brewery plant in 1997. Your directors have noted with satisfaction that the Company has recorded a turnover of Rs.2,141.93 lakhs and a net profit of Rs. 237.47 lakhs after providing for interest and Depreciation. Your Directors are pleased to recommend a maiden dividend of 10%.

FINANCIAL RESULTS:

	1998-99 Rs.	1997-98 Rs.
Sales	204,049,088	99,849,296
Other Income	10,143,603	6,220,675
	214,192,691	106,069,971
Less: Manufacturing, administration and selling expenses	174,491,488	93,900,806
Gross Profit Before Interest & Depreciation	39,701,203	12,169,165
LESS : Interest	3,824,035	1,144,433
Depreciation	12,130,422	10,047,120
Net Profit/Loss for the year	23,746,746	977,612
LESS: Provision for Tax	30,00,000	1,550,000
APPROPRIATION:		
To General Reserve	5,000,000	
To Proposed Dividend @ 10%	6,274,100	
To Corporate Dividend Tax	690,151	

CURRENT PROSPECTUS & FUTURE PLANS

Despite the general recessionary trend in the country, Brewery Division has substantially grown during the period under review and has further consolidated its position in the industry. Your directors are confident of achieving substantial growth in the year to come.

Y2K COMPLIANCE:

The Company is also gearing up for the year 2000 by trying to make all its systems Y2K compliant.

PALS DISTILLERIES LTD

FIXED DEPOSITS:

There has been no acceptance or renewal.

DIRECTORS:

The following Directors retire by rotation at the meeting and being eligible, they offer themselves for reappointment:

1. Mr Kamal Talwar
2. Mr J P Awasthi

AUDITORS:

Your Auditors M/s Brahmayya & Co., Chartered Accountants, retire at this general meeting and are eligible for reappointment.

PERSONNEL:

There is no employee coming under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975.

(A) CONSERVATION OF ENERGY:

Energy consumption & cost reduction:

Steps taken to reduce energy consumption and reduce cost of production

- By increasing the volume of batch operations, achieving synchronized higher level of production
- Addition of balancing equipment to improve the productivity and reduce unit Consumption

(B) TECHNOLOGY ABSORPTION:

The manufacture of Beer at Aurangabad Brewery division is done with in-house know-how.

(C) FOREIGN EXCHANGE EARNING & OUTGO:

The CIF value of the imported machinery, raw materials and spares has amounted to Rs. 7,118,970. There are no foreign exchange earnings during the year.

ACKNOWLEDGEMENTS:

Your Directors would like to express their appreciation for the outstanding contribution by all the employees of your Company during the period.

Your Directors also place on record their appreciation for the continued support and co-operation received from Syndicate Bank, Government of Maharashtra, Government of Karnataka, MSEB and KEB. The Directors also thank the shareholders, vendors, customers and all others who have been assisting your Company.

for and on behalf of the Board,

BANGALORE
08.07.1999

(K.P. BALASUBRAMANIAM)
Vice-Chairman