

18TH ANNUAL REPORT

2011-2012

Piccadily Agro Industries Ltd.

BOARD OF DIRECTORS

Sh Kartikeya Sharma, Director
 Sh. Vinod Dada, Director
 Sh. Harvinder Chopra, Managing Director
 Sh. Jai Parkash Kaushik, Wholetime Director
 Sh. Akhil Dada, Director

AUDITORS

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

AUDIT COMMITTEE

1. Sh. Harvinder Chopra, Managing Director
2. Sh. Vinod Dada, Director
3. Sh. Jai Parkash Kaushik, Wholetime Director

REGISTERED OFFICE & FACTORIES

Village Bhadson, Umri-Indri Road,
 Tehsil Indri, Distt. Karnal, Haryana

CORPORATE OFFICE

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

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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Share holders of the company will be held on, Saturday, 29th September, 2012 at 04.00 P.M. at the Registered office of the company i.e. Village Bhadson, Umri - Indri Road, Tehsil-Indri, District Karnal, Haryana to transact the following business:-

As Ordinary Business

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 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 declare a Dividend on Equity shares
- 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 a Director in place of Sh.Kartikeya Sharma who retires by rotation and being eligible offers himself for re-appointment.
- 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 an ordinary resolution:
"Resolved that Sh. Jai Parkash Kaushik who was appointed as an additional Director with effect from 12/11/2012 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 reappointment 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 Director be and is hereby appointed as Director of the company liable to retire by rotation"
- 7) To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:
"Resolved that in accordance with the provisions of sections 198, 269, 309 and read Schedule XIII and other applicable provisions if any, of the Companies Act 1956, or any Statutory modification(s) or reenactment thereof, approval of the Company be and is hereby accorded to the appointment of Sh. Jai Parkash Kaushik as Wholtime Director of the company for a period of Three years with effect from 12th November, 2011 on a monthly remuneration of Basic Pay Rs. 48000/- (Rs Forty Eight Thousand only) House rent Allowance Rs.20000/- (Rs twenty thousand) Medical Allowance Rs. 2000/- (Rs Two thousand) 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) 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 reenactment 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: New Delhi
Dated 14/8/2012

By order of the Board
Harvinder Chopra
(Managing 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. 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
2. (a) The company has already notified closure of Register of members and Share Transfer Books from Saturday, 22nd September to Sunday, 30th September 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity shares, if declared at the meeting.
(b) The dividend on Equity shares, if declared at the meeting will be credited/dispatched in the month of October 2012 to those members whose names shall appear on the company's Register of members on 21st September 2012; in respect of the shares held in dematerialized form, the dividend will be paid to the members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) as beneficial owners as on that date.
3. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change of address to the Company/Registrar and Share Transfer Agent.
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.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository participants with whom they are maintaining their Demat Accounts. Members holding their shares in physical form can submit details to the company /Registrars and Transfer Agents Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, GT Kamal Road, Azadpur, Delhi-110033

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT, 1956****Item no. 6**

The Board of Directors of the company at its meeting held on 12/11/2011, has appointed Sh. Jai Parkash Kaushik , as Director of the Company

Sh. Jai Parkash Kaushik, who is 62 year old is a Retired IAS officer and is having experience of more than 30 years in Project implementation, administration etc . During his tenure as IAS he was looking after affairs of many cooperative sugar Mills ie Meham , Kaithal , Shahbad in the State of Haryana .

His last assignment was as Registrar, Cooperative Societies Haryana & Chairman Group D Selection Committee of Haryana.

Item no. 7

The Board of Directors of the company at its meeting held on 12/11/2011, has appointed Sh. Jai Parkash Kaushik , as Wholetime Director of the Company for a period of three years w.e.f. 12/11/2011 subject to approval of members.

Reimbursement of expenses incurred on travelling, boarding, lodging, telephone expenses for Mobile & residence, use of car & petrol for official purpose, club membership shall be reimbursed and not considered as perquisites.

The whole time Director will perform his duties as such with regard to all work of the company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time.

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have the pleasure in presenting their 18th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2012

FINANCIAL RESULTS:

(Rs. In lacs)

Particulars	31st March `12	31st March `11
Total Income	23395.75	22217.42
(Increase)decrease of Stock in trade	(2285.53)	(2240.21)
Profit before Interest & Depreciation	3723.79	5394.99
Less : Interest	887.27	684.87
Depreciation	695.79	635.80
Profit before Tax	2140.73	4074.32
Provision for Tax/Deferred Tax	609.29	1307.23
Net Profit	1531.44	2767.09

Review of the operations of Sugar Mill**i) Sugar Mill**

Sugar Mill commenced crushing operations for the season 2011-12 on 30.11.2011 and closed on 31/03/2012. The comparative operational results over the last two seasons are as follows:

Particulars	Season 2011-12	Season 2010-11
Duration (Days)	123	121
Sugarcane Crushed (Quintals)	3660561	3388670
Recovery (%)	9.40	9.40
Sugar produced (in quintals)	343915	320280

During the season, the mill operated for 123 days and crushed 36.60 Lac Quintals of sugar cane. The Sugar Mill has produced 343915 quintals of Sugar at an average recovery of 9.40%. The mill also produced 184850 quintals of molasses at an average recovery of 5.05%.

The Sugar unit of the company has achieved turnover (net of excise) & other income of Rs 8673.14 Lacs.

ii) Others

The Distillery has produced 6066318 cases & sold 6033648 cases of country liquor. The Brands of distillery i.e. Malta, Sofia, Ginns and Marshal, of 50 Degree continue to be well accepted by the people and have become popular brands in the State of Haryana. The distillery division has achieved a turnover & other income of Rs 14722.88 lacs.

Expansion Programmes:

Company has undertaken following expansion programmes,

- i) **Malt Plant & Maturation Hall:** The Company is undertaking Malt plant & Maturation Hall for the manufacture of Malt spirit to be used for the production Indian made foreign liquor (IMFL). The Spirit made from the malt will be then filled into wooden barrels for maturation. During the year company has placed orders for the 11000 Barrels and out of which it has received 9884 Barrels. The work relating to PCC & RCC flooring, erection of walls, columns trussers is under progress and about 40% of the total work is completed. The company has spent Rs.1645.38 lacs for the construction of Malt Plant & Maturation Hall.

Both Malt Plant & Maturation Hall are expected to complete in the month of October 2012

- ii) **Extra Neutral Alcohol Plant (ENA):** The company is in the process of Modifying the existing rectified spirit plant to make Extra Neutral Alcohol
- iii) **Co2 Plant:** The Company is in the process establishing Co2 plant to collect liquefied carbon gas, which is byproduct of distillery, to be used in the Food & beverages Industry. The Storage tank, Compressors, Tankers have already arrived at site and work of construction & installation is under progress and about 40 % of the total work is complete. The company has spent Rs 241.23 Lacs for the construction of Co2 Plant. The Plant is expected to be ready in the month of December, 2012

Dividend

Your Directors have recommended a dividend of 10 % (Rs 1/- per equity share) for the financial year ended 31st March 2012 amounting to Rs.274.11 lacs (inclusive of tax of Rs 38.26 lacs). The dividend will be paid to the members whose names appear in the register of Members as on Friday 21st September, 2012 ; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.

Indian Sugar Industry

During the season 2011-2012 (October-September) sugar output is expected to be around 26.00 million tones. (Source ISMA Journal)

Sugar exports may touch four million tones (Source ISMA Journal) during the current season ending September 2012, as the government has decided to allow more shipments. In the month of May 2012 the government decided to allow unrestricted sugar exports by bringing sugar under the Open General License (OGL). Now the Exports are allowed to ship only after taking registration certificate (export permit from the DGFT under Commerce Ministry.)

Directors

Sh. Vinod Dada & Sh. Kartikeya Sharma, Directors of the Company retire by rotation and are eligible for the re-appointment.

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 Company has received letter from Statutory Auditors M/s. Jain & Associates, Chartered Accountants to the effect that their re-appointment, if made would be within the prescribed limits under section 224(1B) of the Companies Act 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said act.

The Notes on Accounts referred to in the Auditors report are self explanatory and do not call any further comments.

Cost Auditors

The Central Government has approved the appointment of Sh. Sanjeev .K. Bansal, Cost Accountant for the financial year 2011-2012 to cost audit for its Sugar & Distillery unit.

Corporate Governance

Pursuant to clause 49 of the listing Agreement with Bombay Stock Exchange Ltd (BSE), Management discussion and Analysis, Corporate Governance Report and Auditors certificate regarding compliance of conditions of corporate governance are made part of the Annual Report.

Particulars of Employees

In terms of the provisions of section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to Directors Report. Having regard to the provisions of Section 219(1)(b) (iv) of the said Act the Annual report excluding the aforesaid information is being sent to all the members of the company and others entitled thereto. Any member interested in obtaining such particulars may write to the Group Secretary at the corporate office of the company.

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 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, it is hereby confirmed that:

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 31st March 2012 and the Profit 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

Place : New Delhi
Date : 14/8/2012

Sd/-
(Kartikeya Sharma)
Director

Sd/-
(Harvinder Chopra)
Managing Director

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR 2011-2012

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 31st March 2012

1. CONSERVATION OF ENERGY

1. As regard energy conservation your company is giving prime consideration for energy saving since beginning with the result, steam consumption and power consumption has been reduced considerably. The measures taken for this energy saving are as under:-
- The dampers of F.D. I.D. Fans of all boilers are under automation reducing the electric power considerably. Mill has also been taken fully in automation reducing the load on D.C. drive.
 - To reduce the steam consumption in boiling house, the boiling house system of juice boiling and pan boiling has been modified on latest technology.
 - The data achieved with regards to conservation of energy is furnished below:-
The sugar unit of the company commenced the crushing w.e.f 30.11.2011 and distillery unit remained operational through out the financial year, all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

A. Power & Fuel Consumption

	2011-12	2010-11
1 ELECTRICITY		
A Purchased		
Unit	KWH	KWH
Total Units	518393	512819
Total Amount(Rs.)	2591964	2441020
Rate per unit(Rs.)	4.99	4.76
B. OWN GENERATION		
i) Through Diesel Generator		
Unit	KWH	KWH
Total Unit	2303655	2390540
Units per Liter of Diesel Oil	4.90	4.80
Cost Per Unit (Rs.)	8.00	7.52
ii) Through stream Turbine/Generator		
Unit	KWH	KWH
Total Units	10134992	10413680
Units per Ton of fuel(Bagasse)	Steam produced by use of own bagasse	Steam produced by use of own bagasse
Costs per Units (Rs.)		
2. Through stream		
Turbine/Generator	KWH	KWH
Unit	1770415	4979668
Others (Rice Husk)	350	381
Total Units	12.85	14.12
Unit per Ton of fuel(Rice husk)		
Cost per Unit(Rs.)		
3. Coal/Furnace Oil	N.A	N.A
4. Consumption of Per Unit of Production		
Sugar (in lac Qtls)	3.49	3.13
Other (no of cases in lacs)	60.66	58.89
Electricity (Units) Sugar	29.00	28.00
Electricity (Units) (cases)	0.72	0.93

B. Technology Absorption

- Research and Development
No research and development work has been carried out by the company therefore; there is no expenditure under this head.
- Technology Adaptation & Innovation.
The company is using well-proved indigenous technology for its Sugar Unit.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning: Nil

Foreign Exchange Outgo: Rs. 303.12 Lacs

The Distillery unit has imported Barrels for its maturation plant as well as consultancy from M/s SGS North America Inc.
For Piccadily Agro Industries Limited

Place : New Delhi
Date : 14/8/2012

Sd/-
(Kartikeya Sharma)
Director

Sd/-
(Harvinder Chopra)
Managing Director

