

10th Annual Report 2003-2004

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**Piccadily
Agro Industries
Limited**

BOARD OF DIRECTORS

Sh. Siddhartha Vashishta, Managing Director
 Sh. Sham Sunder Sharma, Director
 Smt. Raj Rani, Director
 Sh. Vinod Dada, Director
 Sh. Harvinder Chopra, Executive Director
 Sh. Kuldeep Singh, Director
 Sh. Mahavir Singh, Nominee Director
 Sh. P. K. Saini, Wholetime 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,
 Srinivas puri, Okhla,
 New Delhi

AUDIT COMMITTEE

Sh. Vinod Dada
 Sh. Kuldeep Singh
 Sh. Siddhartha Vashishta
 Sh. P. K. Saini

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NOTICE

Notice is hereby given that the 10th Annual General Meeting of the share holders of the company will be held on Wednesday, i.e 29th September, 2004 at 4.00 P.M. at the Registered office of the company i.e Village Bhadson, 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 2004 and the Profit and loss account of the company for the year ended on that date and the Auditor's and Director's Report thereon.
2. To appoint a Director in place of Smt. Rajrani, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Sh. Siddhartha Vashishta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sh. Kuldeep Singh, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

By order of the Board
Piccadily Agro Industries Limited

Date : 31-07-2004

Place: Chandigarh

Niraj 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 Member and shares transfer Books of the company will remain closed from 16th September 2004 to 30th September 2004.
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.

DIRECTOR'S REPORT**Dear Share holders**

Your Directors have pleasure in presenting their 10th Annual Report together with Audited Accounts of the company for the year ended on 31st March, 2004.

FINANCIAL RESULTS

(Rs in Lacs)

Particulars	31/03/2004	31/03/2003
Sales & Other Income	6325.27	6174.91
Profit before Interest & Depreciation	878.83	522.55
Less: Interest	363.37	409.14
Depreciation	333.80	287.91
Net Profit/(loss)	181.66	(174.50)

Review of the operations & Indian Sugar Industry

The Mill Commenced Crushing operations for the season 2003-2004 on 9th December 2003 & closed on 27th April 2004. The comparative operational results for the last two seasons are as follows:

Particulars	Season 2003-2004	Season 2002-2003
Duration (Days)	141	177
Sugarcane Crushed (Qtls)	39,48,205	48,32,570
Recovery (Percent)	10.40	9.75
Sugar Produced (in bags)	4,14,572	4,72,387

The Sugar Production in the country increased rapidly in the last 5 consecutive years from 15.50 Million tones in 1998-99 to 20.1 Million tones in 2002-2003. Large surplus of sugar out put in this period caused excessive accumulation of stocks and price deterioration. A dramatically change in the sugar situation has taken place in the current year 2003-2004, when the cycle of rapid increase in production of sugar is broken. The projected production for the current year is around 14.00 Million tones. In the northern India the sugar production has declined by about 18.5% due to lower yield of cane and failure of rain in some parts. As a result the Mill has remained in operation for only 141 days and could crush only 39,48,205 quintals as against the crushing of 48,32,570 of last year. The company has earned a net profit of Rs 181.66 Lacs due to better price realizations and better recovery of Sugar.

Directors

Smt. Rajrani, Sh. Kuldip Singh and Sh. Siddhartha Vashishta Directors of the company retire by rotation and are eligible for the re-appointment.

Dividend

Due to accumulated losses, your Directors express their inability to recommend dividend for the year ended 31st March, 2004

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 recommends their reappointment as Statutory Auditors of the company for the year 2004-2005

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

Director's Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the director's give hereunder the Director's 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 judgments 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, 2004 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 fraud 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.

For Piccadily Agro Industries Limited

Dated : 31-7-2004
Place : Chandigarh

Raj Rani Harvinder Chopra
Director Executive Director

Annexure to the Directors Report for the year 2003-2004

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTOR'S) RULES 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2004

1. CONSERVATION OF ENERGY

- a) As regards energy conservation your company is giving high priority for 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 achieving 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 along with vapor line 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 9/12/2003 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

A ELECTRICITY	2003-2004	2002-2003
Purchased		
Unit	KWH	KWH
Total Units	Nil	Nil
Total Amount(Rs.)	Nil	Nil
Rate per unit(Rs.)	Nil	Nil

B. OWN GENERATION**i) Through Diesel Generator**

Unit	KWH	KWH
Total Unit	608981	5457768
Units per Litre of Diesel Oil	8.36	8.8
Cost Per Unit(Rs.)	3.38	2.13

PICCADILY Agro Industries Ltd.

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ii) Through steam Turbine/Generator

Unit		KWH
Total Units	1,55,01,336	16632000
Units per Ton of fuel(Bagasse)	Steam	Steam produced by
Cost per Unit(Rs.)		use of own bagasse
2. Coal/Furnance Oil		N.A
3. Other		N.A
4. Consumption of Per Unit of Production		
Sugar (Qtls)	5,09,000	440271
Electricity(Units)	32	57
Other(Specify)	Nil	Nil

B. Technology Absorptioni) 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 the sugar.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning	Nil
Foreign Exchange Outgo	Nil

For Piccadily Agro Industries Limited

Dated : 31-7-2004
Place : Chandigarh

Raj Rani
Director

Harvinder Chopra
Executive Director

CORPORATE GOVERNANCE

Piccadilly Agro Industries Limited's net objective is to create shareholders value by consistently practiced 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, employees 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 judgment to the company.

1. (A) General Body Meeting

Location and time for last 3 Annual General Meetings:

Year	Meeting	Location	Date	Time
2001	AGM	Piccadilly Agro Industries Limited Village :Bhadson, Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Saturday 29/9/2001	9.00 A.M
2002	AGM	Piccadilly Agro Industries Limited Village :Bhadson, Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Monday 30/09/2002	9.00 A.M.
2003	AGM	Piccadilly Agro Industries Limited Village :Bhadson, Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Tuesday 30/09/2003	11.00A.M.

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

(B) Book Closure Date

16th September to 30th September 2004.

(C) Dividend Payment Date

The company had not declared any dividend.

2. Means of Communication

The quarterly results are published in The Hindustan Times & Dainik Tribune.

3. Board of Directors

The Board consists of Eight 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 judgment to the company. The names of the director are following:-

Name of Directors	Nature
1. Sh. Sham Sunder Sharma	Promoter Director
2. Smt. Raj Rani	Promoter Director
3. Sh. Vinod Dada	Independent Director
4. Sh. Siddhartha Vashishta	Promoter Director
5. Sh. Harvinder Chopra	Independent Director
6. Sh. Kuldip Singh	Independent Director
7. Sh. Mahavir Singh	Nominee Director
8. Sh. P.K. Saini	Independent Director