

# ***13th Annual Report 2006-07***



**Piccadily Agro Industries Limited**

**BOARD OF DIRECTORS**

Smt. Raj Rani, Director  
 Sh. Vinod Dada, Director  
 Sh. Kartikeya Sharma, Director  
 Sh. Harvinder Chopra, Executive 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. Kartikeya Sharma  
 Smt. Raj Rani

CONTENTS	PAGE NO.
Notice .....	1
Director's Report .....	2-4
Corporate Governance .....	5-9
Auditor's Report .....	10-11
Balance Sheet .....	12
Profit & Loss Account .....	13
Schedule to Accounts .....	14-19
Notes to Accounts .....	20-22
Balance Sheet Abstract & General Business Profile .....	23
Cash Flow .....	24

## NOTICE

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the share holders of the company will be held on, Saturday, 29<sup>th</sup> September, 2007 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 2007 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. Vinod Dada who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### As Special Business

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

"Resolved that Sh. Kartikeya Sharma who was appointed as Additional Director u/s 260 of the Companies Act, 1956 and who holds office, upto 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  
Sd/-

Nikhlesh Verma  
Company Secretary

Place: Delhi

Dated 31.07.2007

### 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 2007 to 30<sup>th</sup> September 2007.
3. Shareholders are requested to advise the company immediately of any change 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. Kartikeya Sharma, aged 26 years, is a young and energetic entrepreneur. He has been successfully looking after the affairs of Piccadilly Hotels (P) Limited as Managing Director and various other companies. The Board has appointed Sh. Kartikeya Sharma as Additional Director of the Company w.e.f. 30.10.2006. The appointment of Sh. Kartikeya Sharma will be beneficial and in the interest of the company

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

Your Directors have the pleasure in presenting their 13<sup>th</sup> Annual report together with Audited Accounts of the company for the year ended 31<sup>st</sup> March 2007.

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

Particulars	31 <sup>st</sup> March, 2007	31 <sup>st</sup> March, 2006
Total Income	7257.84	4337.39
Increase/(decrease) of Stock in trade	(672.27)	(2122.60)
Profit before Interest & Depreciation	679.41	841.15
Less : Interest	284.26	334.68
Depreciation	342.82	338.50
Profit before Tax	52.33	167.97
Provision for Tax	3.14	2.23
Deferred Tax	19.57	14.22
Net Profit	29.62	179.86

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

The Mill commenced crushing operations for the season 2006-2007 on 27.11.2006 & closed on 10.05.2007. The comparative operational results for the last two seasons are as follows:-

Particulars	Season 2006-07	Season 2005-06
Duration (Days)	164	154
Sugarcane Crushed (Quintals)	53,61,895	39,36,324
Recovery (%)	9.74	9.40
Sugar produced (Bags)	5,21,632	369,680

During the season, the mill operated for 164 days and crushed 53, 61,895 quintals of sugarcane. The mill achieved all the targets of crushing and earned a net profit of Rs.29.62 lacs as against the profit of 179.86 Lacs of the previous year. India is the largest producer of sugar in the world. Sugar output this year is expected about 27.5 million tonnes against 19.3 million tonnes last year i.e. an increase of 82 lakh tonnes in one single year.

The Pressure of higher production and stocks has led to a steep fall in prices of sugar by over 25%.

Currently, the Indian sugar industry pays the highest cane price in the world while realising the lowest sugar price.

**Ethanol Project**

During the year, your company has submitted a detailed Loan Application to the Punjab National Bank & Sugar development Fund for setting up Plant for the production of ethanol from molasses at Village Bhadson, Tehsil-Indri, Distt. Karnal, Haryana at a total Cost of Rs. 2017 Lacs. Punjab National Bank & Sugar development Fund has already sanctioned Term Loans of Rs.1009 lacs & Rs 722.88 lacs. respectively and Punjab National Bank has already started the disbursement of loan.

**PICCADILY Agro Industries Ltd.****piccadily****Directors**

During the year Sh. Sham Sunder Sharma, Sh. Siddhartha Vashishta, Sh. Mahavir Singh, Shri J.S. Cheema and Sh. Kuldeep Singh have resigned from the Board of directors of the company

Smt. Raj Rani, Shri Vinod Dada, Directors of the Company retire by rotation & are eligible for the reappointment.

**Dividend**

Due to inadequacy of profits, your directors express their inability to recommend dividend for the year ended 31<sup>st</sup> March 2007.

**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 2007-08.

**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 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 31<sup>st</sup> March 2007 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 Piccadily Agro Industries Limited

Sd/-

Sd/-

Place : Delhi

(Raj Rani)

(Harvinder Chopra)

Date : 31-7-2007

Director

Executive Director

**Annexure to the Directors Report for the year 2006-2007**

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 2007

**A. CONSERVATION OF ENERGY**

- 1) 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:-
- In order to increase profitability and minimize energy consumption installed D.C motors which are highly energy efficient in place of conventional motors 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.
  - On Account of above measures and their efficient working the considerable saving of bagasse and energy saving have been achieved during the financial year.
- 2) The data achieved with regards to conservation of energy is furnished below:-  
The company has commenced crushing operation w.e.f 27.11.2006 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>2006-07</b>	<b>2005-06</b>
	Purchased		
	Unit	KWH	KWH
	Total Units	Nil	Nil
	Total Amount(Rs.)	Nil	Nil
	Rate per unit(Rs.)	Nil	Nil
	<b>B. OWN GENERATION</b>		
i)	<b>Through Diesel Generator</b>		
	Unit	KWH	KWH
	Total Unit	846402	726,751
	Units per Litre of Diesel Oil	8.2	8.26
	Cost Per Unit(Rs.)	5.8	4.06
ii)	<b>Through steam Turbine/Generator</b>		
	Unit	KWH	KWH
	Total Units	13339231	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	N.A	N.A
3.	Other	N.A	N.A
4.	Consumption of Per Unit of Production		
	Sugar (Qtls)	438070	338,000
	Electricity(Units)	30.44	33.00
	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

Sd/-

Sd/-

Place : Delhi

(Raj Rani)

(Harvinder Chopra)

Date : 31-7-2007

Director

Executive Director

## CORPORATE GOVERNANCE

Piccadilly Agro Industries Limited's, net objective is to create shareholders value by consistently practising 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
2004	AGM	Piccadilly Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Wednesday 29/09/2004	4.00 P.M.
2005	AGM	Piccadilly Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Friday 30/09/2005	10.30 A.M.
2006	AGM	Piccadilly Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana	Saturday 30/09/2006	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 2007.

### (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 Four 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:-

Name of Directors	Status
1. Smt. Raj Rani	Promoter Director
2. Sh. Vinod Dada	Independent Director
3. Sh. Kartikeya Sharma	Promoter Director
4. Sh. Harvinder Chopra	Independent Director



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PICCADILY Agro Industries Ltd.

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

Name of Directors	Attendances Particular		No. of other Directorship	Members of Committee
	Board Meeting	Last AGM		
Sh. Siddhartha Vashishta*	2	Yes	4	1
Smt. Raj Rani	8	Yes	1	4
Sh. Vinod Dada	8	Yes	-	1
Sh. Harvinder Chopra	8	Yes	4	1
Sh. Kuldip Singh*	0	No	-	1
Sh. Mahavir Singh*	0	No	-	1
Sh. J.S. Cheema*	0	No	1	2
Sh. Sham Sunder Sharma*	1	No	5	1
Sh. Kartikeya Sharma	6	No	9	4

\*Already resigned)

During the period starting from July 2006 to July 2007, Eight Board Meetings were held on 31<sup>st</sup> July 2006, 30<sup>th</sup> October 2006, 10<sup>th</sup> January, 2007, 13<sup>th</sup> January 2007, 31<sup>st</sup> January 2007, 22<sup>nd</sup> March 2007, 2<sup>nd</sup> May 2007 & 30<sup>th</sup> June 2007

#### 4. Audit Committee

The Board of the company has constituted an Audit Committee of Three Directors, Sh. Kartikeya Sharma, Sh. Vinod Dada & Smt. Raj Rani. The constitution of Audit Committee meets with the requirements of Section 292 A of the Companies Act, 1956.

#### Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee are following :-

- The members of the Audit Committee shall elect the Chairman from amongst themselves.
- The Annual report of the company shall disclose the composition of the Audit Committee.
- Every Audit Committee shall act in accordance with terms of reference to be specified in writing by the Board.
- The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of Audit including the observations of the Auditors and review the half yearly and annual financial statement before submission to the Board and also ensure compliance of internal control systems.
- The Audit Committee should have authority to investigate into any matter in relation to the items specified in section 292 A of the Companies Act 1956 or referred to it by the Board and for this purpose, shall have full access to the information contained in the records of the company and external professional advice, if necessary.
- The Chairman of the Audit Committee shall attend the Annual General meeting of the company to provide any clarification on matters relating to audit.
- To seek information from any employee.
- To investigate any activity within its terms of reference.
- To obtain outside legal or professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Discussion with the internal auditors any significant findings and follow up thereon.
- The Chairman of the Audit Committee shall attend the Annual General Meeting of the company to provide any clarification on matters relating to audit sought by the members of the company.

During the year the Audit Committee meeting was held on the following dates i.e. 28/06/2006, 28/10/2006, 30/01/2007 & 29/06/2007.