

8TH ANNUAL REPORT

2001-02

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**Piccadily
Agro Industries
Limited**

piccadilly**PICCADILY Agro Industries Ltd.****BOARD OF DIRECTORS**

Sh. Venod Kumar Sharma, Chairman
 Sh. Sham Sunder Sharma, Director
 Smt. Raj Rani, Director
 Sh. Vinod Dada, Director
 Sh. Siddhartha Vashishta
 Sh. Harvinder Chopra, Director, Executive Director
 Sh. Kuldip Singh
 Sh. Y.K. Bhatia, Nominee Director
 Sh. S.C. Jolly

AUDITORS

Ms 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

275, Capt. Gaur Marg,
 Srinivas Puri, Okhla,
 New Delhi

SHARES DEPARTMENT

Piccadilly Cinema,
 Sector 34, Chandigarh

AUDIT COMMITTEE

Sh. Venod Kumar Sharma
 Sh. Vinod Dada
 Sh. S.C. Jolly

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NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Share Holders of the Company will be held on Monday i.e 30th Sept., 2002 at 9.00 A.M. at the Registered office of the company i.e. Umri-Indri Road, Distt. Karnal Haryana to transact the following business :-

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account of the Company for the year ended on that date and the Auditor's & Directors Report thereon.
2. Sh. Venod Kumar Sharma, who retires by rotation.
3. To appoint a Director in place of Smt. Raj Rani, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Sh. Kuldip Singh, 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 Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting."

Special Business

6. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"Resolved that Sh. Siddhartha Vashishta who was appointed as Additional Director U/s 260 of the Companies Act 1956 and who holds office, up to the date of this Annual General Meeting and who is eligible for re-appointment and in respect of whom the company has received a notice in writing under section 257 of the Companies Act 1956 proposing his candidature for the office of the Director be and is hereby appointed as Director of the company liable to retire by rotation."

By Order of the Board
For Piccadily Agro Industries Limited

Venod Kumar Sharma
Chairman

Date : 31.07.2002

Place : Delhi

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 Member and Share Transfer Books of the Company will remain closed from 16th September 2002 to 30th September 2002.
3. Share holder's are requested to advise the company immediately of any changes in their 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.

Explanatory Statement

Sh. Siddhartha Vashishta is a young and very energetic. He is a commerce graduate and can provide effective guidance for the efficient working of the company.

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have pleasure in presenting their 8th Annual Report together with Audited Accounts of the company for the ended on 31st March, 2002.

Financial Results

Particulars	31/03/2002	31/03/2001
Sales & Other income	6688.24	5962.80
Profit Before Interest and depreciation	404.02	694.33
Less :		
Interest	659.67	726.85
Depreciation	267.30	266.99
Deferred Tax Asset	184.31	—
Net Loss	(707.26)	(299.52)

Review of Operations & Indian Sugar Industry

The mill commenced crushing operation for the season 2001-2002 on 15th December, 2001 and closed on 10th May, 2002. The comparative operational results for the last two seasons are as follows :-

Particulars	Season 2001-2002	Season 2000-2001
Duration (Days)	147	145
Sugar Cane Crushed (in Quintals)	3010256	3700100
Recovery (Percent)	9.50	9.74
Sugar produced (in bags)	290460	362866

During the year under review the company has incurred a loss of Rs. 707.26 lacs. The loss has been incurred mainly due to illegal strike of workers, falling prices of sugar & huge cane purchase prices. Sugar cane crushing season 2001-2002 in the country began with an all time record opening stocks of 11 million tones. The sugar output for the year 2001-2002 is around 17.76 million tonnes. Total sugar availability in the country after adding the opening stock of sugar and production for the year comes to 28.76 million tones. Internal consumption of sugar is around 16.5 million tones and export is at an one million tones. Thus the huge gap between the production & consumption (including exports) is resulting in un remunerative sales prices. More over the company has purchased the sugar cane at state advised price at an average rate of Rs. 105.57 per quintal as compared to Rs. 73 per quintal being the statutory minimum price recommended by the Central Government.

Expansion Programme

The expansion programme for enhancing the crushing capacity from 2500 TCD to 5000 TCD is in full swing. The erection of Semi Kesener and boiler had been completed and have started functioning from mid of February 2002. The civil work relating to godown and other miscellaneous utilities is in the final stage of completion. It is expected that the company will crush the sugarcane at the expanded capacity of 4000 TCD in the ensuing crushing season.

Directors

Sh. Siddhartha Vashishta has joined the Board as an Additional Director on 29/06/2002 holds the office upto the date of forthcoming Annual General Meeting. The company received a notice u/s 257 of the

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Companies Act 1956 from a share holder proposing his candidature for the position of Director of the company.

Sh. Venod Kumar Sharma retires by rotation & does not offer himself for re-appointment.

Sh. Kuldip Singh and Smt. Raj Rani Director of the company retire(s) by rotation and are eligible for the re-appointment.

Fixed Deposits

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

Auditors

M/s Jain & Associates, Chartered Accountants, Chandigarh, the Statutory Auditors of the company retiring at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment. The Board recommend their reappointment as statutory Auditors of the company for the year 2002-2003.

Corporate Governance

The report on corporate Governance is annexed as part of this report.

Personnel

The particulars of employees, as per Section 217(2A) of Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 is nil.

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 of foreign exchange earning and outgo is annexed and forms part of the report.

Directors Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act 1956, the Directors give hereunder the Directors responsibility statement relating to the Accounts of the Company.

1. All the applicable Accounting standards have been followed in the preparations of the accompanying accounts.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year March 31, 2002 and of the profit and loss of the company for the said period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities and
4. The directors have prepared the Annual Accounts on going concern basis.

Acknowledgment

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.

By Order of the Board
For Piccadily Agro Industries Limited

Date : 31.07.2002
Place : Delhi

Venod Kumar Sharma
(Chairman)

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR 2001-2002

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31st MARCH, 2002.

1. CONSERVATION OF ENERGY

- a) As regards energy conservation your company is giving high priority to conservation of energy since very beginning, with the result the figures of steam consumption and power consumption per ton cane crushing per hour have been achieved quite appreciable. Some of the significant measures taken are :-

- 1) In order to increase profitability and minimize energy conservation installed, D.C. motors which are highly energy efficient in place of conventional steam turbine for driving the mills and boilers are maintained. High pressure boilers, double effect pre-evaporator system alongwith vapour lime juice heater and plate type heat exchangers were also maintained.
- 2) On Account of above measures and their efficient working the considerable saving of bagasse and energy saving have been achieved during the financial year.

- b) The data achieved with regards to conservation of energy is furnished below :-

The company has commenced crushing operation w.e.f. 15/12/2001 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

	2001-2002	2000-2001
A.1. ELECTRICITY		
a) Purchased		
Unit	KWH	KWH
Total Units	259010	209970
Total Amount (Rs.)	2556000	1677928
Rate per Unit (Rs.)	9.86	7.99
B. OWN GENERATION		
i) Through Diesel Generator		
Unit	KWH	KWH
Total Unit	502300	386680
Units per litre of Diesel oil	12.60	7.52
Cost per unit	2.51	2.17
ii) Through Steam Turbine/Generator		
Unit	KWH	KWH
Total Units	14822400	14368194
Units per Ton of fuel (Bagasse)	Steam	Steam
Cost per Unit (Rs.)	produced by use of own bagasse	produced by use of own bagasse
2. Coal/Furnance Oil	N.A.	N.A.
3. Other	N.A.	N.A.

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4.	Consumption of Per Unit of Production		
	Sugar (Qtls)	250195	327641
	Electricity (Units)	62	46
	Other (Specify)	Nil	Nil
B.	<u>Technology Absorption</u>		
	i) Research and Development		
	No research and development work has been carried out by the company therefore, there is no expenditure under this head.		
	ii) Technology Adaptation & Innovation		
	The company has not imported any technology for its plant. The company is using well proved indigenous technology for sugar.		
C.	Foreign Exchange Earning and outgo		
	Foreign Exchange earning	Nil	
	Foreign Exchange Outgo	Nil	

By Order of the Board
For Piccadilly Agro Industries Limited

Date : 31.07.2002
Place : Delhi

Venod Kumar Sharma
(Chairman)

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CORPORATE GOVERNANCE

Piccadily Agro Industries Limited net objective is to create shareholders value by consistently practicing good corporate governance, values of transparency, professionalism and accountability. Our corporate Governance policies recognize the accountability of the Board and the importance of its decisions to all our constituents including investors, bankers etc. The company's essential character and complexion are shaped by the very values of transparency, professionalism and accountability.

The non-executive directors on our Board are highly qualified and experienced individuals, who are active participants in the decision making process and provide strategic guidance and objective judgement to the company.

1. General Body Meeting

Location and time for last three Annual General Meetings :

Year	Meeting	Location	Date	Time
1999	AGM	Piccadily Agro Industries Limited Umir-Indri Road, Tehsil Indri Distt. Karnal, Haryana	Thursday 30/9/99	4.00 p.m.
2000	AGM	Piccadily Agro Industries Limited Umir-Indri Road, Tehsil Indri Distt. Karnal, Haryana	Wednesday 27/9/2000	11.30 a.m.
2001	AGM	Piccadily Agro Industries Limited Umir-Indri Road, Tehsil Indri Distt. Karnal, Haryana	Saturday 29/9/2001	9.00 a.m.

No postal ballot were used/invited for voting at these meetings in respect of special resolution passed in these meetings.

(B) **Book Closure Date** : 16th September 2002 to 30th September 2002.

(C) **Dividend Payment Date** : The company had not declared any dividend.

2. Means of Communication

The quarterly results are published in the Hindustan Times & Danik Bhaskar & Amar Ujala.

3. Board of Directors

The Board consists of Nine Directors. The Directors on our board are highly qualified and experienced individuals who are active participants in the decision making process and provide guidance and objective judgement to the company. The name of the director are following :

Name of Directors

- | | |
|-----------------------------|--------------------------------------|
| 1. Sh. Venod Kumar Sharma | 2. Sh. Sham Sunder Sharma |
| 3. Smt. Raj Rani | 4. Sh. Vinod Dada |
| 5. Sh. Siddhartha Vashishta | 6. Sh. Harvinder Chopra |
| 7. Sh. Kuldip Singh | 8. Sh. Y.K. Bhatia, Nominee Director |
| | 9. Sh. S.C. Jolly |

Attendance of each director at the Board meeting, last Annual General Meeting and number of other directorship of each Director in various companies.