

# 19TH ANNUAL REPORT

2011-2012

Piccadily Sugar &  
Allied Industries Ltd.

**BOARD OF DIRECTORS**

Sh Kartikeya Sharma, Director  
Sh. Harvinder Chopra, Director (Finance)  
Sh.Jai Parkash Kaushik, Director  
Sh. Ashok Sharma, Nominee Director  
Sh. Devinder Sharma, Wholetime Director

**AUDITORS**

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

**AUDIT COMMITTEE**

1. Sh. Devinder Sharma, Wholetime Director
2. Sh. Harvinder Chopra, Director (Finance)
3. Sh.Jai Parkash Kaushik, Director

**REGISTERED OFFICE & FACTORIES**

Jakhal Road, Patran,  
Distt. Patiala, Punjab

**CORPORATE OFFICE**

275, Capt. Gaur Marg,  
Sriniwas 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, Saturday 29th September, 2012 at 10.30 A.M. at Registered office of the company i.e. Jakhai 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 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 appoint a Director in place of Sh. Devinder Sharma, who retires by rotation and being eligible offers himself for re-appointment
- 3) To appoint a Director in place of Sh. Kartikeya Sharma, who retires by rotation and being eligible offers himself for re-appointment
- 4) To appoint Auditors and fix their remuneration.

### **As Special Business**

5. 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 12/11/2011 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 re-appointment 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 the Director be and is hereby appointed as Director of the company liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:  
"Resolved that pursuant to provisions of section 314 of Companies Act 1956 & other applicable provisions, if any, company hereby consents for the appointment of M/s Harvinder & Associates, Chartered Accountants with effect from 30/06/2012, a firm in which Sh. Harvinder Chopra, Director finance of the company, is a partner to hold office in the company as Internal Auditors and advisor on accounts, finance and other matters upon the following terms & conditions:
  - 1) The said firm shall attend to such matters as may be assigned to it by the company from time to time.
  - 2) The company shall pay to the said firm the remuneration not exceeding Rs.15000/- (Rupees Fifteen Thousand only) per month exclusive of all out of pocket expenses.
  - 3) The arrangement shall be in force for a period of three years subject to termination by either party by one-month notice in writing to the other.

Further resolved that Board of Directors be and is hereby authorized to accept on behalf of the company any revision, modification for variation in terms & conditions (including the enhancement of remuneration) of the appointment resolved hereinabove."

By order of the Board

Sd/-

Nikhilesh Verma

(Company Secretary)

Place: New Delhi

Dated 14/08/2012

**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. The Register of Members and shares transfer books of the company will remain closed from 22nd September 2012 to 30th September 2012.
3. Shareholders are requested to advise the company immediately of any changes in their address.
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. 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.

**ANNEXURE TO THE NOTICE- EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item no. 5**

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 officer he was looking after affairs of many cooperative sugar Mills i.e. Meham, Kaithal & Shahbad in the State of Haryana .

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

The Appointment of Sh. Jai Parkash Kaushik will be beneficial and in the interest of the company.

**Item no.6:**

M/s Harvinder & Associates, Chartered Accountants to conduct internal audit and to provide consultancy on Finance and Accounts. This resolution will enable the company to engage the services of the said firm. Sh. Harvinder Chopra is a Partner in the said firm. The proposed Special resolution is intended to obtain the approval of the company u/s 314 of the Companies Act, 1956, in respect of the said firm to hold office of profit in the company.

None of the Directors except Sh. Harvinder Chopra is interested in this resolution.

The Directors recommend the special resolution for your approval.

**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 2012

**FINANCIAL RESULTS:**

(Rs. In lacs)

Particulars	31st March `12	31st March `11
Total Income	3513.19	2631.84
Increase/(decrease) of Stock in trade	75.47	26.63
Profit before Interest & Depreciation	894.43	562.88
Less : Interest	27.87	27.73
Depreciation	265.10	252.81
Profit / (Loss)before Tax	601.46	282.34
Net Profit	618.94	282.34

**Review of the operations of Sugar Mill**

During the year sugar mill of the company was Leased out for the crushing season 2010-11. Sugar Mill crushed 23552.66 quintals of sugarcane, and produced 1410 bags of sugar. The Mill also produced 2000 quintals of molasses.

**Review of the operations of Distillery**

The unit has produced 7,18,142 cases of Punjab medium Liquor (PML), 3719709 (Bulk Liters) of Extra Neutral Alcohol (ENA), and 172833 (Bulk Liters) Denature Spirit till 31st March 2012

The unit has recorded a turnover of 2839.90 Lacs .

**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 also 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. Devinder Sharma Wholetime Director & Sh. Kartikeya Sharma, Director of the Company retires by rotation and are eligible for the reappointment.

During the year Sh. H.P.S. Mann Director cane has resigned from the Board of Directors of the company.

The Board has also appointed Sh. Jai Parkash Kaushik as Director of the company.

**Dividend**

Due to Accumulated Losses, your directors express their inability to recommend dividend for the year ended 31st March 2012

**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 of Sh. Sanjeev .K. Bansal, Cost Accountant for the financial year 2011-2012 to conduct cost audit for its Sugar unit & Distillery unit.

**Corporate Governance**

Pursuant to clause 49 of the Listing Agreement with the Bombay Stock exchange 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.

**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 to 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 of 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 Sugar & Allied Industries Limited

Sd/-

(Devinder Sharma)

Wholetime Director

Sd/-

(Jai Parkash Kaushik)

Director

Place : New Delhi

Date : 14/08/2012

**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) 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 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.

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

All the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

1	ELECTRICITY	2011-12	2010-11
A	Purchased		
	Unit	KWH	KWH
	Total Units	1035765	724777
	Total Amount(Rs.)	6380312	3602214
	Rate per unit(Rs.)	6.16	4.93
B.	OWN GENERATION		
	i) Through Diesel Generator		
	Unit	KWH	KWH
	Total Unit	442395	476017
	Units per Liter of Diesel Oil	4.08	3.99
	Cost Per Unit (Rs.)	9.38	8.86
	ii) Through stream Turbine/Generator		
	Unit	KWH	KWH
	Total Units	000	000
	Units per Ton of fuel(Bagasse)	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 (Qtls)	1410	0.00
	Electricity (Units)	-	0.00
	Distillery (cases)	718142	939540
	Rectified Spirit / ENA in BL	3255709	1855447
	Electricity(Units) in cases	2.06	1.28
	Other(Specify) Rectified Spirit /ENA (in BL)	0.45	0.65

**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 also well-proved indigenous technology for the manufacture of Sugar. & Distillery.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Foreign Exchange Earning:

Nil

Foreign Exchange Outgo:

Nil

For Piccadily Sugar & Allied Industries Limited

Place : New Delhi

Date : 14/08/2012

Sd/-  
(Devinder Sharma)  
Wholtime Director

Sd/-  
(Jai Parkash Kaushik)  
Director



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Sugar industry majorly contributes to the Indian economy by way of directly paying about Rs. 5500 cores annually to farmers for their sugarcane and by way to fully catering to the domestic demand of sugar as well as earning some foreign exchange by exporting some surplus sugar. The industry is also contributing to economy through better utilization of its by products viz- molasses, co-generation and press mud and helps reduce dependence on fossil fuel.

Typically sugar follows a five year cycle, wherein the production is high in the first three years. In the remaining two years, production comes down as farmers switch over to other crops. Now after three years of high Sugar output, country is looking forward with good output in the next two years.

### **Future prospects**

As per estimates ISMA (Indian Sugar Mills Association) the production in the ensuing season 2012-13 will be higher than the domestic consumption of 22.00 million tones and country will continue to export sugar and based on current sowing, sugar production would touch 25.00 million tones.

### **Ethanol**

Sugar Industry and Ethanol manufacturers have been supplying Ethanol for the last 1- ½ years at provisional price of Rs.27.00 per liter even though their alternate products from molasses are fetching more prices. At present OMCs are saving Rs.20 per Liter of ethanol produced for the blending purpose. The Saumitra Chaudhuri committee (setup by Government of India) submitted its final pricing policy report suggesting linkage of ethanol price with petrol price is not finalized by Government.

### **Distillery**

The Distillery Unit produces Extra Neutral Alcohol (ENA), Punjab Medium Liquor (PML) and Denatured Spirit (DS) using molasses during the year.

The company also proposes to manufacture ethanol from its existing distillery plant from the raw material sufficiently available in house.

The Distillery unit meets with 100% pollution control norms.

### **Out Look / Projection:**

The company's projection on crushing of Sugarcane for the current year 2012-2013 is on the basis of cane availability of sugarcane. The company will supply the entire quota of Punjab medium liquor allotted to its distillery and is making all efforts for the lifting of open quota by providing incentives to the distributors.

### **Risk and Concern**

The obligation of sugar mills to supply 10 % of production as Levy Sugar at a much lower market price for state run welfare programmes, sugar release mechanism for sale of sugar, higher prices of cane fixed by states

### **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 2012 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 improve 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 Five 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: -

	<b>Name of Directors</b>	<b>Nature</b>
1	Sh Kartikeya Sharma	Promoter Director
2	Sh. Devinder Sharma	Whole time Director
3	Sh. Ashok Sharma	Nominee Director
4	Sh. Harvinder Chopra	Professional Director
5	Sh. Jai Parkash Kaushik*	Professional Director

\*Appointed on 12/11/2011

Attendance of each director at the Board meeting, last Annual General Meeting and number of other directorship of each Director in various companies.

<b>Name of Directors</b>	<b>Attendance Particulars</b>		<b>No. of other Directorship</b>	<b>Member of Committee</b>
	<b>Board Meeting</b>	<b>Last AGM</b>		
Sh. Harvinder Chopra	5	Yes	8	2
Sh. H.P.S. Mann (Resigned on 20/02/2012)	3	No	-	-
Sh. Ashok Sharma	-	No	-	1
Sh. Devinder Sharma	5	Yes	1	4
Sh. Kartikeya Sharma	4	No	22	-
Sh. Jai Parkash Kaushik (Joined on 12/11/2011)	2	No	-	2

During the period starting from May 2011 to May 2012 five Board Meeting were held on : 30/05/2011, 10/8/2011, 12/11/2011, 13/02/2012 & 25/05/2012

### **3. Audit Committee**

The Board of Directors of the company has constituted an Audit Committee of Three Directors, Sh. Harvinder Chopra, Sh. Devinder Sharma & Sh. Jai Parkash Kaushik. 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.
- ▶ The Chairman of the Audit Committee shall attend the Annual General Meeting of the company to provide any clarification on matters relating to audit.
- ▶ 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 09/08/2011, 10/11/2011, 11/2/2012 & 23/5/2012

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

**Location and time for last 3 Annual General Meetings:**

Year	Meeting	Location	Date	Time
2009	AGM	Piccadily Sugar & Allied Industries Limited Jakhai Road, Patran, Distt.Patiala Punjab.	Saturday 26/09/2009	10.30 A.M.
2010	AGM	Piccadily Sugar & Allied Industries Limited Jakhai Road, Patran, Distt.Patiala Punjab.	Thursday 23/09/2010	10.30 A.M.
2011	AGM	Piccadily Sugar & Allied Industries Limited Jakhai Road, Patran, Distt.Patiala Punjab.	Friday 30/09/2011	10.30A.M.

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

(B) Book Closure Date:- 22nd September to 30th September 2012.

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

**4. Means of Communication**

The quarterly results are published in the Business Standard & Desh Sewak.

**5. 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 shares of company is 507498

Note: Company has already made the payment of Annual listing Fees for the year 2012-2013

**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 2012as are under :

Month	High (Rs.)	Low (Rs)	Total no shares traded
April 2011	9.90	7.68	87209
May 2011	9.40	8.21	52334
June 2011	10.00	8.20	46938
July 2011	13.00	8.60	71902
August 2011	11.60	6.03	177865
September 2011	7.50	6.20	25404
October 2011	8.05	6.00	20674
November 2011	7.52	5.28	15999
December 2011	6.61	4.91	13953
January 2012	7.29	5.05	15461
February 2012	7.40	6.41	34402
March 2012	7.28	5.21	24672

**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 2012**

Shares holding of nominal value of Rs.10/- each	Share holders		Number of shares	Amount (in Rs)	Total (in %)
	Number	(in %)			
Upto 2500	48038	96.38	3468108	34681080	14.91
2501-5000	1058	2.12	444216	4442160	1.91
5001-10000	420	0.84	323520	3235200	1.39
10001-20000	177	0.36	249549	2495490	1.07
20001-30000	59	0.12	146586	1465860	0.63
30001-40000	20	0.04	70190	701900	0.30
40001-50000	17	0.03	79015	790150	0.34
50001-100000	30	0.06	214654	2146540	0.93
100001 & above	24	0.05	18258689	182586890	78.52
<b>Total</b>	<b>49843</b>	<b>100.00</b>	<b>23254527</b>	<b>232545270</b>	<b>100.00</b>

**Share Holding Pattern as at 31st March 2012**

	Number of Shares	Percentage
Promoters	17590554	75.64
Bodies Corporate	515998	2.22
Individuals	4456718	19.17
NRI	658241	2.83
Clearing Members	157	0.00
HUF	32859	0.14
<b>Total</b>	<b>23254527</b>	<b>100.00</b>

9. Outstanding GDRs/ ADRs warrants or convertible instruments, conversion data and likely impact on equity. N.A.

10. Demat of Shares as on 31/03/2012

The detail of demat of shares is as under:

	Number of equity Shares	Percentage
NSDL	14726968	63.33
CDSL	4196467	18.05
PHYSICAL	4331092	18.62
<b>TOTAL</b>	<b>23254527</b>	<b>100.00</b>

**11. DISCLOSURES**

a) Disclosure on materially significant related party transaction i.e. transactions of the company of material nature, with its promoters, directors or the management their subsidiaries or relatives etc, that may have potential conflict with the interest of the company at large.

There are no transactions with any of the related Parties which were in conflict with the interests of the company.

- b) Details of non-compliance by the company, penalties and stricture imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.  
No penalties, strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- 12 **WEBSITE:** The company's website [www.psailpatran.com](http://www.psailpatran.com) has been made operational and contains all the necessary information as required by clause 54 of the Listing Agreement with The Bombay Stock Exchange Limited
- 13 **Registrar for Demat & Transfer of Shares**  
Abhipra Capital Ltd.,  
Ground Floor, Abhipra complex, Dilkhush Industrial Area,  
A-387, GT Karnal Road, Azadpur, Delhi-110033
- 14 **Address for Correspondence**  
Piccadily Sugar & Allied Industries Limited  
Jakhal Road, Patran, District: Patiala, Punjab.
- 15 **Plant Location**  
Piccadily Sugar & Allied Industries Limited  
Jakhal Road, Patran, District. Patiala, Punjab.
- 16 **Annual General Meeting Date, Time & Venue**
- |       |   |
|-------|---|
| Date  | : 29th September 2012 (Saturday)                  |
| Time  | : 10.30 A.M.                                      |
| Venue | : Jakhal Road, Patran, District. Patiala, Punjab. |

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

We have examined the compliance of the conditions of Corporate Governance by Piccadily Sugar & Allied Industries Ltd. for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited (BSE)

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and explanations given to us, we certify that company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of representation received from company, we state that during the year ended 31st March, 2012 no investor grievances were pending for a period exceeding one month except where dispute or for want of completion of legal formalities. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh

Dated: 14.08.2012

for Jain & Associates  
Chartered Accountants

Sd/

(Neeraj Jain

(Partner

M.NO.8947

Firm Regd. No. 013611

**AUDITOR'S REPORT**

The Members of,  
Piccadily Sugar & Allied Industries Limited,

We have audited the attached Balance Sheet of M/s Piccadily Sugar & Allied Industries Limited as at 31st March 2012 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditors' Report) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, the Company has kept proper books of accounts as required by law, so far as appear from our examination of the books.
  - c) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with accounting standards specified by The Institute of Chartered Accountants of India referred to in Section 211(3C) of Companies Act, 1956.
  - e) On the basis of the written representations received from the Directors as on 31.3.2012 & taken on record by the Board of Directors, we report that none of the Directors is disqualified for being appointed as a Director in terms of Clause (g) of sub-section (1) of Sec 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view.
    - i) In the case the Balance Sheet, of the state of affairs of the Company as at 31st March 2012
    - ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date.
    - iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-

NEERAJ JAIN

(PARTNER)

M.NO.89477

Firm. No. 01361N

PLACE: Chandigarh

DATE: 25.05.2012

**ANNEXURE TO THE AUDITORS' REPORT**

- I. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets once in a year. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.
  - c) During the year, Company has not disposed of any substantial / major part of fixed assets.
- II. In respect of its inventories:
  - a) The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- III.
  - a) According to the information and explanations given to us, and our verification we observed that the company during the year has not granted any loans to any party covered in the register maintained under section 301 of the Companies Act 1956.
  - b) According to the information and explanations given to us, and our verification we observed that the company during the year has not taken any loans from any party covered in the register maintained under section 301 of the Companies Act 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- V. In respect of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956.

To the best of our knowledge and belief and according to the information and explanation given to us, the company has not entered into any transactions that needed to be entered into the register maintained u/s 301 of the Companies Act, 1956.
- VI. In our opinion, the Company has not accepted deposit under the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India
- VII. In our opinion, the Company has internal audit system which commensurate with the size and nature of its business.
- VIII. The Company is required to maintain cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the company and according to the information and explanation given to us, the company has maintained proper records as prescribed by the central government.
- IX. According to the information and explanations given to us in respect of Statutory and other dues:
  - a) The company is regular in depositing undisputed statutory and other dues, including Provident fund, Income Tax, Sales Tax, Service Tax, Excise Duty and any other statutory dues with the appropriate authorities during the year.
  - b) As per the information and explanation given to us, no disputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty were outstanding as on 31.03.2012 except in respect of Sales Tax demand of Rs. 30.08 lacs in Distillery unit against which appeal is pending before sales tax authorities.



- X. The company has accumulated losses of Rs.726.19 lacs and its paid up capital is Rs. 2322.10 lacs. The company has not incurred cash losses during the current and the immediately preceding financial year.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that there is no secured/unsecured loan from any Bank/ Financial institution
- XII. According to the information and explanations, given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company does not fall within the category of Chit fund/Nidhi/Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
- XIV. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements are not applicable.
- XV. The company has not given guarantee for loans taken by others from banks or financial institutions.
- XVI. To the best of our knowledge and belief and according to the information and explanation given to us no term loans has been availed by the company from banks and financial institutions.
- XVII. According to the Cash flow statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956, during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any monies by way of public issues during the year.
- XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Sd/-

**NEERAJ JAIN**

**(PARTNER)**

**M NO. 89477**

**Firm. No. 01361N**

**PLACE: Chandigarh**

**DATE: 25.05.2012**

**BALANCE SHEET AS ON 31.3.2012**

Particulars	Note	(Amount in Rs.)	
		As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's funds			232,209,520
(a) Share Capital	1	232,209,520	(134,512,994)
(b) Reserves & Surplus	2	(72,619,263)	
(2) Non-current liabilities		25,000,000	25,000,000
(a) Long term borrowings	3		
(3) Current Liabilities		251,189,153	279,953,139
(a) Trade Payables	4		40,610,280
(b) Other current liabilities	5	27,218,654	2,639,904
(c) Short term provisions	6	7,440,262	
Total		<u>470,438,327</u>	<u>445,899,849</u>
<b>II. ASSETS</b>			
(1) Non-Current assets			290,222,394
(a) Fixed assets		331,522,172	96,517,978
(i) Tangible assets	7	53,157,721	N.A.
(ii) Capital work-in-progress		6,342,741	6,756,268
(b) Deferred tax assets (net)	8	6,756,268	
(c) Long term Loan and Advances	9		
(2) Current assets		43,246,281	29,472,312
(a) Inventories	10		1,060,475
(b) Trade receivables	11	5,097,390	5,902,272
(c) Cash & Bank balance	12	4,313,153	15,968,150
(d) Other current assets	13	20,002,601	
Total		<u>470,438,327</u>	<u>445,899,849</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 to 31

In terms of our separate report of even date

Sd/-  
Devinder Sharma  
(Whole time Director)Sd/-  
Jai Parkash Kaushik  
(Director)Sd/-  
Nikhillesh Verma  
(Company Secretary)for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTSSd/-  
(Neeraj Jain)  
Partner  
M.No.89477  
Firm Regd. No. 01361NPLACE : Chandigarh  
DATE: 25.05.2012

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2012

Particulars	Note	(Amount in Rs.)	
		As at 31st March, 2012	As at 31st March, 2011
I. Revenue from operations	14	283,734,385	259,147,264
II. Other Income	15	67,584,591	4,036,390
III. Total Revenue		351,318,976	263,183,654
IV. Expenses:			
Cost of materials consumed	16	120,678,329	77,430,073
Change in F.G, WIP, and Stock-in-Trade	17	(7,546,763)	(2,662,956)
Employee benefit expense	18	11,568,406	10,502,505
Finance costs	19	2,786,785	2,773,209
Depreciation and amortization expenses		26,509,714	25,280,668
Other expenses	20	136,616,251	121,625,973
Total expenses		<u>290,612,722</u>	<u>234,949,473</u>
V. Profit before exceptional and extraordinary items and tax		60,706,254	28,234,181
VI. Exceptional items			
Previous year Expenses		560,707	
VII. Profit before extraordinary items and tax			
VIII. Extraordinary Items: Provision for the obsolete stock			
IX. Profit before tax		<u>60,145,547</u>	<u>28,234,181</u>
X. Tax expense:			
(1) Current tax (MAT)		4,594,556	-
(2) Deferred tax Assets		6,342,741	-
XI. Profit (Loss) for the period from continuing operations		61,893,732	28,234,181
XII. Profit (Loss) for the period from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit (Loss) from Discontinuing operations (after tax)		-	-
XV. Profit (Loss) for the period		<u>61,893,732</u>	<u>28,234,181</u>
XVI. Earnings per equity share:			
(1) Basic /Diluted		2.66	1.21
Nominal Value of each share		10	10

In terms of our separate report of even date

Sd/-  
Devinder Sharma  
(Whole time Director)

Sd/-  
Jai Parkash Kaushik  
(Director)

Sd/-  
Nikhilesh Verma  
(Company Secretary)

for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
( Neeraj Jain)  
Partner

M.No.89477  
Firm Regd. No. 01361N

PLACE : Chandigarh  
DATE: 25.05.2012

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2012**

Particulars	Note	(Amount in Rs.)	
		As at 31st March, 2012	As at 31st March, 2011
I. Revenue from operations	14	283,734,385	259,147,264
II. Other Income	15	67,584,591	4,036,390
III. Total Revenue		351,318,976	263,183,654
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Previous year Expenses		560,707	
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IX. Profit before tax		60,145,547	28,234,181
X. Tax expense:			
(1) Current tax (MAT)		4,594,556	-
(2) Deferred tax Assets		6,342,741	-
XI. Profit (Loss) for the period from continuing operations		61,893,732	28,234,181
XII. Profit (Loss) for the period from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit (Loss) from Discontinuing operations (after tax)		-	-
XV. Profit (Loss) for the period		61,893,732	28,234,181
XVI. Earnings per equity share:			
(1) Basic /Diluted		2.66	1.21
Nominal Value of each share		10	10

In terms of our separate report of even date

Sd/-  
Devinder Sharma  
(Whole time Director)Sd/-  
Jai Parkash Kaushik  
(Director)Sd/-  
Nikhilesh Verma  
(Company Secretary)for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTSSd/-  
( Neeraj Jain)  
PartnerM.No.89477  
Firm Regd. No. 01361NPLACE : Chandigarh  
DATE: 25.05.2012

CASH FLOW STATEMENT FOR THE YEAR ENDEING 31ST MARCH, 2012  
(Amount Rs. in Lacs )-

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
A Cash Flow from operating Activities	618.94	282.34
Net profit before taxation		252.81
Adjustment for:	265.10	(0.40)
Depreciation	(0.58)	0.00
Interest Received	45.95	26.90
Provision for taxation	26.98	1.03
Interest on Loans	0.85	0.00
Gratuity expense	(63.43)	0.00
Deffered Tax Asset Provision	(1.03)	0.00
Profit on sale	892.78	562.68
Operating profit before working capital changes		(38.65)
Adjustment for:	(80.71)	(48.38)
Trade and other recievables	(137.74)	(70.24)
Inventories	0.00	0.00
Trade Payables & Provisions	(287.64)	0.00
Trade Payables	(93.01)	405.41
Short term provision	293.67	0.00
Cash generated from operations	0.00	405.41
Direct Taxes Paid	293.67	
<b>Net cash operating activities</b>		(529.80)
B Cash flow from investing activities Net (Purchahse)/sale of fixed assets	(243.46)	0.40
(including capital work in progress)	0.58	(529.41)
Interest Received	(242.89)	
<b>Net Cash Flow from Investing Activities</b>		220.00
C Cash flow from financing activities	0.00	(63.97)
Receipt of share application money	(66.68)	156.03
Interest on Loans	(66.68)	
Net cash from financing activities		26.99
Net increase in cash & cash equivalents	59.02	59.02
Cash & cash Equivalents as at 31.03.2011	43.13	
Cash & cash Equivalents as at 31.03.2012		

Sd/-  
Devinder Sharma  
(Whole time Director)

Sd/-  
Jai Parkash Kaushik  
(Director)

Sd/-  
Nikhilesh Verma  
(Company Secretary)

for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
( Neeraj Jain)  
Partner

M.No.89477  
Firm Regd. No. 01361N

PLACE : Chandigarh  
DATE: 25.05.2012

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012

	(Amount in Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 1 Share Capital</b>		
A) AUTHORISED 30000000 Equity shares of Rs. 10/-each	300,000,000	300,000,000
B) ISSUED SUBSCRIBED & PAID UP 23254527 Equity Shares of Rs. 10/- each fully called up and paid up.	232,545,270	232,545,270
LESS: Unpaid Calls 67150 Equity Shares of Rs.5 each Unpaid	335,750	335,750
Total	<u>232,209,520</u>	<u>232,209,520</u>
C) DETAIL SHAREHOLDERS HOLDING MORE THAN 5% SHARES	No. of Share held	Percentage of Share
1. Mr. Sidhartha Vashishta	3,457,763	14.87
2. Soon-N-Sure Holdings Ltd	5,724,702	24.62
3. Punjab State Ind. Dev. Corp. Ltd	1,650,000	7.09
4. Piccadily Agro Ind. Ltd	6,691,936	28.78
<b>NOTE 2 RESERVES &amp; SURPLUS</b>		
Capital subsidy	3,000,000	3,000,000
Profit & Loss Account As per last Balance Sheet	(137,512,994)	(287,956,685)
Less: Reduction of Shares BIFR order 01.04.2011	-	122,209,510
Trfd. From Profit & Loss Account	61,893,732	28,234,181
Total	<u>(72,619,263)</u>	<u>(134,512,994)</u>
<b>Note 3 Long Term Borrowings</b>		
I) Loans and Advances from Related Parties Loan from Piccadily Agro Industries Ltd (Secured against Plant & Machinery at interest rate of 10.75%) (Repayable on Demand)	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
<b>Note 4 TRADE PAYABLES</b>		
1. Sundry Creditors	251,189,153	279,953,139
Total	<u>251,189,153</u>	<u>279,953,139</u>
<b>Note 5 OTHER CURRENT LIABILITIES</b>		
1. Statutory Liabilities	5,467,543	14,601,977
2. Creditors for capital expenditure	5,940,013	8,323,249
3. Expenses Payables	8,768,242	8,551,367
4. Other payables	4,617,479	2,738,530
5. Interest accrued on Above loan	2,425,377	6,395,157
Total	<u>27,218,654</u>	<u>40,610,280</u>
<b>Note 6 SHORT TERM PROVISIONS</b>		
Gratuity Provision	2,617,170	2,532,189
Bonus Payable	228,536	107,715
Income Tax Provision	4,594,556	-
Total	<u>7,440,262</u>	<u>2,639,904</u>

## Note-7 FORMING PART OF BALANCE SHEET AS ON 31.03.2012

Particulars	(Amount in Rs.)													
	GROSS		BLOCK		AT		COST		DEPRECIATION		NET		BLOCK	
	1st April, 2011	Addition during the year	Less: Sale/Tr.	31st March, 2012	As at 31.03.2011	Depreciation during the year	Dep. W/Back	Total Depreciation	As at 31st March, 2012	As at 31st March, 2011				
1. Land	18990100	0	0	18990100	0	0	0	0	18990100	18990100				
2. Buildings	117116440	349883	0	117466323	26633441	1910592	0	28544033	88922290	90482998				
3. Buildings (Pet Plant)	0	4266104	0	4266104	0	191	0	191	4265913	0				
3. Plant & Machinery	308116322	0	0	308116322	231709652	16268542	0	247978194	60138128	76406670				
4. Plant & Machinery (GBDP)	123740125	2342090	0	126082215	24734315	6609638	0	31343953	94738262	99005810				
5. Plant & Machinery (Pet Plant)	0	17492925	0	17492925	0	2530	0	2530	17490395	0				
6. Furniture & Fixtures	1837841	326166	0	2164007	1472947	146798	0	1619745	544262	364894				
7. Office Equipment	3001283	0	0	3001283	1738033	142561	0	1880593	1120690	1263250				
8. Agri. Equipments	1111004	0	0	1111004	595385	52773	0	648158	462847	515619				
9. Vehicles	7460817	290371	873381	6877807	4779152	403000	873381	4308771	2569036	2681685				
10. Tractor	459974	0	0	459974	459974	0	0	459974	0	0				
11. Computer	1842324	35789	0	1878113	1330937	236069	0	1567006	311107	511387				
12. Eeveporator	0	42706164	0	42706164	0	737021	0	737021	41969143	0				
<b>TOTAL</b>	<b>583676230</b>	<b>67909492</b>	<b>873381</b>	<b>650612341</b>	<b>293453835</b>	<b>26509714</b>	<b>873381</b>	<b>319090169</b>	<b>331522172</b>	<b>290222394</b>				
<b>PREVIOUS YEAR</b>	<b>566337225</b>	<b>17339005</b>	<b>0</b>	<b>583676230</b>	<b>268173167</b>	<b>25280668</b>	<b>0</b>	<b>293453835</b>	<b>290222394</b>	<b>298164057</b>				
CAPITAL WORK IN PROGRESS														
13. Advances for Capital Assets	5029155	0	-732173	4296982	0	0	0	0	4296982	5029155				
14. Evaporator Plant	23764010	18655440	42419450	0	0	0	0	0	0	23764010				
15. ENA Storage Tank	0	415303	415303	0	0	0	0	0	0	0				
16. Plant & Machinery-Turbine	0	0	0	0	0	0	0	0	0	0				
17. Plant & Machinery-DG Set	0	0	0	0	0	0	0	0	0	0				
18. Plant & Machinery GBDP Under Construction	0	0	0	0	0	0	0	0	0	0				
19. Plant & Machinery- Pet Bottle Plant	16140641	1352284	17492925	0	0	0	0	0	0	16140641				
20. Pet Bottle Plant Under Construction	3596097	670007	4266104	0	0	0	0	0	0	3596097				
21. Brewery Project Under Construction	772361	0	0	772361	0	0	0	0	772361	772361				
22. Bio-Gas Digester	43901296	872664	0	44773960	0	0	0	0	44773960	43901296				
23. Decanter Plant Under Construction	3268601	0	0	3268601	0	0	0	0	3268601	3268601				
24. Pre Operative Exp. Of Rewart Distillery	45817	0	0	45817	0	0	0	0	45817	45817				
25. Transformer	0	303508	303508	0	0	0	0	0	0	0				
<b>TOTAL</b>	<b>96517978</b>	<b>22269206</b>	<b>64165117</b>	<b>53157721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53157721</b>	<b>96517978</b>				
<b>PREVIOUS YEAR</b>	<b>60876950</b>	<b>57853839</b>	<b>22212811</b>	<b>96517978</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96517978</b>	<b>60876950</b>				

**PICCADILY Sugar & Allied Industries Ltd.**

**piccadily**

	As at 31st March, 2012	(Amount in Rs.) As at 31st March, 2011
<b>Note 8 DEFERRED TAX ASSET</b>		
Deferred Tax Assets due to carried forward losses & Deferred Tax Assets due to disallowances u/s.43B	54,235,113	N.A.
	923,290	N.A.
	<u>55,158,403</u>	N.A.
Less Deferred Tax Liability due to depreciation	48,815,662	N.A.
Net Deferred Tax Assets	<u>6,342,741</u>	N.A.
Last Year Balance in Deferred Tax Assets	6,342,741	N.A.
Charged through P&L Account	<u>6,342,741</u>	N.A.

These Calculations are in accordance with Accounting Standard 22 "Accounting For Taxes On Income" (AS 22) issued by the Institute of Chartered Accountants of India and these are based on Income tax returns and the books of accounts of the company.

**NOTE 9 LONG TERM LOANS & ADVANCES**

Detail of Security Deposit	5,449,628	5,449,628
PSEB Security	454,640	454,640
PSEB. Security ( Distillery Unit)	852,000	852,000
Piccadily Hotels Pvt Ltd (OKhla office) (Related parties)	<u>6,756,268</u>	<u>6,756,268</u>
Total		

**NOTE 10 INVENTORIES**

(As per inventories taken ,valued & certified by the management)

Raw Materials	1,635,878	2,225,762
Finished Goods	24,893,489	17,346,726
Stores Chemicals and Packing Material	16,716,914	9,899,824
Total	<u>43,246,281</u>	<u>29,472,312</u>



piccadily

PICCADILY Sugar & Allied Industries Ltd.

As at  
31st March, 2012

(Amount in Rs.)  
As at  
31st March, 2011

**NOTE 11 TRADE RECEIVABLES**

	As at 31st March, 2012	(Amount in Rs.) As at 31st March, 2011
<b>SUNDRY DEBTORS</b>		
(Unsecured but considered good)		
a) debts outstanding for a period exceeding six months	5,097,390	1,060,475
b) Other debts	5,097,390	1,060,475
Total		

(Out of above debts Rs 3905095 is receivables from Piccadily Agro Ind. Ltd (Related party))

**NOTE 12 CASH & BANK BALANCES**

A) Cash & Cash Equivalents	797,787	1,097,584
a) Cash in Hand		
b) Balance with Banks in Current Accounts	2,792,975	4,134,631
B) Other Bank Balance	722,391	670,057
Fixed Deposits ( against guarantee given to different Government Revenue Authorities)		
Total	4,313,153	5,902,272

**NOTE 13 OTHER CURRENT ASSETS**

<b>LOANS &amp; ADVANCES</b>		
( Unsecured but considered good)		
Advances recoverable in cash or in kind or for value to be received	5,784,140	3,801,583
Recoverable from Government Authorities	14,218,460	12,166,566
Other Advances	20,002,601	15,968,150
Total		

In terms of our separate report of even date

Sd/-  
Devinder Sharma  
(Whole time Director)

Sd/-  
Jai Parkash Kaushik  
(Director)

Sd/-  
Nikhilesh Verma  
(Company Secretary)

for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Sd/-  
( Neeraj Jain)  
Partner  
M.No.89477  
Firm Regd. No. 01361N

PLACE : Chandigarh  
DATE: 25.05.2012

	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE 14 REVENUE FROM OPERATIONS</b>		
<b>Sale of Product</b>		
Gross Sales	283,990,237	259,258,864
Less: Excise Duty	255,852	111,600
Net Sales	283,734,385	259,147,264
<b>NOTE 15 OTHER INCOME</b>		
Interest Income		
Interest on FDR	57,594	39,876
Other non-operative Income		
Cane Cess Written off	9,934,768	-
Sundry Balances Written off	4,400,452	3,622
Rent received - Plant & Machinery	50,000,000	-
Other Misc Income	3,191,777	3,992,892
Total	67,584,591	4,036,390
<b>NOTE 16 COST OF RAW MATERIAL CONSUMED</b>		
<b>Opening Stock of Raw Materials</b>	2,225,762	2,953,770
Purchases during the year	120,088,445	76,702,065
	122,314,207	79,655,835
Less Closing Stock	1,635,878	2,225,762
Total	120,678,329	77,430,073
<b>NOTE 17 CHANGES IN FG, WIP, STOCK -IN -TRADE</b>		
Opening Stock		
Finished good Stock	17,346,726	14,683,770
Total A	17,346,726	14,683,770
Closing Stock		
Finished good Stock	24,893,489	17,346,726
Total B	24,893,489	17,346,726
Total(A-B)	(7,546,763)	(2,662,956)
<b>NOTE 18 EMPLOYEES BENEFIT EXPENSE</b>		
Provident Fund	130,131	136,352
Staff & Labour Welfare	346,366	330,633
Salaries Wages & Bonus	11,006,928	9,898,904
Gratuity Provision	84,981	136,616
Total	11,568,406	10,502,505
<b>NOTE 19 FINANCIAL COSTS</b>		
Interest on Term Loan	2,698,026	2,689,991
Bank Charges	88,759	83,218
Total	2,786,785	2,773,209
<b>NOTE 20 OTHER EXPENSES</b>		
Manufacturing Expenses		
Electrical Repair	514,216	240,301
Chemicals	5,029,137	6,086,498
Packing Material	59,138,420	63,099,730
Lease Rent	-	122,400
Env. & ETP Expenses	2,626,082	3,199,183
Power & Fuel	41,907,895	21,127,777
Excise Duty	152,847	234,169
Machinery Repair	1,474,550	811,200
Total (A)	110,843,146	94,921,258

piccadily

PICCADILY Sugar & Allied Industries Ltd.

	As at 31st March, 2012	As at 31st March, 2011
Selling Expenses	84,483	172,207
Advertisement	6,325,672	7,237,310
Freight/Carriage Outwards	941,702	697,005
Loading Charges	6,375,771	8,183,574
Commission	13,727,628	16,290,096
<b>Total (B)</b>		
<b>Administrative &amp; Other Expenses</b>		
Insurance	14,573	14,278
Professional / Legal Fees	1,811,312	1,247,506
Fee & Taxes	3,235,840	2,255,450
Printing & Stationery	372,016	491,139
Payment to auditors:		
Audit Fee	100,000	100,000
Tax Audit Fee	25,000	25,000
Tax Matter Fees	15,000	15,000
Postage, Telephone & Telegram	532,029	1,630,334
Travelling & Conveyance	544,533	536,702
Office Rent	2,652,500	1,740,000
Running & Maintenance of Vehicles	674,007	452,405
Building	177,130	144,383
Donation	500,000	700,000
Service Tax Paid	376,143	286,504
Farm expenses	1,015,394	565,918
Director Remuneration		210,000
<b>Total (C)</b>	<b>12,045,477</b>	<b>10,414,619</b>
<b>Total (A+B+C)</b>	<b>136,616,251</b>	<b>121,625,973</b>

## PICCADILY Sugar &amp; Allied Industries Ltd.

	As at 31st March, 2012	(Amount in Rs.) As at 31st March, 2011
<b>NOTE 21 CONTINGENT LIABILITIES</b>		
1	Additional Demand raised by Sales tax Authorities pending in appeals	67
2	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30
3	Contingent liability in respect of Interest on cane cess, if any	52
4	Contingent Liability in respect of Unassessed cases of Income tax	Unascertained
	Sales tax, Excise duty and Service tax	Unascertained

**NOTE 22 NOTE REGARDING PAYABLE AND RECEIVABLE**

Balances of certain debtors, Loans & Advances (including capital advances), creditors and other liabilities (including associate company) are in process of confirmation/ reconciliation. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not be material.

**NOTE 23 MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006**

Company has not received intimation from supplier regarding the status under Micro Small & Medium Enterprises Act 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with Development the interest paid/payable as required under the said Act have not been given.

**NOTE 24 MISCELLANEOUS INCOME**

Miscellaneous/ other income of Rs.31.91 lacs (Previous year Rs 39.93 lacs) includes Rs 8.72 lacs as wastage recovered from L-13 Agents (Previous year Rs 27.39), Rs 10.53 lacs sale of scrap (previous year nil) Rs 1.03 as profit from sale of Vehicle (Previous year Rs. nil), Rs nil lacs as excise duty (Previous year Rs 0.83 lacs) and Rs. 11.63 lacs as Agriculture produce & other/misc. (Sales previous year Rs 11.70)

**NOTE 25 EARNING PER SHARE**

The Company has calculated earning per share in accordance with Accounting Standard 20 (AS 20) issued by the Institute of Chartered Accountants Of India and accordingly the net Profit of Rs 61893731 /-(28234181/-) is divided by weighted average number of 23254527 equity shares for calculating Basic & Diluted earning per share.

In terms of our separate report of even date

Sd/-  
Devinder Sharma  
(Whole time Director)

Sd/-  
Jai Parkash Kaushik  
(Director)

Sd/-  
Nikhilsh Verma  
(Company Secretary)

for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS.  
Sd/-  
(Neeraj Jain)  
Partner  
M.No.89477  
Firm Regd. No. 01361N

PLACE : Chandigarh  
DATE: 25.05.2012

**NOTE 26 SEGEMENT REPORTING**

As per the Accounting standard No. 17 issued by the institute of Chartered Accountants of India, New Delhi.

Segment reporting is applicable to the company as the company has two profit centers i.e. Sugar Unit & Distillery Unit.

The main Financials of the reporting is given as under: -

	SUGAR UNIT	DISTILLERY UNIT	TOTAL
a) Segment Revenue			
Sales & other Income	615	2,898	3513.19
Inter Segment Revenue	-	-	0.00
	615	2,898	3513.19
b) Segment Results			
Profit /Loss before Interest, Depreciation & Taxation	559	336	894.43
Depreciation	163	102	265.10
Profit /Loss After Depreciation	396	233	629.33
Interest Expenses	0	28	27.87
Profit Before Tax	396	206	601.46
Provision for Taxation	46	-	45.95
Deffered Tax Assets	63	-	63.43
Net Profit/Loss	413	206	618.94
Other information Segment Assets	1,553	3,088	4640.95
Segment Liabilities	2,077	1,031	3108.49
Depreciation debited to P&L A/c	163	102	265.10

a) The reportable business Segments are "Sugar" and "Distillery".

b) The type of products in each business segments are as under:

1. Sugar : Sugar, Molasses and Bagasse.

2. Distillery: - Punjab Medium Liquor (PML), Rectified Spirit (RS), ENA and De-natured spirit.

c) Accumulated losses of Rs. 726.19 lacs have been excluded from Segments Liabilities shown above.

d) There is no unallocated amount of revenue /expenses.

As at 31st March, 2012 As at 31st March, 2011

**NOTE 27 RELATED PARTY DISCLOSURE**

IN accordance with Accounting standard 18 " Related Party Disclosure" . The company has complied the following information.

- A) List of related parties and their relationship  
 Related Parties: 1. Piccadily Agro Industries Limited (PAIL)  
 2. Piccadily Hotels Private Limited (PHPL)

B) Related Party Transactions

	Rs. In Lacs	Rs. In Lacs
	PAIL	PHPL
1. Nature of Transactions		
2. Purchases		
3. Sales	346.90	
4. Interest Payable	671.35	
5. Office Rent Payable	24.25	22.70

**NOTE 28 Foreign exchange transaction**

a) Value of imports- value of imports calculated on CIF basis by the Company during the financial year in respect of -

1. Raw Materials	NIL	NIL
2. Components and Spare parts	NIL	NIL
3. Capital Goods	NIL	NIL
b) Expenditure In Foreign Travellin	NIL	NIL
c) Earning in foreign Currency	NIL	NIL

**NOTE 29 Regrouping of figures**

The previous year figure have been recast/ regrouped wherever considered necessary to facilitate comparision with revised Sechedule XI.

**NOTE 30 Valuation of Current Assets & Liabilites**

In the opinion of the board, the current assets,Loans and advances are approximately of the value stated and provision for known liabilities is adequate and not in excess of amount considered reasonably necessarily.

Sd/-  
 Devinder Sharma  
 (Whole time Director)

Sd/-  
 Jai Parkash Kaushik  
 (Director )

Sd/-  
 Nikhilesh Verma  
 (Company Secretary)

In terms of our separate report of even date

for JAIN & ASSOCIATES  
 CHARTERED ACCOUNTANTS

Sd/-  
 ( Neeraj Jain)  
 Partner  
 M.No.89477  
 Firm Regd. No. 01361N

PLACE : Chandigarh  
 DATE: 25.05.2012

**NOTE- 31 FORMING PART OF FINANCIAL STATEMENTS****Significant Accounting Policies**

- 1 The company prepares its accounts on accrual basis, except otherwise stated, in accordance with the normally accepted accounting principles and accounting standards & relevant provisions of the Companies Act, 1956.
- 2 **Fixed Assets & Depreciation** Fixed Assets are stated at their original cost of acquisition including all related expenses on acquisition and installation. Depreciation on fixed assets (includes composite depreciation charged on factory buildings and other buildings) has been provided on straight line method on pro-rata basis as per rates briefed in Schedule XIV of Companies Act 1956 Fixed Assets individually costing less than Rs. 5000/- are depreciated at the rate of 100% in the year of purchase.
- 3 **Inventories :**
  - a) Raw Material : At cost on FIFO basis.
  - b) Consumable Stores & spares : At cost.
  - c) Finished Goods : At weighted average cost/net realizable value whichever is less, including excise duty and all expenses attributable to production.
  - d) By Products : At net realisable value inclusive of Excise Duty.
- 4 Sales are inclusive of Excise Duty.
- 5 Gratuity Liability has been provided on basis of actuarial valuation .
- 6 Accounting policies not specifically referred to are in consistent with generally accepted accounting principles.
- 7 Contingent liabilities are not provided for and are disclosed by way of notes.

In terms of our separate report of even date

Sd/-  
Devinder Sharma  
(Whole time Director)

Sd/-  
Jai Parkash Kaushik  
(Director)

Sd/-  
Nikhilesh Verma  
(Company Secretary)

for JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Sd/-  
( Neeraj Jain)  
Partner  
M.No.89477  
Firm Regd. No. 01361N

PLACE : Chandigarh  
DATE: 25.05.2012

**PROXY FORM**

**PICCADILY SUGAR & ALLIED INDUSTRIES LTD.**

Regd. Office: Jakhhal Road, Patran, District. Patiala, Punjab.

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ (Address) Being a member(s) of PICCADILY SUGAR & ALLIED INDUSTRIES LTD. hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Saturday, 29th September, 2012 at 10.30 A.M. at the Registered Office of the company Jakhhal Road, Patran, District. Patiala, Punjab.

AS WITNESS my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Regd. Folio No./Client ID \_\_\_\_\_

Signature

Affix Rs.  
1/-  
Revenue  
Stamp

**Note:**

1. The Proxy must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. Please write complete address and Regd. Folio Number.

**ATTENDANCE SLIP**

**PICCADILY SUGAR & ALLIED INDUSTRIES LTD.**

Regd. Office: Jakhhal Road, Patran, District. Patiala, Punjab.

I Hereby record my presence at the 19th Annual General Meeting of PICCADILY SUGAR & ALLIED INDUSTRIES LTD. held at the Registered Office of the Company Jakhhal Road, Patran, District. Patiala, Punjab. on Saturday, 29th September, 2012 at 10.30 A.M.

Full Name of the Shareholder/Proxy \_\_\_\_\_

Full Address of the First Shareholder \_\_\_\_\_

Regd. Folio No./Client ID \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

ShareHolder's/Proxy's Signature \_\_\_\_\_

To be used when share holder First named is not attending. Please give full name; of the 1st Joint holder Mr./Mrs./Miss.



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PICCADILY Sugar & Allied Industries Ltd.

BOOK POST

If undelivered, please return to:  
**PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.**  
Regd. Office: Jakhal Road, Patran,  
Distt. Patiala, Punjab