

# **10th Annual Report 2002-2003**

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## **Piccadily Sugar & Allied Industries Ltd.**

**BOARD OF DIRECTORS**

Sh. Sham Sunder Sharma, Executive Director  
 Sh. Siddhartha Vashishta, Director  
 Sh. R. S. Randhawa, 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

**AUDIT COMMITTEE**

1. Sh. Sham Sunder Sharma
2. Sh. R. S. Randhawa
3. Sh. H. P. S. Mann
4. Sh. Siddhartha Vashishta

**REGISTERED OFFICE & FACTORY**

Jakhal Road, Patran,  
 Distt. Patiala, Punjab

**CORPORATE OFFICE**

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

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**NOTICE**

Notice is hereby given that the 10<sup>th</sup> Annual General Meeting of the share holders of the company will be held on Tuesday i.e 30<sup>th</sup> Sept., 2003 at 4-00 P.M. at the Registered office of the company i.e Jakhal Road, Patran, Distt Patiala, Punjab to transact the following business:-

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2003 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 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 & being eligible offers himself for re-appointment.
4. To appoint Auditor's and fix their remuneration.

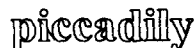
**Special Business**

5. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:  
"Resolved that Sh. Siddhartha Vashishta who was appointed as an 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."
6. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution:  
"Resolved that Subject to the provisions of the Companies Act 1956, Securities Contracts (Regulation) Act 1956 and the rules framed there under and in terms of the SEBI (Delisting of Securities) Guidelines 2003, the individual listing agreements with the Stock Exchanges listed below, and all other applicable laws, rules regulations and Guidelines as may be applicable and modifications if any made to the above from time to time and subject to such approvals as may be necessary, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to delist the Equity Shares from the following Stock exchanges:
  - i. The Ludhiana Stock Exchange Association Ltd.
  - ii. Delhi Stock Exchange Association Ltd.
  - iii. Jaipur Stock Exchange Ltd.
  - iv. Madras Stock Exchange Ltd.
  - v. The Stock Exchange, Ahmedabad
 Further resolved that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds & things as may be necessary for the purpose to settle any questions, difficulties or doubts that may arise in this regard or accept to any term and condition of any Stock Exchange, to authorize any person to represent the company or to do any other act which may be deemed necessary for de-listing of shares from the above said Stock Exchanges."
7. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution :  
"Resolved that pursuant to the provisions of section 314 of Companies Act, 1956 & other applicable provisions, if any, the company hereby consents for the appointment of M/s Harvinder & Associates, Chartered Accountants with effect from 30.06.2003, 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 advisors on accounts, finance and other matters upon the following terms and conditions :
  - 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/- (Rupees Fifteen Thousand Only) per month 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.
 Further resolved that Board of Director be and is hereby authorized to accept on behalf of the company any revision, modification for variation in terms & conditions (including the enhancement of remuneration) of the appointment resolved hereinabove".

By order of the Board  
Piccadilly Sugar & Allied Industries Limited

Date : 3-9-2003  
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 Members and shares transfer Books of the company will remain closed from 16th September 2003 to 30th September 2003.
3. 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.
4. Members are requested to bring at the meeting their copies of the Annual Report.
5. 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. 5 :** Brief profile of Sh. Siddhartha Vashishta

Sh. Siddhartha Vashishta is a young and energetic entrepreneur. He is a commerce graduate and has been successfully looking after the affairs of the following companies as Director :

1. Piccadilly Hotels Private Ltd.
2. Piccadilly Holiday Resorts Ltd.
3. Piccadilly Sugar & Allied Industries Ltd.
4. Soon-N-Sure Holdings Ltd.

His appointment as Director of the Company will be beneficial and in the interest of the Company.

None of the directors except Sh. Siddhartha Vashishta is interested in the resolution.

The Directors recommend the resolution for your approval.

**ITEM NO. 6 :** Recently the Securities and Exchange Board of India issued (De-listing of Securities) Guidelines – 2003. According to these guidelines the company can de-list shares by passing a special resolution in its general meeting. Since from the last few years trading in equity shares of the company on The Ludhiana Stock Exchange Association Ltd., The Delhi Stock Exchange Ltd., The Jaipur Stock Exchange Ltd., The Madras Stock Exchange Ltd. & The Stock Exchange, Ahmedabad is rare and negligible and is disproportionate to the listing fees paid by the company to said exchanges. The company has been spending considerable amount of money on listing fees and compliance of other conditions of listing agreements. Further the shares continue to be listed at the Stock Exchange, Mumbai (BSE), which is having nationwide terminals and is fulfilling the requirements. Hence investors/members interest is not effected in anyway.

Consent of the members is required in pursuant to clause 5.2 of the Sebi (De-listing of Securities) guidelines – 2003. & other applicable provisions and guidelines.

None of the directors is interested in the resolution.

The Directors recommend the special resolution for your approval.

**ITEM NO. 7 :** M/s Harvinder & Associates are Chartered Accountants to conduct Internal Audit and to conduct internal audit and provide consultancy on Finance and Accounts. This 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 in the company.

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

The Directors recommend the special resolution for your approval.

**DIRECTOR'S REPORT****Dear Share Holders,**

Your Directors have pleasure in presenting their 10<sup>th</sup> Annual Report together with Audited Accounts of the company for the year ended on 31<sup>st</sup> March 2003.

**Financial Results**

(Rs. in lacs)

Particulars	31/03/2003	31/03/2002
Sales & Other Income	2263.10	4057.15
Profit before Interest and depreciation :	206.97	248.56
Less : Interest	14.27	571.45
Depreciation	164.59	164.79
Net Profit/( Loss)	28.11	(487.68)

**Review of Operations & Indian Sugar Industry**

The mill commenced crushing operation for the season 2002-2003 on 8/12/2002 and closed on 23/04/2003.

The comparative operational results for the last two seasons are as follows:-

Particulars	Season 2002-2003	Season 2001-2002
Duration(Days)	137	102
Sugar Cane Crushed (in Quintals)	2070223	1845049
Recovery(percent)	9.01	9.00
Sugar produced(in Bags)	186674	166264

The Sugar Production in the country from the last 6 consecutive years have increased progressively from 128.5 Lac tones in 1997-98 to 195.00 Lac tones in 2002-2003. Such large increase in the production of sugar only gave to accentuate the dis-equilibrium between supply & demand for Sugar in the domestic market thereby putting the sugar sector under great pressure. The prices of Sugar in domestic market have steeply declined by Rs 2500/- to Rs 3000/-per tone in the last 2 years severely effecting the profitability of sugar mills across the country. However your company has earned a net profit of Rs. 28.11 lacs as the interest due to the Banks on secured loans has not been provided due to non-reconciliation of accounts with the banks.

**Rehabilitation Scheme**

The Company has been declared as sick industrial company within the meaning of Clause 'O' of sub Section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. vide order No. 181/2001 dated 03.10.2002 and the company has already submitted the draft Rehabilitation proposal with Board for Industrial and Financial Reconstruction, New Delhi.

**Directors**

Sh. Harvinder Chopra and Sh. H.P.S. Mann, Directors 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.

**Particulars of Employees u/s 217(2A) of Companies Act, 1956**

No Employee/Director of the company has drawn salary in excess of limits provided under section 217(2A) of Companies Act, 1956. Hence particulars of employees as required under section 217(2A) of the Companies Act, 1956 have not been given.

**Auditors and Audit Report**

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 2003-2004.

The Provident fund dues could not be deposited in time due to off season period and now the same have been deposited and there is no other qualification in the Auditor's Report.

**Corporate Governance**

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

**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 Directors 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, 2003 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.
4. The directors have prepared the Annual Accounts on going concern basis.

**Acknowledgement**

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 Piccadilly Sugar & Allied Industries Limited**

Dated : 3-9-2003  
Place : Chandigarh

Sham Sunder Sharma  
Executive Director

R. S. Randhawa  
Director

**Annexure to the Director's Report for the year 2002-2003**

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 DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

**A. 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, D.C motors have been installed 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 vapour 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 08/12/2002 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

1. ELECTRICITY	2002-2003	2001-2002
(a) PURCHASED		
Unit	KWH	KWH
Total Units	406605	413725
Total Amount(Rs.)	1944661	1697626
Rate per unit(Rs.)	4.78	4.10
(b.) OWN GENERATION		
i) Through Diesel Generator		
Unit	KWH	KWH
Total Unit	7593	1912
Units per Litre of Diesel Oil	2.28	2.39
Cost Per Unit(Rs.)	7.79	7.32
ii) Through steam Turbine/Generator		
Unit	KWH	KWH
Total Units	10853800	11531560
Units per Ton of fuel(Bagasse)	Steam produced by use of own bagasse	Steam produced by use of own bagasse
Cost per Unit(Rs.)	N.A.	N.A.
2. Coal/Furnance Oil	N.A.	N.A.
3. Other	N.A.	N.A.
4. Consumption of Per Unit of Production		
Sugar (Qtls)	1,92,000	1,46,000
Electricity(Units)	59	82
Other(Specify)	Nil	Nil

**B. Technology Absorption****a) Research and Development**

No research and development work has been carried out by the company, therefore, there is no expenditure under this head.

**b) Technology Adaptation & Innovation.**

The company has not imported any technology for its plant. The company is using well proved indigenous technology for manufacture of sugar.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Foreign Exchange earning  
Foreign Exchange Outgo

Nil  
Nil

**For Piccadily Sugar & Allied Industries Limited**

Dated : 3-9-2003

Place : Chandigarh

Sham Sunder Sharma  
Executive Director  
(5)

R. S. Randhawa  
Director



## CORPORATE GOVERNANCE

Piccadilly Sugar & Allied 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, 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. General Body Meeting

#### A) Location and time for last 3 Annual General Meetings:

Year	Meeting	Location	Date	Time
2000	AGM	Piccadilly Sugar & Allied Industries Limited Jakhai Road, Patran, Distt Patiala, Punjab	Saturday 31/03/2001	11.30 A.M
2001	AGM	Piccadilly Sugar & Allied Industries Limited Jakhai Road, Patran, Distt Patiala, Punjab	Friday 28/09/2001	9.00 A.M
2002	AGM	Piccadilly Sugar & Allied Industries Limited Jakhai Road, Patran, Distt Patiala, Punjab	Monday 30/09/2002	4.00 P.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 :** 16<sup>th</sup> September 2003 to 30<sup>th</sup> September 2003.

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

### 2. Means of Communication

The quarterly results are published in The Hindustan Times, Indian Express & Punjabi Tribune.

### 3. Board of Directors

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

Name of Directors	Nature
1. Sh. Sham Sunder Sharma	Promoter
2. Sh. Siddhartha Vashishta	Promoter
3. Sh. Harvinder Chopra	Independent
4. Sh. H.P.S Mann	Independent
5. Sh. Ashok Kumar Sharma	Independent
6. Sh. R.S Randhawa	Independent

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	Attendance Particulars		No. of other Directorship	Members of Committee
	Board Meeting	Last AGM		
Sh. Sham Sunder Sharma	6	Y	5	3
Smt. Raj Rani (Resigned on 29.7.2002)	2	Y	2	-
Sh. Harvinder Chopra	6	Y	3	1
Sh. H.P.S Mann	-	N	1	1
Sh. Ashok Kumar Sharma	1	N	-	-
Sh. R.S Randhawa	6	Y	7	3
Sh. Siddhartha Vashishta	3	Y	4	1

Six Board Meetings were held on 29<sup>th</sup> April, 2002, 29<sup>th</sup> June 2002, 31<sup>st</sup> July, 2002, 28<sup>th</sup> October, 2002, 13<sup>th</sup> December, 2002 & 28<sup>th</sup> January, 2003.