

Annual Report 1997-98

Certified True Copy
FOR PAMPASAR DISTILLERY LIMITED


SECRETARY

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Pampasar Distillery Limited





MD	✓		REC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

PAMPASAR DISTILLERY LIMITED

DIRECTORS

R K Jain

S P Choudhary

K Puri

A K M A Shamsuddin

M Ashok Kumar Shetty

COMPANY SECRETARY

R Sriram

AUDITORS

Sharp & Tannan, Chennai

BANKERS

IndusInd Bank Limited

State Bank of Mysore

State Bank of India

CORPORATE OFFICE

4 Bankshall Street

Calcutta - 700 001

FACTORY AND REGISTERED OFFICE

Chitwadgi - 583 211, Hospet

Bellary Dist., Karnataka State.

Pampasar Distillery Limited**NOTICE**

Notice is hereby given that the Twentythird Annual General Meeting of Pampasar Distillery Limited will be held on Monday the 14th September, 1998 at 11.30 a.m. at The Conference Hall, Hotel Priyadarshini, Station Road, Hospet - 583 201, Bellary District, Karnataka to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 1998 and Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. S.P.Choudhary, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. M.Ashok Kumar Shetty, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

By Order of the Board

Place : MUMBAI

Dated : 28th July, 1998

Registered Office:
Chitwadgi : 583 211
Hospet-Bellary District
Karnataka.

R SRIRAM
Company Secretary

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FOR PAMPASAR DISTILLERY LIMITED

SECRETARY



Member

SHAW WALLACE GROUP

Pampasar Distillery Limited**NOTES**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his stead and the Proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Registered Office not less than fortyeight hours before the Meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 10th September, 1998 to 14th September, 1998 (both days inclusive).
3. Dividend if any that may be declared at the Meeting will be payable to those Members whose names will appear in the Register of Members on 14th September, 1998 and dividend warrants will be posted to them or to their mandatees on or before 26th October, 1998.
4. Members are requested to notify any change of address to the Company's Registrars and Transfer Agents, M/s Karvy Consultants Limited, 51/2 Opposite to National College, TKN Complex, Basavanagudi, Bangalore-560 004.

AA
21/12/98

By Order of the Board

Place : MUMBAI
Dated : 28th July, 1998

Registered Office:
Chitwadgi : 583 211
Hospet-Bellary District
Karnataka.

R SRIRAM
Company Secretary



Member

SHAW WALLACE GROUP

Pampasar Distillery Limited**DIRECTORS' REPORT TO THE MEMBERS:**

Your Directors have pleasure in presenting herewith their Reports and Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS:

	For the year ended 31st March, 1998 Rs.	For the 18 months ended 31st March, 1997 Rs.
Your Company's Profit/(Loss) for the year is	269,60,312	471,16,845
Taxation amounts to	60,00,000	170,00,000
Leaving a Net Profit/(Loss) after taxation of	209,60,312	301,16,845
To which is to be added Balance brought forward from earlier years	28,49,816	7,76,721
Making a profit available for appropriation of	238,10,128	308,93,566
Out of which the following appropriations have been made as recommended by your Directors		
Dividend proposed	48,68,700	73,12,500
Additional Tax on proposed dividend	4,86,870	7,31,250
Transfer to General Reserve	150,00,000	2,00,00,000
Leaving to be carried forward the sum of	34,54,558	28,49,816

DIVIDEND:

Your Directors are pleased to recommend payment of dividend on Equity Shares for the year ended 31st March, 1998 at the rate of Rs.1.50 per share. If approved by the shareholders at the forthcoming Annual General Meeting the Dividend will be paid to those shareholders whose names shall appear in the Register of Members as on 14th September, 1998.

OPERATIONS:

Your Company achieved a production of 7.90 lac cases during the current year as compared to 8.58 lac cases in the previous 18 months period ended with 31st March 1997, registering a growth of 38.11% on annualised basis. Correspondingly there was an increase of 37.97% in sales on annualised basis, with 8.03 lac cases sale for the year as compared to 8.73 lac cases sale in the previous 18 months period.

Your Company has achieved a profit before tax at Rs.269.60 lacs for the year as compared to Rs.471.16 lacs in the previous 18 months period. The slight fall in profit on annualised basis was mainly due to a four-fold increase in raw materials cost during the year. However, by continuous improvement of efficiencies and cost reduction measures, your company has been able to keep the impact of increase in raw materials cost to the minimum.

During the year your company commenced production of Sacramental Wine in a small way. Your company is taking conscious efforts on a continuous basis to improve efficiencies and control cost at all levels and barring unforeseen circumstances, the year 1998-99 should be a satisfactory year in all respects.



Member

SHAW WALLACE GROUP

Pampasar Distillery Limited**AUDITORS' REPORT:**

As regards the observations in the Auditors' Report, the relevant notes on accounts are self-explanatory.

AUDITORS:

M/s Sharp & Tannan, Chartered Accountants, retire and are eligible for re-appointment.

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

A statement giving details as required under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is annexed hereto and forms part of the report-Annexure I.

PERSONNEL:

The Company has no employee in respect of whom statement under Section 217 (2A) of the Companies Act, 1956 is required to be annexed.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the services rendered by the employees at all levels and the co-operation extended by Bankers, Financial Institutions and suppliers.

ON BEHALF OF THE BOARD.

Place: MUMBAI
Dated: 28th July, 1998

S P Choudhary
K Puri
Directors

Registered Office:
Chitwadgi : 583 211
Hospet-Bellary District
Karnataka.

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FOR...

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Member

SHAW WALLACE GROUP

Pampasar Distillery Limited**ANNEXURE – I TO THE DIRECTORS' REPORT****DISCLOSURES****A. CONSERVATION OF ENERGY**

Your Company continues to give high priority for conservation of energy on an on going basis keeping in view of the national concern for energy conservation.

1. Energy Conservation Measures taken

- Utilisation of bio-gas generated from bio-methanation plant in Boiler as fuel thereby reducing the consumption of paddy husk.
- Installation of DM Plant exclusively for new boiler helped in better heat transfer in boilers which, in turn, reduced the blow down water and maintenance works.
- Power purchased from KEB and power generated from T.G set and D.G set are utilised in such a way that the total cost of electrical energy consumed is the lowest.
- Power factor was improved by installation of additional capacitor at appropriate places.
- Improved water quality to reduce vent losses and better heat transfer in condensers in Still house.

2. Additional investment and proposals, if any, being implemented for reduction of consumption of energy.

- Proposed to replace the existing 250 KVA T.G set by 500 KVA T.G set matching with the capacity of new boiler.
- Proposed to put star-delta mode switches in motors, which are being under-utilised.

3. Impact of the measures taken at 1 and 2 above for reduction of energy consumption and consequent impact on cost of production of goods.

The above-mentioned measures helped in getting quality products at competitive price.

B. TECHNOLOGICAL ABSORPTION**1. Specific areas in which R&D carried out by the Company**

Your Company continued R&D in the areas of:

- Microbiological areas like fermentation with dry yeast, aeration rates vs. microbiological growth etc.
- Development of new products in accordance with the requirements of customers and market conditions.
- Packing materials.
- Yield and quality of spirit from different grains.

2. Benefits derived as a result of above R&D

Improved yield, quality and products, consumer pleasing packing material are some benefits which we obtained because of our efforts in R&D.

3. Future Plans

- Building of new bottling hall and blending hall.
- Malt spirit maturation facility.
- Purchase of land to treat the effluents by composting method.

4. Expenditure incurred on Research and Development

	1997-98 Rs	1995-97 Rs.
i) Capital	—	—
ii) Revenue	460,059	620,665
	<u>460,059</u>	<u>620,665</u>
Total research and development expenditure as a percentage of total turnover	<u>0.08</u>	<u>0.08</u>



Member

SHAW WALLACE GROUP