

14th Annual Report
2007-08



Piccadily Agro Industries Limited

BOARD OF DIRECTORS

Sh. Kartikeya Sharma, Director
Sh. Vinod Dada, Director
Sh. Harvinder Chopra, Executive Director
Sh. Akhil Dada, Director

AUDITOR

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

BANKER

Punjab National Bank

REGISTERED OFFICE & FACTORY

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

CORPORATE OFFICE

276, Capt. Gaur Marg,
Srinivas puri, Okhla,
New Delhi

AUDIT COMMITTEE

Sh. Harvinder Chopra
Sh. Vinod Dada
Sh. Akhil Dada

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NOTICE

Notice is hereby given that the 14th Annual General Meeting of the share holders of the company will be held on, Saturday 27th September, 2008 at 10.30 A.M. at the Registered office of the company i.e. Village Bhadson, Umri-Indri Road, Distt. Karnal, Haryana to transact the following business :-

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 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 appoint a Director in place of Sh. Kartikeya Sharma, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

As Special Business

4. To consider and if thought fit to pass with or without modification the following resolution as a special 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. Harvinder Chopra, as Executive Director of the company for a period of three years with effect from 1st April 2008 on a monthly remuneration of Rs. 50,000 (Rupees Fifty Thousand Only) as a basic salary and a House Rent Allowance of Rs. 21,000 (Rupees Twenty One Thousand Only) per month 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"

5. To consider & if thought fit to pass with or without modification the following resolution as a ordinary resolution:
"Resolved that Sh.Akhil Dada, who was appointed as Additional Director u/s 260 of the Companies Act, 1956 & who holds office, upto the date of this Annual General Meeting & who is eligible for re-appointment & 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 Directors be & is hereby appointed as Director of the company liable to retire by rotation."

By order of the Board
Sd/-

Nikhlesh Verma
Company Secretary

Place New Delhi
Dated 31 07 2008

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 2008 to 27th September 2008.
3. Shareholders 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

Item no. 4

Sh. Harvinder Chopra, aged 47 years, Executive Director of the company, whose term matured on 01.04.2008 as Executive Director of the company. The Board of Directors again in its meeting held on 1/4/2008 has appointed Sh. Harvinder Chopra as executive Director of the company for a period of three years subject to the approval of members. Sh. Harvinder Chopra is a qualified Chartered Accountant and is having wide experience Finance, Accounts, Administration, Project implementation etc. He brings with him more than 23 years experience in the above mentioned spheres. He has been executing affairs of the company since 1994. Further he is entitled other benefits as per rules of the company but not exceeding the benefits provided in schedule XIII of company 1956. His appointment will be beneficial and in the interest of the company

Item no. 5

Sh. Akhil Dada, aged 31 years is a commerce graduate from Panjab university & has also completed MBA. Sh Akhil Dada is having Seven years experience in sales, marketing, finance, purchase etc. At present he is looking after the operations Dada Earth movers as CEO. Earlier he was working as Vice President in Dada Motors, Jalandhar. Sh. Akhil Dada is having Leadership qualities, Result oriented techniques, Organising manpower, sales Growth. The board of directors in its meeting held on 30-6-2008 has appointed him as additional director of the company. His appointment will be beneficial and in the interest of the company.

DIRECTOR'S REPORT

Dear Shareholders

Your Directors have the pleasure in presenting their 14th Annual report together with Audited Accounts of the company for the year ended 31st March 2008.

FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	31 st March, 2008	31 st March, 2007
Total Income	11792.81	7257.84
Increase/(decrease) of Stock in trade	(297.39)	(672.27)
Profit before Interest & Depreciation	861.71	679.41
Less Interest	350.40	284.26
Depreciation	359.39	342.82
Profit before Tax	151.92	52.33
Provision for Tax	4.05	3.14
Deferred Tax	28.75	19.57
Net Profit	119.12	29.62

Review of the operations & Indian Sugar Industry.**1) Sugar Mill**

The Mill commenced crushing operations for the season 2007-2008 on 10.12.2007 & closed on 16.04.2008. The comparative operational results for the last two seasons are as follows:-

Particulars	Season 2007-08	Season 2006-07
Duration (Days)	129	164
Sugarcane Crushed (Quintals)	44,68,005	53,61,895
Recovery (%)	9.67	9.74
Sugar produced (Bags)	4,36,956	5,21,632

During the season, the mill operated for 129 days and crushed 4468005 quintals of sugarcane. The Sugar Mill has produced 436956 bags of Sugar at an average recovery of 9.67%.

The Sugar unit of the company has achieved turnover of Rs 8154.13 lacs during the year.

2) Ethanol Project

The Punjab National Bank & Sugar development Fund have already disbursed Term Loans of Rs. 1009 lacs & Rs 722.88 lacs respectively for setting up Plant for the production of Ethanol at Village Bhadson, Tehsil-Indri, Distt. Karnal, Haryana at a total Cost of Rs. 2017 Lacs.

Indian Sugar Industry

The Indian sugar industry is passing through a difficult period arising out of a mismatch between sugar cane prices and sugar prices. The sugar output in India, the world's second biggest producer is likely to touch 26.8 million tones during the season of 2007-2008 as against the production of 28.4 million tones of last season 2006-2007. The industry was facing glut of sugar from 2006-07 leading to fall in the prices of sugar.

Directors

Shri Kartikeya Sharma, Director of the Company retires by rotation and is eligible for the reappointment.

Dividend

Due to inadequacy of profits, your directors express their inability to recommend dividend for the year ended 31st March 2008

Auditors

M/s. Jain & Associates, Chartered Accountant, Chandigarh, the statutory Auditor of the Company, retiring at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their appointment as Statutory Auditors of the Company for the year 2008-09

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 Company's (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) Rule 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 on the accounts of the Company:

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 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 31st March 2008 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 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 : 31-7-2008

Sd/-
(Kartikeya sharma)
Director

Sd/-
(Harvinder Chopra)
Executive Director

Annexure to the Directors Report for the year 2007-2008

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 2008.

A. CONSERVATION OF ENERGY

1) 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 -

- i) In order to increase profitability and minimize energy consumption 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.
- ii) On Account of above measures and their efficient working the considerable saving of bagasse and energy saving have been achieved during the financial year.

2) The data achieved with regards to conservation of energy is furnished below -
The company has commenced crushing operation w.e.f 10.12.2007 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

ELECTRICITY	2007-08	2006-07
Purchased		
Unit		
Total Units	KWH	KWH
Total Amount(Rs.)	Nil	Nil
Rate per unit(Rs.)	Nil	Nil
B. OWN GENERATION		
i) Through Diesel Generator		
Unit		
Total Unit	KWH	KWH
Units per Litre of Diesel Oil	492348	846402
Cost Per Unit(Rs.)	5.11	8.2
	5.93	5.8
ii) Through steam Turbine/Generator		
Unit		
Total Units	KWH	KWH
Units per Ton of fuel (Bagasse)	14337280	13339231
Cost per Unit (Rs.)	Steam produced by use of own bagasse	Steam produced by use of own bagasse
2 Coal/Furnace Oil	N.A	N.A
3 Other	N.A	N.A
4 Consumption of Per Unit of Production		
Sugar (Ofls)		
Electricity(Units)	4321132	438070
Other(Specify)	31.0	30.44
	Nil	Nil

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 manufacture of sugar.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning Nil
Foreign Exchange Outgo 4.91 Lacs

Place : New Delhi
Date : 31-7-2008

For Piccadily Agro Industries Limited
Sd/- Sd/-
(Kartikeya sharma) (Harvinder Chopra)
Director Executive Director

Management Discussion and Analysis Report:

Indian Sugar industry is Largest agro based industry and amongst the few industries that have successfully contributed to rural economy. The Sugar industry is a focal point for Socio-Economic development. The Area under Cultivation of sugarcane is around 4.83 million hectares constituting 4% of total cultivable area. The sugar industry supports over 50 million farmers and their families about 7% of the rural population and 0.5 million skilled & semi skilled workers mostly from rural areas.

Sugar industry has annually contributed US\$1200 million towards Central Govt Exchequer through Excise Duty on Sugar, Molasses and Alcohol and has also annually contributed US\$200 million towards State Govt Exchequer through State Taxes.

India is the world second largest producer of sugar contributes about 17 % of world production and largest consumer of sugar. Sugar output this year is expected about 26.8 million tonnes against a consumption of about 22.5 million tonnes. The exports of Sugar for the current year are likely to touch 4.0 million tonnes this year as against the exports of 1.7 million tonnes of previous year. Apart from meeting the Export demand estimated at 4 million tonnes, the closing stocks have been estimated at 9.5 million tonnes at the end of the current season.

Currently, the Indian sugar industry pays the highest cane price in the world while realising the lowest sugar price. Further the huge surplus which has been built up over the past two years has led to sharp decline in the prices of Sugar. The central Government has announced various remedial measures like loans against excise duty paid by sugar mills, Sugar development Loan etc for efficient working of sugar mills.

Future prospects

The sugar output in India is likely to touch 26.8 million tones during the season of 2007-2008 as against the record production of 28.4 million tones of last season 2006-2007. India has not imported sugar since 2005.

It is expected that production of sugar for crushing seasons 2008-09 & 2009-10 will declined to 22.00 million tonnes (app.) & 17 million (app.) tonnes respectively after two seasons of bumper output. This will lead to removal of imbalances between cost of production and Sale prices of Sugar and all other by products of sugar.

Ethanol

In October 2007 the Government of India rolled out its new Bio policy. The Government has made it mandatory for Petrol to contain 10% Ethanol from October 2008. Moreover, the Sugar Mills have been permitted to convert cane juice directly into Ethanol. The new policy has been formed keeping in view the steep hike in the prices of crude oil and renewed interest shown by the Indian oil Companies.

Feasibility of using 10% Ethanol blend petrol in Indian conditions were carried out and established successfully. Also the Bureau of Indian Standards have amended gasoline specification providing for 10% Ethanol facilitating introduction of 10% ethanol blended petrol in the country. In Brazil about 25% Ethanol is permitted to be dopped with petrol and it is expected that our country will follow the same.

Co-Generation of Power

With a small beginning in the year 1993-94, Cogeneration of power has become a major activity of Sugar Mills. There are over 145 sugar mills out of 492 operating sugar factories have installed capacity to co generate power around 1800 MW of surplus power after meeting the in house requirement of 900 MW for captive use.

In India, the total shortfall in the availability of power has been assessed at 15750 MW of power and the full potential to co generate power by Sugar industry has been assessed at over 10500 MW, including 3500 MW for captive consumption and 7000 MW for Export. It is expected that when full potential of sugar industry is achieved, the contribution of cogeneration of power would be around 45% of the energy Shortfall.

Export of Sugar

In India there is no long term policy for the export of sugar and first priority has been accorded to meet the domestic demand at reasonable prices. However in the case Surplus output of Sugar, the sugar is exported to East and South East Asia, West Africa, Iran, Iraq, Egypt, Yemen, Sri Lanka, Pakistan, Bangladesh, Afganistan etc. The growth in the exports is hampered due to sugarcane prices paid by Indian sugar industry to farmers is the highest in world. However, in 2007-08 India has clearly demonstrated an ability to deliver significant volumes of both raw and white sugar to the International market.

Out Look / Projection

The company's projection on crushing of Sugarcane for the current year 2008-2009 is 45.00 lac quintals. Company has been making all out efforts to encourage & motivate the farmers to cultivate the crop of sugarcane by providing the guarantee for the cane loans, pesticides, seeds to the cane growers.

Risk and Concern

The urban people in India are now becoming Health conscious and firmly believe that consuming of sugar in any form has adverse effect on human health. As a result of this people have restricted the consumption of Sugar. Studies by various health organizations have found no evidence where the sugar has been related to Diabetics or any other illness.

Internal Control System & their adequacy

The auditors have felt that the company has a reasonable system of authorization at proper levels with necessary controls on the purchase of sugar cane, issue of materials and components & other related system of Internal control is commensurate with the size of the company. They also felt that the company has a reasonable system of recording receipts of raw materials and components and the company is recording the sales and purchase through the software. The Software engineers regularly check software programme.

Material Development in HRD/IR

The current strength of the company is 70 and company engages the contract labour during off-season and in season.

CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange, the company has been incorporating for the past few years, a separate section on Corporate Governance in its Annual report. The shareholders and investors would have found the information informative and useful. Company's policies on the Corporate Governance and due compliance report on specific areas where ever applicable for the financial year ended 31st March 2008 are given here under divided into following areas.

1. Company's philosophy on Corporate Governance

The company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. It is believed that adherence to business ethics and commitment corporate social responsibility would help the company achieve its goal of maximizing value of its stakeholders.

2. Board of Directors

The Board consists of Four 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 names of the director are following: -

Name of Directors	Status
1 Sh. Kartikeya Sharma	Promoter Director
2 Sh. Vinod Dada	Independent Director
3 Sh. Harvinder Chopra	Independent Director
4 Sh. Akhil Dada	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 Particular		No. of other Directorship	Members of Committee
	Board Meeting	Last AGM		
Smt. Raj Rani	-	No	1	1
Sh. Kartikeya Sharma	6	No	9	1
Sh. Vinod Dada	6	Yes	-	4
Sh. Harvinder Chopra	6	Yes	5	1
Sh. Akhil Dada	1	No	-	3

During the period starting from July 2007 to June 2008. Six Board Meetings were held on 31st July 2007, 31st October 2007, 31st January 2008, 22nd February 2008, 2nd April 2008 & 30th June 2008

3 Audit Committee

The Board of the company has constituted an Audit Committee of Three Directors, Sh. Harvinder Chopra, Sh. Vinod Dada & Sh. Akhil Dada. The constitution of Audit Committee meets with the requirements of Section 292 A of the Companies Act, 1956.

Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee are following

- The members of the Audit Committee shall elect the Chairman from amongst themselves.
- The Annual report of the company shall disclose the composition of the Audit Committee.
- Every Audit Committee shall act in accordance with terms of reference to be specified in writing by the Board.
- The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of Audit including the observations of the Auditors and review the half yearly and annual financial statement before submission to the Board and also ensure compliance of internal control systems.
- The Audit Committee should have authority to investigate into any matter in relation to the items specified in section 292 A of the Companies Act 1956 or referred to it by the Board and for this purpose, shall have full access to the information contained in the records of the company and external professional advice, if necessary.

During the year the Audit Committee meeting was held on the following dates i.e. held on 29/06/2007, 30/10/2007, 30/01/2008 & 28/06/2008.

3. (A) General Body Meeting

Location and time for last 3 Annual General Meetings:

Year	Meeting	Location	Date	Time
2005	AGM	Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana	Friday 30/09/2005	10.30 A.M.
2006	AGM	Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana	Saturday 30/09/2006	10.30 A.M.
2007	AGM	Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana	Saturday 29/09/2007	10.30AM

No postal ballots were used/ invited for voting at these meetings in respect of special resolution passed in these meetings.

(B) Book Closure Date : 16th September to 27th September 2008.

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

4. Means of Communication

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

5. Listing of Stock Exchange & Stock Code

The shares of the company continue to be listed on The Stock Exchange,

Mumbai (BSE) & Stock code of the company is 530305

Note: Company has already made the payment of Annual listing Fees for the year 2008-2009

6. Stock Market Data

The details of monthly highest and lowest closing quotations of the equity shares of the company and number of shares traded during the each calendar month at Bombay Stock Exchange limited during the year ended 31st March 2008 as are under :

Month	High (Rs.)	Low (Rs.)	Total no shares traded
April 2007	5.30	4.10	149354
May 2007	4.80	4.00	107128
June 2007	5.16	3.50	167908
July 2007	5.67	3.90	195266
August 2007	5.00	3.60	553875
September 2007	5.80	4.04	419558
October 2007	6.19	4.07	453198
November 2007	7.75	4.61	402982
December 2007	10.80	6.00	1992234
January 2008	12.48	6.54	1448411
February 2008	7.45	5.94	176834
March 2008	7.35	5.92	247358

7. Share Transfer System

Shares after transfer are dispatched within the time subject to the documents being valid and complete in all respect through share transfer committee. During the year 13 Share Transfer Committee Meeting were held.

8. Distribution of Shareholding as at 31st March 2008

Shares holding of nominal value of Rs.10/- each	Share holders		Number of shares	Amount (in Rs)	Total (in %)
	Number	(in %)			
Upto 2500	4309	35.55	678895	6788950.00	2.88
2501-5000	5092	42.01	1886581	18865810.00	8.00
5001-10000	1725	14.23	1283143	12831430.00	5.44
10001-20000	561	4.63	816993	8169930.00	3.46
20001-30000	146	1.21	377623	3776230.00	1.60
30001-40000	59	0.49	217012	2170120.00	0.92
40001-50000	68	0.56	321222	3212220.00	1.36
50001-100000	75	0.62	558898	5588980.00	2.37
100001 & above	86	0.71	17444453	174444530.00	73.96
	12121	100.00	23584820	235848200.00	100.00

