



Pampasar Distillery Limited

Twenty Sixth ANNUAL REPORT 2000-2001



Member
SHAW WALLACE GROUP

Pampasar Distillery Limited



DIRECTORS

M.R. Chhabria
Niranjan M.Thakur.
Amar S. Sinha
P.D. Khedkar
N.C. Agnihotri

COMPANY SECRETARY

R. Sriram

AUDITORS

Sharp & Tannan, Chennai

BANKERS

IndusInd Bank Limited
The Federal 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



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NOTICE

Notice is hereby given that the Twenty-sixth Annual General Meeting of Pampasar Distillery Limited will be held on Friday the 28th September, 2001 at 11.30 A.M at the Conference hall, Hotel Priyadarshini Complex, 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, 2001 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. P.D. Khedkar, who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

5. Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner.

After the existing Article 42, insert the following as Article 42A.

DEFINITIONS

1. For the purpose of this Article :

‘Beneficial Owner’ means a person whose name is recorded as such with a depository;
‘Registered owner’ means a depository whose name is entered as such in the register of the issuer.

‘SEBI’ means the Securities and Exchange Board of India ;

‘Depository’ means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992;

‘Security’ means such security as may be specified by SEBI from time to time.

DEMATERIALISATION OF SECURITIES

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

OPTIONS FOR INVESTORS

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, in respect of any security in the manner provided by the Depositories Act, 1996 and the



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Pampasar Distillery Limited

Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allotted as the beneficial owner of the security.

SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM

4. All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Companies Act, 1956 shall apply to a depository in respect of the security held by it on behalf of the beneficial owners.

RIGHTS OF DEPOSITORIES

5. (a) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owners.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

SERVICE OF DOCUMENTS

6. Notwithstanding anything in the Companies Act, 1956 or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

TRANSFER OF SECURITIES

7. Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee, both of whom are entered as beneficial owners in the records of a depository.

ALLOTMENT OF SECURITIES DEALT WITH BY A DEPOSITORY

8. Notwithstanding anything in the Companies Act, 1956 or these Articles, where the securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY

9. Nothing contained in the Companies Act, 1956 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.



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REGISTER AND INDEX OF BENEFICIAL OWNERS

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

6. RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

After the existing Article 145, insert the following as Article 145A.

Subject to the provisions of Sections 255/256 of the Act, not more than one-third of the total number of Directors of the Company may be appointed as Directors, not liable to retire by rotation. All other Directors will be persons whose period of office is liable to determination by retirement of directors by rotation and will be eligible for re-election at the Annual General Meeting of the members of the Company and shall act as Directors throughout the meeting at which they retire.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

7. Resolved that Mr.Niranjan M.Thakur be and is hereby appointed as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

8. Resolved that Mr.Amar Shrivnath Sinha be and is hereby appointed as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

9. Resolved that Mr.M.R.Chhabria be and is hereby designated as a Director not liable to retire by rotation.

Place: Mumbai
Date : 31st July, 2001
Registered Office:
Chitwadgi-583 211
Hospet
Bellary Dist.
Karnataka

By Order of the Board

R. Sriram
Company Secretary



Member

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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 forty-eight hours before the Meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 26th September, 2001 to 28th September, 2001 (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 28th September, 2001 and dividend warrants will be posted to them or to their mandates on or before 27th October, 2001.
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.

The depository system seeks to eliminate the problems of the present system of manual and paper based settlement, which is highly unsuitable for any growing capital market. A large number of transactions end up in bad deliveries as result of faulty paper work and other manual errors. Also, the instances of loss / theft / forgery of Certificates are on the rise. These can be minimised by maintaining securities in the electronic form. It envisages a far more convenient and safer mode of issue, holding and transfer/transmission of securities.

Further joining the Depository system would also bring, various other advantages (i) to the company e.g., reduction of paper work, reduction of direct cost of record keeping, physical handling, movement and safekeeping of certificates, devotion of time and efforts of Secretarial/Share department to others matters, projecting a progressive and investor-friendly image and (ii) to the investors e.g. No stamp duty payable, simultaneous settlement and transfer of shares, thus obviating the need to follow up with the Company for transfers etc.,

Your company has joined the depository system and hence, the Articles relating to issue, holding and dealing in securities need to be inserted in the Articles of Association of the Company in order to reflect the provisions of the Depositories Act, 1996 in that regard and as regards the beneficial ownership of securities.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 6

In terms of the provisions of Section 255 of the Companies Act, 1956, one-third of the total number of directors of a public Company can be non-retiring directors. It is proposed



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to insert a new article in the Articles of Association to this effect to enable the company to appoint non-retiring directors.

None of the Directors of the Company is concerned or interested in this Resolution.

Item No.7

Mr.Niranjan M. Thakur was appointed as an Additional Director with effect from 19th October, 2000 and pursuant to section 260 of the Companies Act, 1956 holds 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.Niranjan M. Thakur as a Director alongwith the requisite deposit. Mr.Niranjan M. Thakur 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.

Mr.Niranjan M. Thakur in his individual capacity and Mr M R Chhabria, relative, may be deemed to be concerned or interested in the resolution.

Item No.8

Mr. Amar Shivnath Sinha was appointed as an Additional Director with effect from 29th June, 2001 and pursuant to section 260 of the Companies Act, 1956 holds 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. Mr.Amar Shivnath Sinha as a Director alongwith the requisite deposit. Mr.Amar Shivnath Sinha 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. Mr.Amar Shivnath Sinha is concerned or interested in the resolution.

Item No. 9

In terms of the provisions of Section 255 of the Companies Act, 1956, one-third of the total number of directors of a public Company can be non-retiring directors. In view of the above, the Board of Directors on 30th January, 2001, designated Mr M R Chhabria as a director not liable to retire by rotation.

Mr. M R Chhabria in his individual capacity, and Mr Niranjan Thakur, relative, may be deemed to be concerned or interested in this Resolution.

Place: Mumbai
Date : 31st July, 2001
Registered Office:
Chitwadgi-583 211
Hospet
Bellary Dist.
Karnataka

By Order of the Board

R. Sriram
Company Secretary



Member

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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, 2001.

FINANCIAL RESULTS

	For the year ended 31st March 2001	For the previous year ended 31st March 2000
	Rs.	Rs.
Your Company's Profit for the year is	401,52,918	405,14,038
Taxation amounts to	171,55,000	165,00,000
Leaving a Net Profit after taxation of	229,97,918	240,14,038
To which is to be added		
Balance brought forward from earlier years	46,60,330	40,93,792
Making a profit available for appropriation of	276,58,248	281,07,830
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	4,97,250	10,72,500
Transfer to General Reserve	1,80,00,000	175,00,000
Leaving to be carried forward the sum of	42,85,998	46,60,330

DIVIDEND

Your Directors are pleased to recommend payment of dividend on Equity Shares for the year ended 31st March, 2001 at the rate of Rs.1.50p 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 29th September, 2001.

OPERATIONS

Your Company, has achieved a pre-tax profit of Rs.401.52 lacs against Rs.405.14 lacs in the previous year. Your Company achieved a increase in production and sales of spirit by 22% and 87% respectively. Winery production and sales have increased a growth of 12% over the previous year. Your company recorded the highest ever sale MMW of 60389 cases and 73353 cases of DSP Black during the year. Even though there is a stiff competition and changes in excise policy, your company could achieve this profit. The maturation facility for malt spirit has been installed and commissioned.

AMALGAMATION

As a part of the restructuring exercise, your company has proposed a scheme of merger of the Company with Maharashtra Distilleries Limited. The Company is in the process of filing a petition before the Hon'ble High Court of Bangalore, for getting the scheme of merger approved.



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The exchange ratio has been determined by M/S Lodha and Company, Chartered Accountants, Kolkata.

DEMATERIALIZATION OF SECURITIES

Your company has entered into a tripartite agreement with Central Depository Services (India) Limited and its registrars and transfer agent, M/S Karvy Consultants Limited for dematerialisation of its shares, consequent to which you are permitted to hold the shares in electronic form. You may get in touch with the Secretarial Department or the R & T Agent for any query / assistance.

REVALUATION OF FIXED ASSETS

During the year, your company revalued its land & building on the basis of revaluation report submitted by Universal Surveyors Private Limited, Mumbai and its plant & machinery on the basis of revaluation report submitted by M/S S Sen & Associates, Kolkata.

ISO 14001 CERTIFICATION:

Keeping its commitment to the environmental protection your company has achieved ISO 14001 certification for the environmental System. Your Company is the first distillery in the country to have received this prestigious certificate.

DIRECTORS:

Mr. P.L. Narasimhan tendered his resignation from the Board as a Director with effect from 19th October, 2000. The Board of Directors records its deep appreciation for the valuable services rendered by him during his tenure.

Mr. M. Ashok Kumar Shetty tendered his resignation from the Board as a Director with effect from 8th December, 2000. The Board of Directors records its deep appreciation for the valuable services rendered by him during his tenure.

Mr. K.C. Gupta tendered their resignation from the Board as Directors with effect from 10th December, 2000. The Board of Directors records its deep appreciation for the valuable services rendered by him during their tenure.

Mr.V.K.Madan Mohan tendered their resignation from the Board as Directors with effect from 30th December, 2000. The Board of Directors records its deep appreciation for the valuable services rendered by him during their tenure.

Mr.A.K.M.A.Shamsuddin tendered their resignation from the Board as Directors with effect from 29th June, 2001. The Board of Directors records its deep appreciation for the valuable services rendered by him during their tenure.

Mr. Niranjana M.Thakur, and Mr.Amar Shivnath Sinha were appointed as Additional Directors of the Company with effect from 19th October, 2000 and 29th June,2001 respectively and vacate their office at this Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, proposals to appoint them as Directors of the Company has been received from the Shareholders of the Company.

Mr M R Chhabria was designated as a director not liable to retire by rotation by the Board at its meeting held on 30th January, 2001.



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Pampasar Distillery Limited

Mr P D Khedkar retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

Confirmations have been received all the directors that they are not disqualified to be appointed as directors under Section 274(1)(g) of the Companies Act, 1956.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

A statement giving the directors responsibility under the Companies Act, 1956 under Section 217(2AA) is annexed here to forms part of report-Annexure-II.

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.

Place: Mumbai

Date : 31st July, 2001

Registered Office:

Chitwadgi-583 211

Hospet

Bellary District

Karnataka



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On Behalf of the Board

P.D. Khedkar N.C. Agnihotri

Directors.