

# **11th**

# **Annual Report**

# **2003-2004**



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

piccadilly

PICCADILY Sugar and Allied Industries Ltd.

**BOARD OF DIRECTORS**

Sh. Sham Sunder Sharma, Executive Director  
 Sh. Siddhartha Vashishta, Director  
 Sh. J. S. Cheema, Wholetime 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. J. S. Cheema
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

CONTENTS	PAGE NO.
Notice .....	1
Director's Report .....	2-5
Corporate Governance .....	6-9
Auditor's Report .....	10-12
Balance Sheet .....	13
Profit & Loss Account .....	14
Schedule to Accounts .....	15-19
Notes to Accounts .....	20-22
Balance Sheet Abstract & General Business Profile .....	23
Cash Flow .....	24

**PICCADILY Sugar and Allied Industries Ltd.****piccadily****NOTICE**

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting of the share holders of the company will be held on Wednesday i.e 29th September, 2004 at 10.00 A.M at the Registered office of the company i.e Jakhal Road, Patran, Distt. Patiala, Punjab 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 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 Sh Sham Sunder Sharma, who retires by rotation and being eligible offers himself 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 Auditors and fix their remuneration.

By order of the Board

Piccadily Sugar &amp; Allied Industries Limited

Date : 30/06/2004

Place: New Delhi

Rajnish Attri

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 11<sup>th</sup> Annual Report together with Audited Accounts of the company for the year ended on 31<sup>st</sup> March, 2004.

**FINANCIAL RESULTS**

Particulars	(Rs in Lacs)	
	31/03/2004	31/03/2003
Sales & Other Income	1,974.75	2,263.10
Profit before Interest & Depreciation	371.98	206.97
Less: Interest	140.50	14.27
Depreciation	164.33	164.59
Net Profit	67.15	28.11

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

The Mill Commenced Crushing operations for the season 2003-2004 on 10<sup>th</sup> December 2003 & closed on 29<sup>th</sup> February 2004. The comparative operational results for the last two seasons are as follows:

Particulars	Season 2003-2004	Season 2002-2003
Duration (Days)	82	137
Sugarcane Crushed (Qtls)	9,59,818	2,070,223
Recovery (Percent)	9.20	9.01
Sugar Produced (in bags)	89,421	1,86,674

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 dramatic 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. Due to paucity of cane in the current year the mill could run only for 82 days and crushed 9,59,818 quintals. However your company has earned a net profit of Rs 67.15 lacs due to cumulative effect of waiver of interest by Oriental Bank of Commerce amounting to Rs. 377.19 Lacs which has been credited to P&L Account.

**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 accordingly the draft Rehabilitation proposal was submitted to the Board for Industrial and Financial Reconstruction. Your company has made a settlement of account with Oriental Bank of Commerce to pay the amount in a scheduled time frame and accordingly interest amounting of Rs. 377.19 lacs has been waived and credited to P&L Account.

**PICCADILY Sugar and Allied Industries Ltd.**

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**Directors**

Sh. Sham Sunder Sharma and Sh. Siddhartha Vashishta Directors of the company retire 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

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

The Provident fund dues amounting to Rs. 2.28 lacs, Sales Tax amounting to Rs. 41.70 lacs could not be deposited due to paucity of funds and cess of Rs. 64.64 lacs could not be deposited as the same is included in proposal submitted to Hon'ble BIFR.

The repayment of dues of State Bank of Patiala could not be made as the rehabilitation scheme has already been submitted to Bank.

**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) Rules, 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, 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.

**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 Piccadily Sugar and Allied Industries Limited

Dated : 30-6-2004

Place : New Delhi

Sham Sunder Sharma

Executive Director

(3)

J. S. Chosma

Whole time Director

**Annexure to the Director's 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 31<sup>ST</sup> 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 10/12/2003 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

<b>A ELECTRICITY</b>	<b>2003-2004</b>	<b>2002-2003</b>
<b>(a) PURCHASED</b>		
Unit	<b>KWH</b>	<b>KWH</b>
Total Units	<b>405254</b>	406605
Total Amount(Rs.)	<b>1943572</b>	1,944,661
Rate per unit(Rs.)	<b>4.78</b>	4.78 *
<b>B. OWN GENERATION</b>		
i) Through Diesel Generator		
Unit	<b>KWH</b>	<b>KWH</b>
Total Unit	<b>6125</b>	7593
Units per Litre of Diesel Oil	<b>2.35</b>	2.28
Cost Per Unit(Rs.)	<b>8.32</b>	7.79
ii) Through stream Turbine/Generator		
Unit	<b>KWH</b>	<b>KWH</b>
Total Units	<b>6846399</b>	10853800
Units per Ton of fuel(Bagasse)	<b>Steam produced by</b>	Steam produced by
Cost per Unit(Rs.)	<b>use of own bagasse</b>	use of own bagasse

**PICCADILY Sugar and Allied Industries Ltd.****piccadily**

<b>2. Coal/Furnance Oil</b>	<b>N.A.</b>	<b>N.A.</b>
<b>3. Other</b>	<b>N.A.</b>	<b>N.A.</b>
<b>4. Consumption of Per Unit of Production</b>		
Sugar (Qtls)	<b>105000</b>	<b>192000</b>
Electricity(Units)	<b>69</b>	<b>59</b>
Other(Specify)		

**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 manufacturer of sugar.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Foreign Exchange earning	<b>Nil</b>
Foreign Exchange Outgo	<b>Nil</b>

**For Piccadily Sugar and Allied Industries Limited**

Dated : 30-6-2004

Place : New Delhi

Sham Sunder Sharma

ExecutiveDirector

J. S. Cheema

WholetimeDirector

## 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, 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. General Body Meeting

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

Year	Meeting	Location	Date	Time
2001	AGM	Piccadilly Sugar & Allied Industries Ltd Jakhal Road, Patran, Distt. Patiala (Pb)	28/9/2001 Friday	9.00 A.M
2002	AGM	Piccadilly Sugar & Allied Industries Ltd Jakhal Road, Patran, Distt. Patiala (Pb)	30/09/2002 Monday	4.00P.M
2003	AGM	Piccadilly Sugar & Allied Industries Ltd Jakhal Road, Patran, Distt. Patiala (Pb)	30/09/2003 Tuesday	4.00P.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 to 30<sup>th</sup> 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 & 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 provide guidance and objective judgment to the company. The name of the director are following:-

Name of Directors	Nature
1. Sh. Sham Sunder Sharma	Promoter Director
2. Sh. Siddhartha Vashishta	Promoter Director
3. Sh. Harvinder Chopra	Independent Director
4. Sh. J.S. Cheema	Independent Director
5. Sh. Ashok Sharma	Nominee Director
6. Sh.H.P.S.Mann	Independent Director

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 Board Meeting	Particular Last AGM	No. of other Directorship	Members of Committee
Sh. Sham Sunder Sharma	7	Y	5	3
Sh. Harvinder Chopra	7	Y	3	2
Sh. Siddhartha Vashishta	4	Y	4	1
Sh. J.S. Cheema	1	N	-	3
Joined on 30 <sup>th</sup> Oct.2003				
Sh. HPS Mann	-	-	-	1
Sh R S Randhawa	4	Y	-	3
Resigned on 4 <sup>th</sup> Oct. 2003				
Sh Ashok Sharma	-	-	-	-