

*12th Annual Report*  
*2005-2006*



**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. Kuldip Singh, Director  
 Sh. Mahavir Singh, Nominee Director

**AUDITORS**

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

**BANKER**

Punjab National Bank

**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

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## NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the share holders of the company will be held on, Saturday, 30th September, 2006 at 10.30 A.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 31<sup>st</sup> March 2006 and the Profit & 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. Kuldeep Singh who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sh. Siddhartha Vashishta and being eligible offers himself for re-appointment. who retires by rotation.
5. To appoint Auditors and fix their remuneration.

### As Special Business

6. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

"Resolved that in accordance with the provisions of sections 198, 269, 309 and read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, or any Statutory modification(s) or reanctment thereof, approval of the Company be and is hereby accorded to the reappointment of Sh. Siddhartha Vashishta as a Whole time Director designated as Managing Director of the company for a period of three years with effect from 29<sup>th</sup> June 2006 on a monthly remuneration of Rs. 50,000 (Rupees Fifty Thousand Only) as a basic salary and a House Rent Allowance of Rs. 10,000 (Rupees Ten Thousand Only) per month and other terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting, with a liberty to the Board of Directors ( hereinafter referred to as " the Board " which term shall include any committee of the Board constituted to exercise its powers ,including the powers conferred by this resolution by this resolution) to alter and vary the terms and conditions and/or remuneration, (Including increase in salary) subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reanctment thereof.

Further resolved that the Board be & is here by authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution"

Place: Chandigarh

Dated 31.07.2006

By order of the Board

Nikhlesh Verma

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 shares transfer books of the company will remain closed from 16<sup>th</sup> September 2006 to 30<sup>th</sup> September 2006.
3. Shareholders 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****Item no. 6**

Sh. Siddhartha Vashishta, aged 34 years, is a young and energetic entrepreneur. He is a Commerce Graduate and has been successfully looking after the affairs of the others companies namely, Piccadilly Hotels (P) Limited, Piccadilly Holiday Resorts Limited, Piccadilly Sugar & Allied industries Limited & Soon-N-Sure Holdings Ltd. The Board has appointed Shri Siddhartha Vashishta as Managing Director of the Company w.e.f. 29.6.2006 on a basic salary of Rs. 50000/- and Rs. 10000/- as House rent Allowance alongwith following terms & conditions:

The perquisite and allowances payable to the Managing Director shall include the House Maintenance Allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing & repair, medical reimbursement; leave travel concession, club fee, medical insurance and such other perquisite / allowances within the ceiling of Section 198 & 309 of the Companies Act 1956 read with Schedule XIII thereto.

None of the Directors except Sh. Siddhartha Vashishta are interested in the resolution

**DIRECTOR'S REPORT****Dear Shareholders**

Your Directors have the pleasure in presenting their 12<sup>th</sup> Annual report together with Audited Accounts of the company for the year ended 31<sup>st</sup> March 2006.

**FINANCIAL RESULTS****(Rs. in lacs)**

Particulars	31 <sup>st</sup> March, 2006	31 <sup>st</sup> March, 2005
Sales & other Income	4662.68	6913.36
Increase/(decrease) of Stock in trade	2122.59	(129.29)
Profit before Interest & Depreciation	841.15	845.64
Less : Interest	334.68	316.29
Depreciation	338.50	336.70
Profit before Tax	167.97	192.65

**Review of the operations & Indian Sugar Industry.**

The Mill commenced crushing operations for the season 2005-2006 on 18.11.2005 & closed on 20.4.2006. The comparative operational results for the last two seasons are as follows:-

Particulars	Season 2005-06	Season 2004-05
Duration (Days)	154	138
Sugarcane Crushed (Quintals)	39,36,324	32,30,276
Recovery (%)	9.40	9.71
Sugar produced (Bags)	3,70,280	3,15,808

During the year, the mill operated for 154 days and crushed 39,36,324 quintals of sugarcane. The mill achieved all the targets of crushing and earned a net profit of Rs.167.97 lacs. The Indian Sugar industry after making progressive increase in sugar production in the previous five years, i.e. from 1997-98 to 2002-03, the sugar output declined to 135 lac tones in 2003-04 and to 127 lac tonnes in 2004-05. Our country, which had witnessed of huge production shortfall two years ago is set to show a strong recovery in the current season. The domestic sugar production in the current season is estimated to cross 180 lac tonnes as against the previous season's production of 127 lac tones, i.e. an increase over 40 %.

India is going to account for more than 100% of the overall increase in global sugar production in the current year 2005-2006. While India's production is set to rise by about 4.5 million tones, global production is set to increase by 3.3 million tones.

**Directors**

Smt. Raj Rani, Sh. Siddhartha Vashishta & Shri Kuldeep Singh, Directors of the Company retire by rotation and are eligible for the reappointment.

**Dividend**

Due to paucity of funds, your directors express their inability to recommend dividend for the year ended 31<sup>st</sup> March 2006.

**Auditors**

M/s. Jain & Associates, Chartered Accountant, Chandigarh, the statutory Auditor of the Company, retiring at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their appointment as Statutory Auditors of the Company for the year 2006-07.

**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 Company's (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 the 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 Companies Act 1956, the Directors give hereunder the Directors Responsibility Statement on the accounts of the Company:

1. All the applicable accounting standards have been followed in the preparation of the accompanying account.
2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable & prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March 2006 and the Profit & 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 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 Account on going concern basis.

**Acknowledgement**

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the financial institutions, banks, suppliers, customers, farmers and all other concerned with the Company during the year under review.

For Piccadilly Agro Industries Limited

Place : Chandigarh,

Date : 31-7-2006

(Siddhartha Vashishta)

Managing Director

(Raj Rani)

Director.

**Annexure to the Directors Report for the year 2005-2006**

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 31<sup>st</sup> March 2006

**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 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 18.11.2005 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

	<b>ELECTRICITY</b>	<b>2005-06</b>	<b>2004-2005</b>
	Purchased		
	Unit	KWH	KWH
	Total Units	Nil	Nil
	Total Amount(Rs.)	Nil	Nil
	Rate per unit(Rs.)	Nil	Nil
<b>B.</b>	<b>OWN GENERATION</b>		
i)	<b>Through Diesel Generator</b>		
	Unit	KWH	KWH
	Total Unit	701893	726751
	Units per Litre of Diesel Oil	8.65	8.26
	Cost Per Unit(Rs.)	4.36	4.06
ii)	<b>Through steam Turbine/Generator</b>		
	Unit	KWH	KWH
	Total Units	10321644	10,429,280
	Units per Ton of fuel (Bagasse)	Steam produced by	Steam produced by
	Cost per Unit (Rs.)	use of own bagasse	use of own bagasse
2.	Coal/Furnace Oil	NA	NA
3.	Other	NA	NA
4.	Consumption of Per Unit of Production		
	Sugar (Qtls)	336070	338,000
	Electricity(Units)	32.8	33
	Other(Specify)	Nil	Nil

**B. Technology Absorption****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 the manufacture of sugar.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Foreign Exchange Earning Nil

Foreign Exchange Outgo Nil

For Piccadily Agro Industries Limited

Place :Chandigarh

Dated : 31-7-2006

Managing Director

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:

<b>Year</b>	<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2003	AGM	Piccadilly Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Tuesday 30/09/2003	11.00 A.M.
2004	AGM	Piccadilly Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Kamal, Haryana	Wednesday 29/09/2004	4.00 P.M.
2005	AGM	Piccadilly Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Kamal, Haryana	Friday 30/09/2005	10.30 A.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**

16<sup>th</sup> September to 30<sup>th</sup> September 2006.

### **(C) Dividend Payment Date**

The company had not declared any dividend.

### **2. Means of Communication**

The quarterly results are published in The Hindustan Times, Indian Express, Danik Tribune & Hari Bhoomi.

### **3. Board of Directors**

The Board consists of Seven 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 name of the Directors are following:-

<b>Name of Directors</b>	<b>Status</b>
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