

Twenty Fifth Annual Report 1999-2000



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Pampasar Distillery Limited



PAMPASAR DISTILLERY LIMITED

DIRECTORS

M.R. Chhabria
P.L. Narasimhan
A.K.M.A. Shamsuddin
K.C. Gupta
P.D. Khedkar
V.K. Madan Mohan
M. Ashok Kumar Shetty
N.C. Agnihotri

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 Twenty-fifth Annual General Meeting of Pampasar Distillery Limited will be held on Friday the 15th September, 2000 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, 2000 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 the place of Mr.M. Ashok Kumar Shetty who retires by rotation.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification the following resolutions as Ordinary Resolutions.

5. Resolved that Mr. M.R. Chhabria be and is hereby appointed as a Director of the Company.
6. Resolved that Mr. P.L. Narasimhan be and is hereby appointed as a Director of the Company.
7. Resolved that Mr. K.C. Gupta be and is hereby appointed as a Director of the Company.
8. Resolved that Mr. P.D. Khedkar be and is hereby appointed as a Director of the Company.
9. Resolved that Mr. V.K. Madan Mohan be and is hereby appointed as a Director of the Company.
10. Resolved that pursuant to the provisions of Section 198, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, consent of the company be and is hereby accorded to the appointment of Mr. N.C. Agnihotri as a Whole-time Director, for a period of two years from 28th January, 2000 to 27th January, 2002 (both days inclusive) on the terms and conditions including remuneration as set out in the agreement entered into by the company with Mr. N.C. Agnihotri.

Resolved further that in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary, alter or increase the remuneration, including salary, commission, perquisites, allowances etc., payable to Mr. N.C. Agnihotri within such prescribed limit or ceiling and the aforesaid agreement between the Company and Mr. N.C. Agnihotri be suitably amended to give full and final effect to such modifications, relaxations or variations without any further reference to the Company in a General meeting.

Resolved further that the Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary to give full and final effect to the decision taken herein.

By Order of the Board

Place : MUMBAI
Dated : 27th July, 2000

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

R SRIRAM
Company Secretary



Member
SHAW WALLACE GROUP



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 forty-eight hours before the Meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 13th September, 2000 to 15th September, 2000 (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 15th September, 2000 and dividend warrants will be posted to them or to their mandates on or before 27th October, 2000.
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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.5.

Mr. M.R. Chhabria was appointed as an Additional Director with effect from 28th January, 2000 and pursuant to section 260 of the Companies Act, 1956 hold the office upto the date of the next Annual General Meeting of the Company.

The Company had received a notice in writing under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of Mr. M.R. Chhabria as a Director alongwith the requisite deposit. Mr. M.R. Chhabria is willing to act as a Director, if appointed and had filed with the Company his consent pursuant to Section 264(1) of the Companies Act, 1956.

No Director other than Mr. M.R. Chhabria is concerned or interested in the resolution.

Item No.6.

Mr. P.L. Narasimhan was appointed as an Additional Director with effect from 28th January, 2000 and pursuant to section 260 of the Companies Act, 1956 hold the office upto the date of the next Annual General Meeting of the Company.

The Company had received a notice in writing under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of Mr. P.L. Narasimhan as a Director alongwith the requisite deposit. Mr. P.L. Narasimhan is willing to act as a Director, if appointed and had filed with the Company his consent pursuant to Section 264(1) of the Companies Act, 1956.

No Director other than Mr. P.L. Narasimhan is concerned or interested in the resolution.

Item No.7.

Mr. K.C. Gupta was appointed as an Additional Director with effect from 28th January, 2000 and pursuant to section 260 of the Companies Act, 1956 hold the office upto the date of the next Annual General Meeting of the Company.

The Company had received a notice in writing under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of Mr. K.C. Gupta as a Director alongwith the requisite deposit. Mr. K.C. Gupta is willing to act as a Director, if appointed and had filed with the Company his consent pursuant to Section 264(1) of the Companies Act, 1956.

No Director other than Mr. K.C. Gupta is concerned or interested in the resolution.

Item No.8.

Mr. P.D. Khedkar was appointed as an Additional Director with effect from 28th January, 2000 and pursuant to section 260 of the Companies Act, 1956 hold the office upto the date of the next Annual General Meeting of the Company.

The Company had received a notice in writing under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of Mr. P.D. Khedkar as a Director alongwith the requisite



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Pampasar Distillery Limited

deposit. Mr. P.D. Khedkar is willing to act as a Director, if appointed and had filed with the Company his consent pursuant to Section 264(1) of the Companies Act, 1956.

No Director other than Mr. P.D. Khedkar is concerned or interested in the resolution.

Item No.9.

Mr.V.K. Madan Mohan was appointed as an Additional Director with effect from 28th January, 2000 and pursuant to section 260 of the Companies Act, 1956 hold the office upto the date of the next Annual General Meeting of the Company.

The Company had received a notice in writing under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of Mr. V.K. Madan Mohan as a Director alongwith the requisite deposit. Mr.V.K. Madan Mohan is willing to act as a Director, if appointed and had filed with the Company his consent pursuant to Section 264(1) of the Companies Act, 1956.

No Director other than Mr.V.K. Madan Mohan is concerned or interested in the resolution.

Item No.10.

Mr. N.C. Agnihotri was appointed as an Additional Director on 28th January, 2000. By virtue of his being in-charge of day to day affairs of the company, he is deemed to be a Whole time Director. The Board of Directors at its meeting held on 27th July 2000 appointed Mr. N.C. Agnihotri as a whole time Director for a period of two years from 28th January, 2000 to 27th January, 2002 (both days inclusive), subject to approval of the Company in a General Meeting, on a Gross salary of Rs. 8.50 lacs per annum.

The appointment of Mr. N.C. Agnihotri as a whole time Director and payment of remuneration to him are subject to approval of members. The Directors recommend the resolutions set out at in the annexed notice for your approval.

No Director other than Mr. N.C. Agnihotri is concerned or interested in the resolution.

Place : MUMBAI
Dated : 27th July, 2000

By Order of the Board

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

R SRIRAM
Company Secretary



Member
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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting herewith their Reports and Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	For the year ended 31st March 2000 Rs.	For the previous year ended 31st March 1999 Rs.
Your Company's Profit for the year is	405,14,038	232,50,484
Taxation amounts to	165,00,000	72,00,000
Leaving a Net Profit after taxation of	<u>240,14,038</u>	<u>160,50,484</u>
To which is to be added Balance brought forward from earlier years	40,93,792	34,54,558
Making a profit available for appropriation of	<u>281,07,830</u>	<u>195,05,042</u>
Out of which the following appropriation have been made as recommended by your Directors		
Dividend proposed	48,75,000	48,75,000
Additional Tax on proposed dividend	10,72,500	5,36,250
Transfer to General Reserve	175,00,000	100,00,000
Leaving to be carried forward the sum of	<u>46,60,330</u>	<u>40,93,792</u>

DIVIDEND

Your Directors are pleased to recommend payment of dividend on Equity Shares for the year ended 31st March, 2000 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 15th September, 2000.

OPERATIONS

Your Company, has achieved a pre-tax profit of Rs. 405.14 lacs against Rs. 232.50 lacs in the previous year registering an increase in 74% growth. Improved Wine sales, Improved product mix of IML, Increased production and sale of alcohol by 23%, low procurement cost of Molasses, continuous improvement in yield and energy conservation measures and effective cost reduction techniques adopted during the year by your Company have contributed for the substantial increase.

DIRECTORS:

Mr. R.K. Jain tendered his resignation from the Board as a Director with effect from 7th October, 1999. The Board of Directors records its deep appreciation for the valuable services rendered by him during his tenure.

Mr. S.P. Choudhary and Mr. Kamal Puri tendered their resignation from the Board as Directors with effect from 28th January, 2000. The Board of Directors records its deep appreciation for the valuable services rendered by them during their tenure.

Mr. M.R. Chhabria, Mr. P.L. Narasimhan, Mr. K.C. Gupta, Mr. P.D. Khedkar, Mr. V.K. Madan Mohan and Mr. N.C. Agnihotri were appointed as Additional Directors of the Company with effect from 28th January, 2000 and vacate their office at this Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, proposal to appoint them as Directors of the Company has been received from the Shareholders of the Company.

Mr. M. Ashok Kumar Shetty, Director retire by rotation and eligible for re-appointment.



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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.

PROSPECTS

Your company is committed continuously in its efforts to improve yields, control costs, reduce wastages and enhance efficiencies of its resources at all levels to meet the challenges ahead. Barring unforeseen circumstances, your company is poised for growth.

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

Date : 27th July, 2000

P D Khedkar

N C Agnihotri

Directors

Registered Office:

Chitwadgi : 583 211

Hospet-Bellary District

Karnataka.

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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 2nd Bio-Gas Digester in Primary E.T.P. and improved upon effective utilisation of bio-gas thereby achieved a reduction in consumption of paddy husk.
- b) Optimum utilisation of Turbo-generator to draw minimum power from K.E.B.
- c) Drawal of water from Power Canal thus achieving a reduction in consumption of water treatment chemicals.
- d) Recovery of heat energy from spent wash by preheating fermented wash.

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

- Up-gradation of Water Treatment System
- Replacement of motors of higher rating with optimum rated motors.
- Installation of Miniature Bottling line.
- Condensate Recovery System.
- Up-gradation of E.N.A. Plant.

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.

- Improvement in quality of E.N.A. & I.M.L. products at reduced cost.
- Saving in fuel consumption.
- 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) Yield and quality of Spirit.
- c) Maturation of Grain Spirit.

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

- * Improvement in Yield.
- * Improvement of E.N.A. Quality.

3. Future Plans.

- Installation and Commissioning of Malt Spirit Maturation Facilities.
- Manufacture of Grape Spirit.
- Manufacture of Grain Spirit based whiskies.
- Manufacture of Cane Juice Spirit.
- Procurement of additional Quality Control Equipment.
- Energy Audit
- I.S.O. 14001 Certification by March, 2001.



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