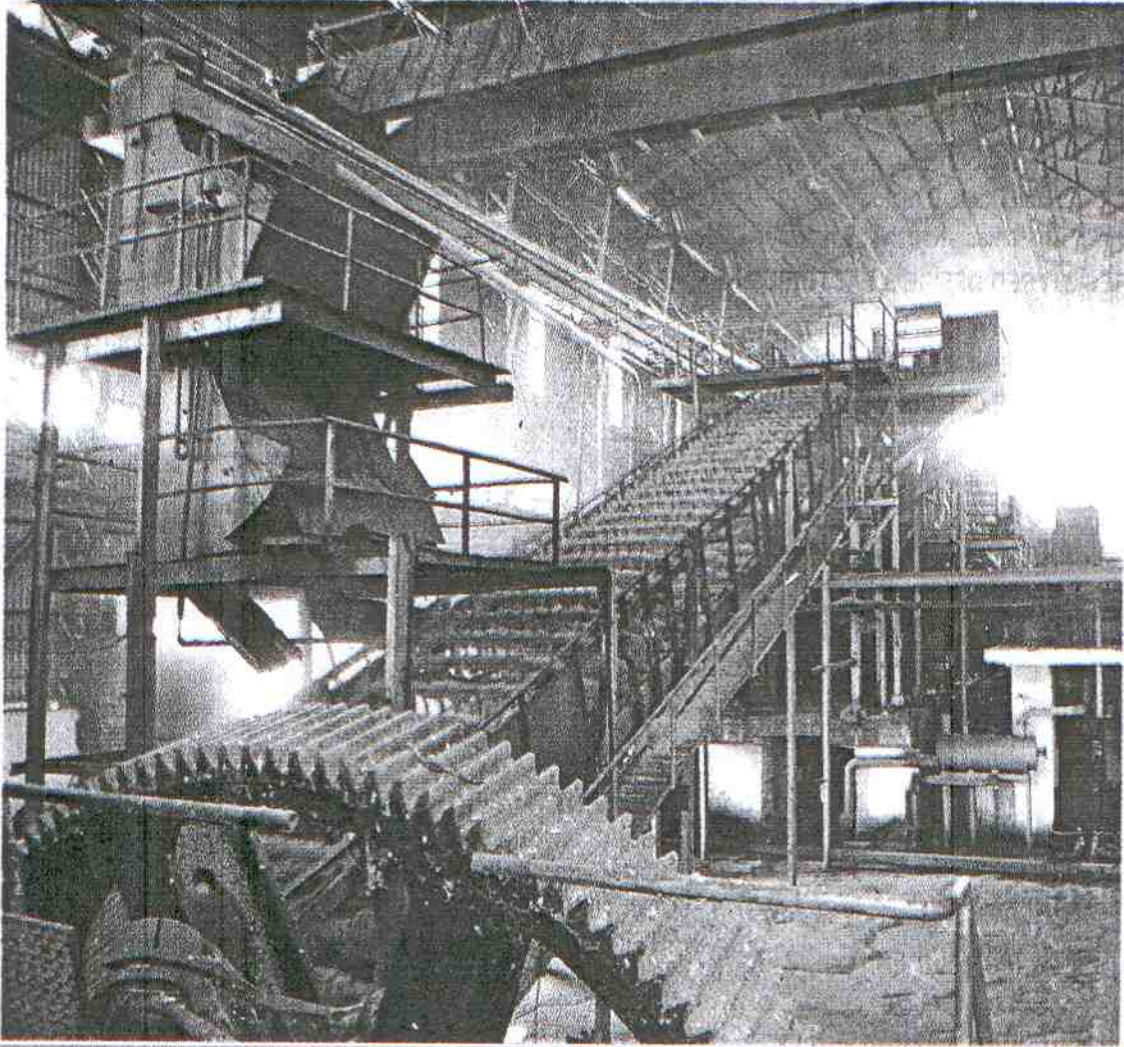


19th Annual Report 2012-2013



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 19th Annual General Meeting of the Share holders of the company will be held on, Monday, 30th September, 2013 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 2013 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. Jai Parkash Kaushik, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Sh. Akhil Dada, 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 in accordance with the provisions of sections 198, 269, 309 and read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, or any Statutory modification(s) or reenactment thereof, the company hereby approves the appointment and terms of remuneration of Sh. Harvinder Chopra, Managing Director of the company for the period from 2nd August 2013 to 1st August 2016 upon the terms & conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Sh. Harvinder Chopra. Further resolved that the Board be & is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution"

By order of the Board

Sd/-

Place: Chandigarh

Bhawana Gupta

Dated 14/8/2013

(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. 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 21st September to Monday 30th September 2013 (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 2013 to those members whose names shall appear on the company's Register of members on 20th September 2013; 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 Karnal 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 29/05/2013, has appointed Sh. Harvinder Chopra as Managing Director of the Company for a period of three years w.e.f. 2/8/2013 subject to approval of members, earlier he was working as Managing Director of the company. Sh Harvinder Chopra is a qualified Chartered Accountant and is having experience of 28 years in Finance, Accounts, Project implementation, administration etc. He has been associated with the company from the conception, designing, construction, commissioning, expansion & successful running of the units at Bhadson, Umri- Indri road, Indri, Kamal, Haryana.

The main terms and conditions relating to appointment of Sh. Harvinder Chopra Managing Director are as follows:

- 1) Period: 2nd August 2013 to 1st August 2016
- 2) Nature of Duties: The Managing Director shall devote whole time & attention to the business of the company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the company.
- 3) A. Remuneration
 - a) Salary Rs 8.50,000 per month with annual increments as may be decided by the company
 - b) Benefits, perquisites and allowances as will be determined by the Board from time to time. Reimbursement of expenses incurred on traveling, telephone expenses shall not be considered as perquisite.
 - c) Performance linked incentive
 - b) Minimum remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary , benefits and perquisites , performance incentive as approved by the Board of Directors.
- 4) (i) The Managing Director shall not become interested or otherwise concerned through his spouse and/children or any selling agency of the company.

(ii) The appointment may be terminated by either party by giving to other party two months notice for such termination or the company paying two months remuneration in lieu thereof

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have the pleasure in presenting their 19th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL RESULTS:

(Rs. In lacs)

Particulars	31st March `13	31st March `12
Total Income	33171.16	23395.75
(Increase)/ decrease of Stock in trade	(1325.44)	(2285.53)
Profit before Interest & Depreciation	4839.07	3723.79
Less : Interest	974.35	887.27
Depreciation	813.73	695.79
Profit before Tax	3050.99	2141.73
Provision for Tax/Deferred Tax	969.43	609.29
Net Profit	2081.56	1531.44

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

Sugar Mill commenced crushing operations for the season 2012-13 on 03.12.2012 and closed on 17.04.2013. The comparative operational results over the last two seasons are as follows:

Particulars	Season 2012-13	Season 2011-12
Duration (Days)	136	123
Sugarcane Crushed (Quintals)	4142682.19	3660561.05
Recovery (%)	10.16	9.40
Sugar produced (in quintals)	421820	343915

During the season, the mill operated for 136 days and crushed 41.42 Lac Quintals of sugar cane. The Sugar Mill has produced 421820 quintals of Sugar at an average recovery of 10.16%. The mill also produced 192900 quintals of molasses at an average recovery of 4.65%. The recovery of sugar has increased tremendously as compared to recovery of last year.

The Sugar unit of the company has achieved turnover (net of excise) & other income of Rs 12622.77 lacs.

2) Others

The Distillery has produced 83,32,362 cases & sold 83,68,103 cases of country liquor. The brands of the distillery i.e. Malta, Sofia, Gin and Marshal, of 50 Degree proof 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 20548.40 lacs.

Expansion Project:

- i) **Malt Plant & Maturation Hall:** The Company has completed implementation of the Malt plant & Maturation Hall along with the addition of 8 Ton Boiler to provide necessary steam to the Malt Plant, for the manufacture of 10 KLPD Malt spirit to be used for the production of Indian made foreign liquor (IMFL) in the month of Nov.2012. Company has already imported about 12112 Oak wooden barrels for storing Malt Spirit for Maturation. The unit has already produced 475359 Bulk Liters of Malt Spirit till the end of the year under report and has filled 1731 of such Barrels with malt spirit in the Maturation Hall.

- ii) **Co 2 Plant** : The company has also set-up a food grade Co2 plant supplied by Wittaman of USA. Co2 Carbon Gas is a byproduct of the Distillery during fermentation. The impurities as life sulphur etc. will be removed in the plant. It will be dried, compressed and cooled. The gas will be converted into liquid which will be stored in a tank of 100 KL Capacity. It may be sold as such as liquid or solid. Co2 will be made from liquid Co2 and will be marketed.

Dividend

Your Directors have recommended a dividend of 10 % (Rs 1/- per equity share) for the financial year ended 31st March 2013 amounting to Rs.275.93 lacs (inclusive of tax of Rs 40.08 lacs). The dividend will be paid to the members whose names appear in the register of Members as on Friday 20th September, 2013 ; 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 2012-2013 (October-September) sugar output is expected to be around 24.60 million tones. (Source ISMA Journal)
Both the top sugar industry bodies- Indian Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories have said that country's sugar production will likely to exceed demand in the current marketing year. The country needs around 22-23 million tone for annual consumption, while the government has projected output at 24.5 to 25.00 million tones. Despite a marginal fall so far, sugar production has exceeded consumption, preventing a flare up in the commodities price.

Directors

Sh. Akhil Dada & Sh. Jai Parkash Kaushik, Directors of the Company retire by rotation and are eligible for the reappointment.

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 2013-2014 to cost audit for its Sugar & Distillery unit.

Corporate Governance

Pursuant to clause 49 of the listing Agreement with BSE Limited, (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.

Subsidiary

During the year company has made M/s Clearvision Media (P) Limited as its 100 % subsidiary .The consolidated financial statements presented by the company include financial information of its subsidiary prepared in compliance with applicable accounting standards. The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8th February 2011 has granted general exemption under section 212 (B) of the Companies Act 1956, from attaching the Balance sheet , Profit & Loss account and other documents of the subsidiary companies to the Balance sheet of the company , provided certain conditions are fulfilled. Accordingly annual accounts of the subsidiary company and related detailed information will be made available to the holding and subsidiary company's investors seeking such information at any point of time. The annual accounts of the subsidiary are kept for inspection by any investor at registered office at Karnal (Haryana) and that of the subsidiary company.

Detail of the subsidiary company is covered under this 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 Company 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 accounts.
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 2013 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 ongoing concern basis.

For Piccadily Agro Industries Limited

Sd/-

Sd/-

Place : Chandigarh

(Kartikya Sharma)

(Harvinder Chopra)

Date : 14/08/2013

Director

Managing Director

