

Twenty Fourth  
**Annual Report**  
**1998-99**

report  junction.com



**Pampasar Distillery Limited**



**DNV**

# DET NORSKE VERITAS

## QUALITY SYSTEM CERTIFICATE

Certificate No. QSC - 3910

*This is to certify that  
the Quality System  
of*

**PAMPASAR DISTILLERY LIMITED**

*Report Junction.com*  
at  
Hospet, India

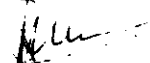
*has been found to conform to the Quality System Standard:*  
**ISO 9002:1994**

*This Certificate is valid for the following product or service ranges:*

**MANUFACTURE AND SUPPLY OF SPIRITS AND INDIAN MADE LIQUORS.**

*Place and date:*  
Rotterdam, February 5th, 1999

*for the Accredited Unit:*  
DNV CERTIFICATION B.V.,  
THE NETHERLANDS

  
Ron J. Meijer  
Management Representative



Accredited  
by the RvA

*This Certificate is valid until:*  
February 5th, 2002

*Original Certification date:*  
February 5th, 1999

  
P. Kundu  
Lead Auditor

Lack of fulfilment of conditions as set out in the Appendix may render this Certificate invalid.

DOCNO. CERTUS\_9716

DNV CERTIFICATION B.V. Haastrechtstraat 7, 3079 DC Rotterdam, The Netherlands. TEL. INT.: +31 10 2922 688, FAX: +31 10 4796 768



**PAMPASAR DISTILLERY LIMITED**

**DIRECTORS**

R.K. Jain

A.K.M.A. Shamsuddin

S.P. Choudhary

K. Puri

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 District Karnataka State

**Pampasar Distillery Limited****NOTICE**

Notice is hereby given that the Twentyfourth Annual General Meeting of Pampasar Distillery Limited will be held on Thursday the 16<sup>th</sup> September, 1999 at 11.30 A.M at the 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, 1999 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 A K M A Shamsuddin who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr K Puri who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

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By Order of the Board

**R. SRIRAM**  
Company Secretary

Place : MUMBAI  
Date : 28th July, 1999

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

Report Junction.com



**Member**  
**SHAW WALLACE GROUP**



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**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 10<sup>th</sup> September, 1999 to 16<sup>th</sup> September, 1999 (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 16<sup>th</sup> September, 1999 and dividend warrants will be posted to them or to their mandates on or before 28<sup>th</sup> October, 1999.
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.

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By Order of the Board

**R. SRIRAM**  
Company Secretary

Place : MUMBAI  
Date : 28th July, 1999

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

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**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 31<sup>st</sup> March, 1999.

**FINANCIAL RESULTS**

	For the year ended 31st March 1999 Rs.	For the previous year ended 31st March 1998 Rs.
Your Company's Profit/(Loss) for the year is	232,50,484	269,60,312
Taxation amounts to	72,00,000	60,00,000
Leaving a Net Profit/(Loss) after taxation of	<u>160,50,484</u>	<u>209,60,312</u>
To which is to be added		
Balance brought forward from earlier years	34,54,558	28,49,816
Making a profit available for appropriation of	<u>195,05,042</u>	<u>238,10,128</u>
Out of which the following appropriation have been made as recommended by your Directors		
Dividend proposed	48,75,000	48,68,700
Additional Tax on proposed dividend	5,36,250	4,86,870
Transfer to General Reserve	100,00,000	150,00,000
Leaving to be carried forward the sum of	<u>40,93,792</u>	<u>34,54,558</u>

**DIVIDEND**

Your Directors are pleased to recommend payment of dividend on Equity Shares for the year ended 31<sup>st</sup> March, 1999 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 16<sup>th</sup> September, 1999.

**OPERATIONS**

Your Company's IML sales volume has dropped by 25% over previous year due to change in the excise policy of the neighbouring states coupled with increase in cost of inputs. The drop in profits was neutralised by increasing sale of spirit in the second half of the financial year.

Your Company, despite the pressure on its cost has achieved a pre-tax profit of Rs. 232.50 lacs for the year as compared to Rs. 269.60 lacs in the previous year. This was possible for your company mainly due to increased sale of spirit, continuous improvement in yield and energy conservation measures undertaken.

**ISO CERTIFICATION**

Keeping pace with the time, your company, committed to supplying consistent quality products to its customers, implemented quality systems and procedures conforming to the ISO 9000 standards and was awarded ISO 9002 certification in recognition.

**Member****SHAW WALLACE GROUP**



#### STATUS ON Y2K COMPLIANCE

Your company has reviewed the risk associated with Year 2000 problem concerning computer systems. The company has taken remedial measures for the Y2K problem through procurement of necessary hardware and implementing oracle-based software for its accounting and stores functions which could be affected due to the Y2K bug at a cost of approximately Rs. 17 lakhs. Required tests have been carried out on the said hardware and software and the company does not anticipate any adverse effect on its operations due to the Y2K bug.

#### 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.

#### PROSPECTS

Your company is taking conscious efforts to improve yields, control costs, reduce wastages and enhance efficiencies at all levels to meet challenges. Barring unforeseen circumstances, your company should continue to perform satisfactorily.

Your company is also planning to implement environmental management systems conforming to the ISO standards and go in for ISO 14001 certification in the current year.

#### ACKNOWLEDGMENT

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

A K M A Shamsuddin  
K Puri  
Directors

Place : Mumbai  
Date : 28th July, 1999

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



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 to conservation of energy on an on going basis keeping in view the national concern for energy conservation.

**1. Energy Conservation Measures taken.**

- a) Revamped 1<sup>st</sup> Bio-Gas Digester in Primary E.T.P. and started effective utilisation of bio-gas thereby achieving a reduction in consumption of paddy husk.
- b) Optimum utilisation of Turbo-generator and the D.G. set to draw minimum power from K.E.B.
- c) Introduction of suitable chemicals in Water Treatment Plants to improve the quality of water thereby enhancing boiler life and efficiency.
- d) Recovery of heat energy from spent wash by preheating fermented wash.

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

- a) Revamping of 2<sup>nd</sup> Bio-Gas Digester which will help in further reduction in consumption of paddy husk.
- b) Replacement of motors of higher rating with optimum rated motors.

**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.**

- Getting quality products at reduced cost.
- Saving in fuel consumption.
- Longer uninterrupted operations due to improved quality of water.
- Improved Boiler Efficiency.

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

Your Company Continued Research and Development activities in the following areas :-

- a) Fermentation.
- b) Packing Materials Improvement.
- c) Yield and quality of Spirit.
- d) Products consistency.
- e) Maturation of Grain Spirit

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

Improved yield, quality of spirit and consistent quality of Indian Made Liquor.

**3. Future Plans.**

- Malt spirit maturation facility.
- Treatment of effluents by composting method.
- Installation of Grape Spirit Plant.
- Replacement of outdated Gas Chromatograph for technical analysis and data base.
- ISO 14001 Certification by March, 2000.
- Manufacture of Grain based whiskies.

**4. EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT.**

	1998-99 Rs.	1997-98 Rs.
i) Capital	—	—
ii) Revenue	4,83,661	4,60,059
	<u>4,83,661</u>	<u>4,60,059</u>
Total research and development expenditure as a percentage of total turnover.	<u>0.09</u>	<u>0.08</u>



Member

**SHAW WALLACE GROUP**