

**5th
Annual
Report
1998-99**

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**Piccadily
Agro
Industries
Limited**

BOARD OF DIRECTORS

Sh. Venod Kumar Sharma, Chairman
 Sh. Sham Sunder Sharma, Director
 Smt. Raj Rani, Director
 Sh. Vinod Dada, Director
 Sh. Harvinder Chopra, Executive Director
 Sh. R.K. Gupta, Nominee Director (HSIDC)
 Sh. Kuldip Singh, Director

AUDITORS

M/s Jain & Associates
 SCO 819-820, Sector 22-B, Chandigarh

BANKERS

Punjab National Bank
 Oriental Bank of Commerce

REGISTERED OFFICE & FACTORY

Village Bhadson,
 Umri-Indri Road,
 Tehsil Indri, Distt. Karnal
 Haryana

CORPORATE OFFICE

276, Capt. Gaur Marg,
 Okhla, New Delhi

SHARES DEPARTMENT

Piccadily Cinema,
 Sector 34, Chandigarh

CONTENTS	PAGE NO.
Notice	3
Director's Report	4-8
Auditor's Report	9-10
Balance Sheet	11
Profit & Loss Account	12
Schedule to Accounts	13-18
Notes to Accounts	18-20
Balance Sheet Abstract &	21
General Business Profile	
Cash Flow	22

NOTICE

Notice is hereby given that 5th Annual General Meeting of the Share Holders of the Company will be held on Thursday i.e. 30th Sept., 1999 at 4.00 P.M. at the Registered Office of the company i.e. Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt. Karnal, Haryana to transact the following business :-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 1999 and the Profit & Loss Account of the Company for the year ended on that date and the Auditor's & Director's Report thereon.
2. To appoint a Director in place of Sh. Sham Sunder Sharma, who retires by rotation and being eligible offers himself for re-appointment.,
3. To appoint a Director in place of Sh. Vinod Dada, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sh. Harvinder Chopra, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

"Resolved that M/s Jain & Associates, Chartered Accountants be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and at a remuneration to be decided by the Board of Directors".

By Order of the Board of Directors

For Piccadily Agro Industries Limited

Date : 31.7.99
Place : Chandigarh

N.K. Sehgal
Company Secretary

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16th Sept. to 30th Sept., 1999.
3. Shareholders are requested to advise the Company immediately of any change in the address.
4. The proxy forms duly signed and completed must be received at the Registered Office of the Company not less than 48 hours before the time and date fixed for the meeting.
5. Members are requested to bring at the meeting their copies of the Annual Report.
6. Members desiring of any information as regards to accounts are requested to write to the Company at an early date, so as to enable the management to keep the information ready.

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have pleasure in presenting their 5th Annual Report together with Audited Annual Accounts of the company for the year ended on 31st March, 1999.

Financial Results

(Rs. in Lacs)

Particulars	31/03/99	31/03/98
Sales & other Income	5794.33	5010.63
Profit before Interest,	1709.68	1275.78
Depreciation & Taxation		
Less :		
Interest	928.34	861.55
Depreciation	260.14	202.22
Provision for Taxation	60.24	17.67
Net Profit	(+) 460.96	(+) 194.34

Review of Operations

The mill commenced crushing operation for season 1998-99 on 19-11-98 & closed on 23-4-99. The comparative operational results for the last two seasons are as follows :

	Season 1998-99	Season 1997-98
Duration	156	158
Sugar Cane crushed	41,01,400	41,58,490
Recovery (Percent)	9%	9.14%
Sugar produced in Bags	3,71,000	3,81,000

During the year under review the crushing of Sugar Cane & recovery were on lower side due to fog and rains, in the entire region of Punjab & Haryana. Bad weather had a negative impact on the crop of Sugar cane which resulted, in fall in recovery of sugar as compared to the recovery of last year. However Company has recorded a net profit of Rs. 460.96 lacs under the very difficult circumstances.

Outlook of Future

The produce of Sugar cane requires lot of water & sunshine to gain good quality & sucrose contents. But some time due to vagaries of nature the crop could not mature both as to quality and quantity wise. This year the company expects that the weather conditions will improve substantially in the entire northern region leading to increase in recovery percentage and crushing of sugar cane.

Industry Overview

The production of Sugar for the 1998-1999 will be around 150 to 155 tonnes as compared to the production 128 tonnes of the previous year. The country has adequate production of Sugar & buffer stocks to meet the domestic demand of sugar which is expected to be around 150 lacs tonnes. Despite sufficient availability of sugar domestically, imported sugar continues to arrive the internal market. The Government has fixed import duties on the imported sugar, but still they are lowest in the world & appropriate steps are required to be taken for restricting the imports of Sugar.

Expansion Programme

The company has envisaged a plan to double the crushing capacity of sugar mill at Village Bhadson, Distt. Karnal, Haryana from 2500 TCD to 5000 TCD. The proposal of expansion was submitted to Central Government for its approval. At present the sugar Industry has been deregulated, but the company has already received letter of intent from Central Government to enhance the crushing capacity. Further the mill is also entitled for incentive benefits under Government Incentive Scheme 1997. Funds for raising the crushing capacity are being tied up.

The company is planning to start massive cane development programme so that command area of Mill will be able to provide the cane at expanded capacity.

Licence for Distillery

The Company has applied to Government of Haryana for the issuance of Licence for establishing a distillery in the State of Haryana. The distilleries are being run on the byproduct of sugar i.e. Molasses. This will ensure a value addition in the byproducts of the company. Subsequently, Government of Haryana has issued a Letter of Intent to the company for the manufacturing of Ethyl Alcohol, ENA, Denatured Spirit, Country Liquor and IMFS. Necessary funds are being tiedup for setting up the Distillery.

Dividend

Board has not declared any dividend in view of funds requirements by the company for expansion programme and setting up of Distillery.

Directors

Sh. Sham Sunder Sharma, Sh. Harvinder Chopra, Sh. Vinod Dada, Directors of the company retire(s) by rotation and are eligible for the reappointment. Sh. Sham Sunder Sharma, Sh. Harvinder Chopra and Sh. Vinod Dada Directors have offered themselves for re-appointment.

Fixed Deposits

During the year company has not accepted any fixed deposits u/s 58-A of Companies Act 1956.

Particulars of Employees u/s 217 (2A) of Companies Act 1956

No Employee/Director of the Company has drawn salary in excess of Rs. 50,000/- p.m. if employed for a part of the year and Rs. 6,00,000/- p.a. for the whole year. Hence particulars of employees as required under section 217 (2A) of the Companies Act, 1956 have not been given.

Auditors

M/s Jain & Associates, Chartered Accountants, Chandigarh, The Statutory Auditors of the Company

retiring at conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

Annual Fees to Stock Exchange

The Company has made the full payment of Annual Listing fee for the year 1999-2000 to all the Stock Exchanges, where its shares are listed. These are :

- 1) Ludhiana Stock Exchange Association Limited
- 2) Delhi Stock Exchange Association Limited
- 3) Jaipur Stock Exchange Limited
- 4) The Stock Exchange, Ahmedabad
- 5) The Stock Exchange, Mumbai
- 6) The Madras Stock Exchange Limited.

Y2K Compliance

The Company has initiated steps to meet Y2K requirements effectively. This will enable the Company to handle the Y2K Bug and all the Software & Computers would likely to be Y2K complied by November, 1999.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rule 1988, the information relating to the conservation of energy, technology absorption and foreign exchange earning and outgo is annexed and forms part of the report.

Personnel & Industrial Relations

There has been full harmony in the inter personal relations of the employees. The Board of Directors wishes to express its appreciation for the service rendered by the officers, staff and workers of the company at all levels for their dedication and loyalty.

Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Suppliers, Customers and all other concerned with the company during the year under review.

for Piccadily Agro Industries Limited

Dated : 31.07.99
Place : Chandigarh

Sham Sunder Sharma
(Director)

Raj Rani
(Director)