

**17<sup>th</sup>** Annual Report  
**2010-2011**



Piccadily Agro-Industries Limited

**BOARD OF DIRECTORS**

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

**AUDITORS**

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

**BANKER**

Punjab National Bank

**REGISTERED OFFICE & FACTORIES**

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

**CORPORATE OFFICE**

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

**AUDIT COMMITTEE**

Sh. Harvinder Chopra, Managing Director  
 Sh. Vinod Dada, Director  
 Sh. Akhil Dada, Director

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### NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Share holders of the company will be held on, Friday, 30th September, 2011 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 2011 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. Harvinder Chopra, 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.

Place: New Delhi  
Dated 10.08.2011

Sd/-  
Kartikya Sharma  
(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 Friday 23rd September to Friday 30th September 2011 (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 will be credited/dispensed on or after 30th September 2011 to those members whose names shall appear on the company's Register of members on 23rd September 2011; 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.

#### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of Notice /documents including Annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far are requested to register their e mail addresses, in respect of electronic holdings with the depository through concerned Depository participants. Members who hold shares in physical form are requested to send the same to the company at its Corporate office. /Registrars and Transfer Agents Abhipra Capital Ltd., Ground Floor, Abhipra complex, Dilkhush Industrial Area, A-387, GT Karnal Road, Azadpur, Delhi-110033

**DIRECTORS' REPORT**

Dear Share Holders,

Your Directors have the pleasure in presenting their 17th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2011

**FINANCIAL RESULTS:**

Particulars	31st March '11	(Rs. In lacs)
		31st March '10
Total Income	22217.42	16989.26
(Increase)/decrease of Stock in trade	(2240.21)	(718.33)
Profit before Interest & Depreciation	5394.99	2957.08
Less : Interest	684.87	392.97
Depreciation	635.80	570.89
Profit before Tax	4074.32	1993.22
Provision for Tax/Deferred Tax	1307.23	1008.67
Net Profit	2767.09	984.55

**Review of the operations of Sugar Mill****1) Sugar Mill**

Sugar Mill commenced crushing operations for the season 2010-11 on 5.12.2010 and closed on 04/04/2011. The comparative operational results over the last two seasons are as follows:

Particulars	Season 2010-11	Season 2009-10
Duration (Days)	121	110
Sugarcane Crushed (Quintals)	3388670	2910239
Recovery (%)	9.40	9.43
Sugar produced (Quintals)	320280	275275

During the season, the mill operated for 121 days and crushed 33.88 Lac Quintals of sugar cane. The Sugar Mill has produced 320280 quintals of Sugar at an average recovery of 9.40%. The mill also produced 163880 quintals of molasses at an average recovery of 4.83%.

The Sugar unit of the company has achieved turnover (net of excise) & other income of Rs 7115.67 lacs and earned profit before interest & depreciation of Rs 683.33 lacs.

**2) Others**

The Distillery has produced 5889416 & sold 5896485 cases of country liquor. The products of the distillery 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 15101.75 lacs.

**Dividend**

Your Directors have recommended a dividend of 20 % (Rs 2/- per equity share) for the financial year ended 31st March 2011 amounting to Rs.550.04 lacs (inclusive of tax of Rs 78.34 lacs). The dividend will be paid to the members whose names appear in the register of Members as on Friday 23rd September, 2011 ; 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 2010-2011 (October-September) sugar output is likely to see a rise of 30-35% as compared to previous season. The sugar output in India, in the season 2010-2011 is estimated around 24.2 million tones, as compared to 18.80 million tones previous season 2009-2010. Growth in production is mainly due to improved cane acreage in response to healthy cane prices paid by mill in the current season & adequate rainfall.

The government has recently allowed exports of 10,00,000 tonnes of sugar under the open general license after a gap of almost two years because of higher output. It is also expected that government will further allow exports of sugar by another 5,00,000 tonnes the month of August 2011.

**Directors**

Sh. Harvinder Chopra & Sh. Akhil Dada, 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 2010-2011 to cost audit for its Sugar unit.

**Corporate Governance**

Pursuant to clause 49 of the listing Agreement with the 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 2011 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 : 10/08/2011

Sd/-  
(Harvinder Chopra)  
Managing Director

Sd/-  
(Kartikeya Sharma)  
Director.

**Annexure to the Directors Report for the year 2010-2011**

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 2011

**1. CONSERVATION OF ENERGY**

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 :-

a) 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.

b) To reduce the steam consumption in boiling house, the boiling house system of juice boiling and pan boiling has been modified on latest technology.

c) The data achieved with regards to conservation of energy is furnished below:-

The sugar unit of the company commenced the crushing w.e.f 05.12.2010 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**

1	ELECTRICITY	2010-11	2009-10
a)	Purchased		
	Unit	KWH	KWH
	Total Units	512819	539903
	Total Amount(Rs.)	2441020	2521349
	Rate per unit(Rs.)	4.76	4.67
b)	<b>OWN GENERATION</b>		
i)	<b>Through Diesel Generator</b>		
	Unit	KWH	KWH
	Total Unit	2390540	1253580
	Units per Liter of Diesel Oil	4.80	4.80
	Cost Per Unit (Rs.)	7.52	6.48
ii)	<b>Through Steam Turbine/Generator</b>		
	Unit	KWH	KWH
	Total Units	10413680	9732480
	Units per Ton of fuel(Bagasse)	Steam produced by	Steam produced by
	Cost per Unit(Rs.)	use of own bagasse	use of own bagasse
2	<b>Through Steam Turbine/Generator</b>		
	Unit	KWH	KWH
	Others (Rice Husk)	4979668	3254571
	Total Units	381	290
	Units per Ton of fuel (Rice Husk)	14.12	12.43
	Cost per Unit(Rs.)		
3.	<b>Coal/Furnace Oil</b>	N.A	N.A
4.	<b>Consumption of Per Unit of Production</b>		
	Sugar (in lac Qlts)	3.13	2.75
	Other (no of cases in lacs)	58.89	37.95
	Electricity(Units) - Sugar	28.00	29.0
	Electricity(Units) - Case	0.93	0.86

**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 is using well-proved indigenous technology for its Sugar Unit

The Distillery unit has taken technology from M/s Acquatech Asia Ltd for its Biomethination plant for the treatment of effluents

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Foreign Exchange Earning

Nil

Foreign Exchange Outgo

Rs. 137218

For Piccadily Agro Industries Limited

Sd/-

Sd/-

Place : New Delhi

(Harvinder Chopra)

(Kartikaya Sharma)

Date : 10/8/2011

Managing Director

Director.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The past two sugar seasons i.e. 2008-2009 and 2009-2010 have been very difficult years for Indian Sugar industry with regard to the availability of sugar cane and production of sugar. The country had to import substantial quantities of sugar to supplement the domestic availability. Lower production of sugar coupled with high import prices resulted in high domestic prices of sugar during the season 2009-2010. The Indian Sugar Mills Association (ISMA) has estimated production of sugar for the season 2010-2011 around 24.2 million tones against the domestic consumption of 22 million tones. The rise in the production is due to payment of high Sugar cane prices & good rainfall has encouraged towards sowing more sugar cane. Our country has got an opening balance of sugar over 5 million tones and there is an excess production of sugar around 3 million tones during the season 2010-2011.

The cane cost comprises about 70% of the Sugar sales realization and almost all the countries follow a practice of cane price payment linked to the sugar price one or both by -products price. It is general understanding that the linkage of cane price to sugar price will ensure a more stable sugar production and less volatility in the availability of sugar.

### Future prospects

India's sugar cane acreage is likely to rise in 2011-12 as farmers still find that the sugarcane crop is remunerative over other competing crops, raising hopes that the world's biggest sugar consumers will have surplus for the second straight year beginning October 2011. Sugar output of India, the world's second largest producer could rise by about 10% to 26.5 million tones in 2011-2012. (Source ISMA Publication). The government has recently allowed exports of 10,00,000 tonnes of sugar under the open general license after a gap of almost two years because of higher output. It is also expected that government will further allow exports of sugar by another 5,00,000 tonnes in the month of August 2011.

### Ethanol

Ethanol besides being a green and renewable fuel, gives an assured demand for an agriculture produce, which directly helps Sugar industry and Sugarcane farmers by way of better realization and stable prices. Blending of Ethanol with petrol substitute's import of petrol to the extent of 5% Petrol consumption.

The Oil Marketing Companies have executed contracts for the supply of 60 Crore Litres of Ethanol against a total requirement of 100 Crore Litres of Ethanol. at a price of Rs 27/- per liter. for their requirement for 5% mandatory blending during the season 2010-11.

### Distillery

The Rectified Spirit (RS) & Extra Neutral Alcohol (ENA) plants are designed & executed by M/s Destichem & Praj Industries Industries Limited the renowned companies. Along with this the company also installed fermentation house to cope up to supply quality wash to most modern installation of RS & ENA plant & are gradually expanding the existing unit by inducting ultra modern machineries. Due to the shortage of molasses, further Grain plants have been setup for the manufacture of RS & ENA from grain.

The year wise production of country Liquor of distillery unit is as under:

Financial Year	Number of Cases(in lac)
2007-08	21.77
2008-09	27.40
2009-10	37.95
2010-11	58.89

The company has further extended the facility of bottling to M/s United Spirits Limited (McDowell) for the manufacture of Indian made Foreign Liquor (IMFL) upto 1 lac cases per month.

The Distillery unit meets with 100% pollution control norms, The treated effluent is mixed & cured with organic mass like press mud/ spent wash suitable for organic manures to manufacture Bio Compost a Bio fertilizer used successfully in growing the crops. The company has therefore installed BIO Gas digester, Evaporator Decanter. & composting yard.

### Out Look / Projection:

The company's projection on crushing of Sugarcane for the current year 2011-2012 is 40 lac quintals and Production /Sale of 60.00 Lac cases of Liquor. Company has been making all out efforts to encourage & motivate the farmers to cultivate the crop of sugarcane by providing 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. However, consumption of sugar in India has been continuously rising.

**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 company has appointed regular staff, technical staff, cane staff along with contractual & seasonal staff for the efficient working units of the company.

## CORPORATE GOVERNANCE REPORT

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 2011 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	Nature
1. Sh. Kartikeya Sharma	Promoter Director
2. Sh. Vinod Dada	Independent Director
3. Sh. Akhil Dada	Independent Director
4. Sh. Harvinder Chopra	Professional 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	Attendance Particulars		No. of other Directorship	Member of Committee
	Board Meeting	Last AGM		
Sh. Kartikeya Sharma	7	No	22	-
Sh. Vinod Dada	7	Yes	2	4
Sh. Akhil Dada	7	No	-	1
Sh. Harvinder Chopra	7	Yes	6	3

During the period starting from June 2010 to May 2011, seven Board Meetings were held on 2nd August 2010, 12th November 2010, 14th February 2011, 2nd March 2011, 25th March 2011, 25th April 2011, 30th May 2011.

**3. Audit Committee**

The Board of the company has constituted an Audit Committee of three Directors, viz Sh. Harvinder Chopra, Sh. Vinod Dada & 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.
- To seek information from any employee.
- To investigate any activity within its terms of reference.
- To obtain outside legal or professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Discussion with the internal auditors any significant findings and follow up thereon.
- The Chairman of the Audit Committee shall attend the Annual General Meeting of the company to provide any clarification on matters relating to audit sought by the members of the company.

During the year the Audit Committee meetings were held on 11/11/2010, 12/02/2011, &28/5/2011

**4. (A) General Body Meeting**

Location and time for last 3 Annual General Meetings:

Year	Meeting	Location	Date	Time
2008	AGM	Piccadily Agro Industries Limited, Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana	Saturday 27/9/2008	10.30AM
2009	AGM	Piccadily Agro Industries Limited, Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana	Saturday 26/9/2009	4.00 PM
2010	AGM	Piccadily Agro Industries Limited, Village Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana	Thursday 23/9/2010	4.00 PM

During the year no postal ballots were invited for amending Memorandum of Association in pursuance to Section 17 read with Section 192 A and rules issued there under and other applicable provisions, if any, of the Companies Act, 1956

**(B) Book Closure Date**

23rd September to 30th September 2011 for payment of dividend i.e. 20% of the face value.

**(C) Dividend Payment Date**

The company has declared dividend of Rs 2.00 per Equity will be paid on or after 30th September 2011 with in stipulated period.

**5. Means of Communication**

The quarterly results are published in the Business Standard (English & Hindi)

**6. Listing of Stock Exchange & Stock Code**

The shares of the company continue to be listed on Bombay Stock Exchange Limited. (BSE) & Stock code of the company is 530305

**Note:** Company has already made the payment of Annual listing Fees for the year 2010-2011

