

6th Annual Report

1998-99



Piccadily

Sugar & Allied Industries Limited

BOARD OF DIRECTORS

Sh. Sham Sunder Sharma, Executive Director
 Smt. Raj Rani, Director
 Sh. Harvinder Chopra, Director (Finance)
 Sh. Ashok Kumar Sharma, Nominee Director (PSIDC)
 Sh. H.P.S. Mann, Director (Cane Development)

AUDITORS

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

BANKERS

Oriental Bank of Commerce
 State Bank of Patiala

REGISTERED OFFICE & FACTORY

Jakhal Road, Village & Tehsil Patran
 Distt. Patiala, Punjab

CORPORATE OFFICE

275, Capt. Gaur Marg,
 Okhla, New Delhi

SHARES DEPARTMENT

Piccadily Cinema,
 Sector 34, Chandigarh

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NOTICE

Notice is hereby given that 6th Annual General Meeting of the Share Holders of the Company will be held on Thursday i.e. 30th Sept., 1999 at 10.00 A.M. at the Registered Office of the company i.e. Jakhal Road, Village & Tehsil Patran, Distt. Patiala, Punjab 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. Harvinder Chopra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. H.P.S. Mann, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 at a remuneration to be decided by the Board of Directors".

As Special Business

5. To consider and if thought fit, to pass the following resolution with or without modification(s) as a special resolution :

"Resolved that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act 1956, the Company hereby consents for the appointment of M/s Harvinder & Associates Chartered Accountants, a firm in which Sh. Harvinder Chopra, Director (Finance) of the Company, is a partner to hold office under the Company as Internal Auditors and advisers on Accounts, Finance and other matters upon the following terms and conditions w.e.f. 1st day of February, 1999.

1. The said firm shall attend to such matter as may be assigned to it by the Company from time to time.
2. The company shall pay to the said firm the remuneration not exceeding Rs. 15000/- per mensem exclusive of all out of pocket expenses.
3. The arrangement shall be in force for a period of 3 years subject to termination by either party by one month notice in writing to the other.

Resolved further that the Board of Directors be and are hereby authorised to accept on behalf of the Company any revision, modification or variation in the terms and conditions (including the enhancement of remuneration) of the appointment resolved hereinabove."

By Order of the Board of Directors
For Piccadily Sugar and Allied Industries Ltd.

Date : 31/07/99
Place : Chandigarh

Sham Sunder Sharma
(Executive Director)

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 Sept. to 30th Sept., 1999.
3. Share Holders 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 under section 173(2) of the Companies Act 1956

M/s Harvinder & Associates are Chartered Accountants to conduct Internal Audit and to provide consultancy on Finance & Accounts. The resolution will enable the Company to engage the services of the said firm. The proposed special resolution is intended to obtain the approval of the company u/s 314 of the Companies Act 1956, in respect of the said firm to hold office of profit under the Company.

None of the Directors except Sh. Harvinder Chopra is interested in this resolution.

The Directors commend the Special Resolution for your approval.

By Order of the Board of Directors
For Piccadily Sugar and Allied Industries Ltd.

Date : 31/07/99
Place : Chandigarh

Sham Sunder Sharma
(Executive Director)

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DIRECTOR'S REPORT**Dear Shareholders**

Your Directors have pleasure in presenting their 6th 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	3037.54	4887.46
Profit/Loss before Interest, Depreciation & Taxation	(+) 583.71	(+) 685.75
Less :		
Interest	582.55	759.07
Depreciation	164.54	146.37
Provision for Taxation	-	0.84
Net Loss	(-) 163.38	(-) 220.53

Review of Operations

During the crushing season 1998-99 which commenced from 20/11/98 and closed on 10/02/99, the mill crushed 20,14,475 quintals of sugarcane and produced 1,71,634 bags of sugar at an average recovery of 8.52%. This year the mill witnessed floods, late rains, fog and bad weather which had an adverse impact both on the availability of Sugar cane & recovery. Most of the sugar mills in the vicinity of your mill either could not start the crushing operations or could not crush the Sugar Cane upto their crushing Capacity.

The Northern States have recorded lower production owing to negative impact of weather conditions, whereas Maharashtra & Southern States have recorded an increase in production.

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 in 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.

Outlook of Future

Your Company expects that reverse cycle regarding decline in produce of Sugar Cane and adverse climatic conditions will cease in the crushing season 1999-2000, thereby leading to improvement in terms of recovery & supply of Sugar Cane. Moreover Massive Cane Development Programme will also ensure the timely crushing & sufficient supply of Sugarcane.

Directors

During the year Dr. P.N. Vashishta & Sh. Venod Kumar Sharma have resigned as Directors of the Company & the Board has recorded with appreciation for valuable services rendered by Dr. P.N. Vashishta & Sh. Venod Kumar Sharma during their tenure as directors of the Company.

Dr. Inderjeet Singh passed away during the year. The Board places on record its profound sorrow at the demise of Dr. Inderjeet Singh & appreciates the valuable contributions made by him.

Sh. H.P.S. Mann & Sh. Harvinder Chopra, Directors of the Company retire(s) by rotation and are eligible for the re-appointment.

Sh. H.P.S. Mann & Sh. Harvinder Chopra, Directors have offered themselves for reappointment.

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

Annual Fees to Stock Exchanges

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(i) (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 cooperation received from the Financial Institutions, Banks, Suppliers, Customers and all other concerned with the company during the year under review.

for Piccadilly Sugar and Allied Industries Ltd.

Dated : 31/07/99
Place : Chandigarh

Sham Sunder Sharma
(Executive Director)

Raj Rani
(Director)