

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

Share Holding Pattern at 31st March 2008

	Number of Shares	Percentage
Promoters	13956495	59.18
Bodies Corporate	1695429	7.19
Individuals	7722043	32.74
NR	208857	0.88
Clearing Members	1996	0.01
Total	23584820	100.00

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

10 Demat of Shares as on 31/03/2008

The detail of demat of shares is as under:

	Number of Equity Shares	Percentage
NSDL	8945298	37.93
CDSL	1254302	5.32
Total	10199600	43.25

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 were in conflict with the interests of the company.
- b) Details of non-compliance by the company, penalties and strictures 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 Registrar for Demat & Transfer of Shares

Abhipra Capital Ltd
Ground Floor, Abhipra complex, Dilkhusha Industrial Area,
A-387, GT Karnal Road, Azadpur, Delhi-110033

13 Address for Correspondence & Plant Location

Piccadily Agro Industries Limited
Vill. Bhadson, Umri-Indri Road, Tehsil Indri,
Distt Karnal, Haryana

- 14 Annual General Meeting Date, Time & Venue Date : 27th September 2008 Time : 10.30 A.M.
Venue : Umri-Indri Road, Tehsil Indri, Distt Karnal, Haryana

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Piccadily Agro Industries Ltd. for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, Mumbai.

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 statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the 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, 2008 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.

For Jain & Associates
Chartered Accountants

Place : New Delhi
Dated : 31-07-08

Sd/-
Neeraj Jain
PARTNER

AUDITOR'S REPORT

To
The Members of
PICCADILY AGRO INDUSTRIES LIMITED,

We have audited the attached Balance Sheet of M/s PICCADILY AGRO INDUSTRIES LIMITED as at 31st March 2008 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 and 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 appears 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 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 31.3.2008 & taken on record by the Board of Directors, we report that none of the Directors is disqualified from 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 2008.
 - 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/-
(N.K.JAIN)
PARTNER
M. No.89477

Place : New Delhi
Date : 30-06-2008

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 during the year. In our opinion having regard to the size of the company and the nature of its assets, the programme 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, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- b) According to the information and explanations given to us, the company has not taken secured or unsecured loans from companies, firms or other parties 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 is an adequate internal control system 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 particulars 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 transaction 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, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess 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, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Cess were outstanding as on 31.03.2008.
- X. The Company does not have accumulated losses for more than 50% of its net worth as at the end of the year and 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 the Company has not defaulted in the repayment of dues to financial institutions and banks.
- 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 given guarantee for loans taken by Cane Growers from banks or financial institutions. In our opinion and according to the explanations given to us, the terms & conditions of the guarantee are not prejudicial to the interests of the Company.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- XVII. According to the 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, have 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 issue 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/-
(N.K.JAIN)
PARTNER
M. No.89477

PLACE : New Delhi
DATE : 30-06-2008

BALANCE SHEET AS ON 31/03/08

(Amount in Rs.)

	SCH.	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
I SOURCES OF FUNDS			
1. SHARE CAPITAL	1	239,067,200.00	239,067,200.00
2. RESERVES & SURPLUS	2	9,721,800.00	9,721,800.00
a) Reserves		194,891,714.17	194,891,714.17
b) Capital Receipt			
3. LOAN FUNDS	3	618,190,196.03	482,910,432.45
a) Secured Loans		74,506.87	
4. DEFERRED TAX LIABILITY			
TOTAL		1,061,945,417.07	926,591,146.62
II APPLICATION OF FUNDS			
1. FIXED ASSETS	4		
a) Gross Block		772,643,733.64	712,142,932.24
b) Less: Depreciation		335,410,856.38	299,497,845.34
c) Net Block		437,232,877.26	412,645,086.90
d) Capital Work-in-Progress		274,362,758.52	97,403,489.84
TOTAL 'A'		711,595,635.78	510,048,576.74
2. INVESTMENTS	5	7,388,364.45	3,677,097.45
TOTAL 'B'		7,388,364.45	3,677,097.45
3. DEFERRED TAX ASSETS BRANCH/DIVISION			2,800,748.03
TOTAL 'C'			2,800,748.03
4. CURRENT ASSETS LOANS & ADVANCES	6		
Inventories		581,289,346.23	550,281,751.32
Sundry Debtors		19,975,817.39	32,699,476.26
Cash & Bank Balances		265,774,480.51	65,928,338.80
Loans & Advances		87,148,297.57	289,519,868.46
		954,187,941.70	938,429,434.84
Less : Current Liabilities & Provisions	7	697,047,254.39	626,097,547.10
Net Current Assets	TOTAL 'D'	257,140,687.31	312,331,887.74
5. MISCELLANEOUS EXPENDITURE	8		
Profit & Loss Account		85,820,729.53	97,732,836.66
		85,820,729.53	97,732,836.66
TOTAL (A) + (B) + (C) + (D) + (E)		1,061,945,417.07	926,591,146.62

ACCOUNTING POLICIES, NOTES FORMING FORMING 16
PARTS OF ACCOUNTS & GENERAL BUSINESS ABSTRACT

Sd/- (Kartikeya Sharma) Director
Sd/- (Harvinder Chopra) Executive Director
Sd/- (Nikhlesh Verma) Company Secretary

In terms of our separate report of even date
For Jain & Associates
Chartered Accountants
Sd/-
(Neeraj Jain)
Partner

Place : New Delhi
Date : 30-06-2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Amount in Rs.)

	SCHEDULE	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
INCOME			
Sales	9	1,218,762,533.00	758,271,344.00
Less : Excise Duty		(66,848,510.00)	(50,934,444.00)
Sales net of Exise Duty		1,151,914,023.00	707,336,900.00
Other Miscellaneous Income		27,367,116.41	18,453,607.84
Closing Stock :			
Work In Progress		11,776,739.59	13,917,453.00
finished goods		556,197,022.46	524,317,121.00
		1,747,254,901.46	1,264,025,081.84
EXPENDITURE			
Work In Progress		13,917,453.00	15,135,570.00
finished goods		524,317,121.00	455,872,557.00
Raw Material Consumed	10	850,139,534.20	606,885,140.80
Manufacturing Expenses	11	211,709,946.01	78,492,816.15
Employment Costs	12	30,268,377.48	22,483,391.00
Administrative & other Expenses	13	16,921,618.79	12,781,069.42
Financial Expenses	14	35,039,954.34	28,426,375.85
Selling Expenses	15	11,261,152.00	3,437,779.00
Depreciation	4	35,939,274.59	34,281,732.10
Previous year Expenses		2,548,456.01	995,990.70
		1,732,062,887.43	1,258,792,422.02
Profit Before Tax		15,192,014.03	5,232,659.82
Wealth-Tax (Previous Years)		37,820.00	17,337.00
Fringe Benefit Tax		366,832.00	296,074.00
Provision for deferred tax assets/liability		(2,875,254.90)	(1,956,667.88)
Balance carried to Balance Sheet		11,912,107.13	2,962,580.94
Basic /Diluted Earning Per Share		0.51	0.13
Nominal Value of each share		10.00	10.00

Sd/- (Kartikeya Sharma) Director
 Sd/- (Harvinder Chopra) Executive Director
 Sd/- (Nikhlesh Verma) Company Secretary

In terms of our separate report of even date
 For Jain & Associates
 Chartered Accountants
 Sd/-
 (Neeraj Jain)
 Partner

Place : New Delhi
 Date : 30-06-2008

SCHEDULE '1' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
SHARE CAPITAL		
(a) Authorised		
27000000 Equity Shares of Rs.10/- each	270,000,000.00	270,000,000.00
(b) Issued, Subscribed and Paid up		
23584820 Equity Shares of Rs. 10/- each fully Called up & paid up.	235,848,200.00	235,848,200.00
 Add Forfeited Shares :- (643800 Shares of Rs.10 Each on which Rs.5/- paid up)	 3,219,000.00	 3,219,000.00
	239,067,200.00	239,067,200.00

SCHEDULE '2' FORMING PART OF BALANCE SHEET**RESERVES & SURPLUS****a) Reserves**

Share Premium Account	9,721,800.00	9,721,800.00
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b) CAPITAL RECEIPT

Capital receipt in pursuance of Sugar Incentive scheme 1993 for repayment of Term Loans	194,891,714.17	194,891,714.17
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	204,613,514.17	204,613,514.17
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SCHEDULE '3' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
SECURED LOAN		
A. Loans and Advances from Bank		
i) Cash Credit Accounts	288,385,116.00	306,573,478.62
	288,385,116.00	306,573,478.62
B) From Others :-		
i) Term Loan Agst. Excise - P.N.B. A/c 2515	95,564,142.00	-
ii) Term Loan From P.N.B. - Ethanol Project	100,632,951.00	64,957,611.00
iii) Interest Due But not Paid on Above Term Loan - Ethanol Project	1,111,098.00	-
iv) Term Loan from SDF (Cane Development)	2,717,550.00	5,514,075.00
v) Term Loan from SDF (Modernisation & Expansion)	56,897,600.00	71,122,000.00
vi) Interest on Above SDF Loan	25,889,056.80	29,863,973.80
vii) Term Loan from SDF Loan	36,140,000.00	-
viii) Interest on Above SDF Loan	609,925.00	-
ix) Vehicle Loans	10,242,757.23	4,879,294.03
	329,805,080.03	176,336,953.83
Total A+B	618,190,196.03	482,910,432.45

- A i. Cash Credit accounts are secured by first charge on present & future book debts, whole of current assets namely stock of raw material, stock in process, semi finished & finished goods, stores & spares relating to plant & machinery (consumable Store & spares) bills receivable and book debts and all other moveable both present & future & further secured by third charge on fixed assets of the company and personally guaranteed by promoters.
- B i. Term loan from Punjab National Bank against Excise Duty Lacs is secured against 3rd Charge on the block assets of the company at Village Bhadson, Umri-Indri Road, Tehsil - Indri, Distt. - Karnal, Haryana & the charge shall rank pari passu with existing charges created or agreed to create thereon in favour of Punjab National Bank.
- ii. Interest accrued but not due Rs 258.89 Lacs (Rs. 298.64 lacs) is as per terms and condition for date & year from which repayment will commence as stipulated by SDF of Govt. of India Ministry of Consumer Affairs, Food and Public Distribution, New Delhi.
- iii. Term Loan for Ethanol Project is secured against Hypothecation of all the moveable/fixed Assets acquired/forming part of Manufacturing Unit/Plant for manufacture of Ethanol from molasses etc. at Village Bhadson, Umri-Indri Road, Tehsil - Indri, Distt. - Karnal, Haryana along with indigenous/imported Plant & Machinery/Equipments and other Miscellaneous fixed assets and first charge on all present & future block of assets situated at Village Bhadson, Umri - Indri Road, Karnal, Haryana.
- iv. Term Loan from SDF (cane development) is secured against bank guarantee.
- v. Term loan from SDF (for modernisation & expansion) is secured against second charge on movable properties including its movable plant and machinery, machinery spares, tools & accessories and other movable and further secured on second charge against land, Building, Plant & Machinery, Furniture & Fixtures of the company.
- vi. Vehicle Loans from banks are secured by hypothecation of vehicles under Hire purchase Agreement.

SCHEDULE '4' FORMING PART OF BALANCE SHEET AS ON 31-3-2008

PARTICULAR	GROSS BLOCK AT COST				DEPRECIATION NET BLOCK				(Amount in Rs.)	
	GROSS BLOCK AT COST ON 01/04/07	ADDITIONS/ADJUSTMENTS DURING YEAR	TRANSFER/SALE ON 31/03/2008	DEPRECIATION UPTO 31/03/07	DEPRECIATION DURING THE YEAR	DEPRECIATION WRITTEN BACK	TOTAL DEPRECIATION	BALANCE AS ON 31.03.2008	BALANCE AS ON 31.03.2007	
Land	26,105,761.44							26,105,761.44	26,105,761.44	
Building	109,714,436.44	16,666,726.65		34,775,737.28	3,993,792.54		38,769,529.82	87,611,633.27	74,938,699.16	
Plant & Machinery	593,778,821.88	39,992,469.15		254,303,732.21	30,139,566.91		284,443,299.12	309,327,991.91	299,475,069.57	
Building (Office Flat)	1,200,000.00	1,378,000.00		100,254.90	42,043.84		142,298.74	2,435,701.26	1,099,745.10	
Furniture & Fixture	1,917,544.01	256,883.00		1,228,133.77	130,948.39		1,359,082.16	815,346.86	689,410.24	
Office Equipment	3,281,752.96	424,214.50		1,516,686.33	151,468.20		1,668,154.53	2,037,813.03	1,765,086.63	
Vehicle	15,865,174.51	3,231,255.00	1,448,747.00	7,293,860.85	1,481,456.72	26,263.55	8,748,054.02	8,898,628.49	8,571,313.66	
Tractor	279,441.00			279,440.00			279,440.00	1.00	1.00	
TOTAL	712,142,932.24	61,948,548.40	1,448,747.00	772,643,735.64	35,939,274.60	26,263.55	335,410,856.39	437,232,877.25	412,645,086.90	
PREVIOUS YEAR	705,563,218.24	8,747,348.00	2,167,634.00	712,142,932.24	34,281,732.10	1,713,125.00	299,497,845.34	412,645,086.90	438,633,980.00	
Capital Work in Progress										
L. Ethanol Unit										
Building under construction	15,006,164.45	5,002,681.34		20,008,845.79				20,008,845.79	15,006,164.45	
Exp. pending capitalisation	5,781,371.77	16,094,189.13		21,875,560.90				21,875,560.90	5,781,371.77	
Machinery Under Installation	37,487,104.16	132,210,244.23		169,697,348.39				169,697,348.39	37,487,104.16	
Misc. Fixed Assets	3,414,600.00	9,566,953.06		12,981,553.06				12,981,553.06	3,414,600.00	
Land & Site Development		965,202.75		965,202.75				965,202.75		
Vehicle		1,422,483.45		1,422,483.45				1,422,483.45		
Office Equipments		171,608.10		171,608.10				171,608.10		
Furniture & Fixture		136,409.00		136,409.00				136,409.00		
Advance for Capital Goods	20,321,294.21	24,296,011.63		44,617,305.84				44,617,305.84	20,321,294.21	
2. Expansion Under Implementation										
Machinery Under Installation	11,969,612.00		11,969,612.00						11,969,612.00	
Exp. pending capitalisation	983,225.22		983,225.22						983,225.22	
Furniture & Fixture	2,450,118.03		1,999,999.99	1,636,323.00				1,636,323.00	2,450,118.03	
3. Advance for Capital Goods	97,403,489.84		14,142,837.21	274,362,758.52				274,362,758.52	97,403,489.84	
TOTAL	16,800,765.37	82,899,072.82	2,286,947.75	97,403,489.84				97,403,489.84	16,800,765.37	
PREVIOUS YEAR										

SCHEDULE '5' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
INVESTMENT		
Piccadily Sugar & Allied Industries Ltd.	7,388,364.45	3,677,097.45
Total	7,388,364.45	3,677,097.45

SCHEDULE '6' FORMING PART OF BALANCE SHEET

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

INVENTORIES

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

- i) STORES & SPARES
- ii) STOCK IN TRADE

Raw Material	11,847,351.40	11,121,935.32
Raw Material in transit	862,322.79	10,434.00
Work in process	605,910.00	914,808.00
Finished Goods	11,776,739.59	13,917,453.00
Total 'A'	556,197,022.46	524,317,121.00

SUNDRY DEBTORS

(Unsecured but considered good)
Debts Outstanding for a period exceeding Six months
Other Debts

	9,186,741.87	9,186,741.87
	10,789,075.52	23,512,734.39
Total 'B'	19,975,817.39	32,699,476.26

CASH IN HAND & BANK BALANCES

- a) CASH IN HAND
- b) BALANCES WITH SCHEDULED BANKS
 - i) Current Accounts
 - ii) Fixed Deposits
 - iii) Interest Accrued on FDR

	26,483,792.53	7,040,686.00
	231,250,929.98	14,340,993.80
	6,732,000.00	43,532,000.00
	1,307,758.00	1,014,659.00
Total 'C'	265,774,480.51	65,928,338.80

B. LOANS AND ADVANCES

(Unsecured but considered good unless otherwise stated)
Advances recoverable in cash or in kind or for value to be received
Security Deposit

	84,973,992.57	288,930,563.46
	2,174,305.00	589,305.00
Total 'D'	87,148,297.57	289,519,868.46

TOTAL (A+B+C+D)	954,187,941.70	938,429,434.84
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SCHEDULE '7' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	507,106,667.17	481,468,345.75
Creditor for Capital goods	26,041,121.84	2,488,127.42
Expenses Payable	5,842,255.00	4,859,675.00
Statutory Liabilities	47,484,512.00	46,177,249.00
Other Liabilities	109,212,664.38	88,604,800.93
Interest Accrued But Not Due - SDF Loan	107,652.00	868,107.00
B. PROVISIONS		
Gratuity	1,252,382.00	1,631,242.00
Total	697,047,254.39	626,097,547.10

Note: Sundry creditors are other than SSI unit

SCHEDULE '8' FORMING PART OF BALANCE SHEET**PROFIT & LOSS ACCOUNT**

As per last Balance Sheet	97,732,836.66	84,883,851.45
Profit/Loss() Transfer from Profit & Loss A/C	(11,912,107.13)	(2,962,580.94)
Previous Year Deferred Tax Assets	-	15,811,566.15
Total (b)	85,820,729.53	97,732,836.66
Total (a+b)	85,820,729.53	97,732,836.66

SCHEDULE 9 FORMING PART OF BALANCE SHEET

Particular	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
SALES & OTHER INCOME		
Sugar Sale	764,011,948.00	669,815,383.00
Country Liquor Sale	363,709,405.00	-
Transferred to Capital Receipt Account in pursuance of Sugar Incentive Scheme 1993	-	(1,943,000.00)
Molasses Sales	91,041,180.00	90,398,961.00
TOTAL (A) :-	1,218,762,533.00	758,271,344.00
Misc Income	27,367,116.41	18,453,607.84
TOTAL (B) :-	27,367,116.41	18,453,607.84
TOTAL (A+B) :-	1,246,129,649.41	776,724,951.84

SCHEDULE 10 FORMING PART OF BALANCE SHEET

COST OF RAW MATERIAL		
Opening stock of cane	925,242.00	257,661.00
Sugar cane purchased	684,676,633.99	605,408,092.00
Sugar (unfinished) purchased	-	2,144,629.80
Rectified Spirit Purchased	154,071,726.00	-
Rectified Import Fee	4,972,945.00	-
Molasses Purchased	6,961,220.00	-
Closing Stock of Raw Material		
Cane	(3,219.00)	(10,434.00)
Molasses	(753,063.79)	-
Rectified Spirit	(106,040.00)	-
Raw Material in Transit		
Cane	(84,750.00)	(914,808.00)
Rectified Spirit	(521,160.00)	-
	850,139,534.20	606,885,140.80

SCHEDULE 11 FORMING PART OF BALANCE SHEET

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
MANUFACTURING EXPENSES		
Chemicals, Oil & Lubricants	25,787,688.13	9,535,869.97
Power & Fuel	7,273,450.63	6,528,161.48
Packing Material	130,933,069.98	19,107,598.36
Electricals Repair	4,267,178.32	2,532,028.60
Plant & Machinery Repair	31,422,728.16	23,318,738.05
Sugar Loading & Unloading	1,976,154.00	1,341,432.00
Local Area Development Tax	558,706.00	472,278.00
Excise Duty On Closing Stock	1,729,151.00	4,384,963.00
Cane Development Expenses	7,761,819.79	11,271,746.69
	211,709,946.01	78,492,816.15

SCHEDULE 12 FORMING PART OF BALANCE SHEET

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
EMPLOYMENT COST		
Salary, Wages & Bonus	27,283,404.99	19,717,839.00
Staff Welfare	2,224,788.50	1,255,274.00
Contribution to Provident Fund	330,804.99	371,360.00
Gratuity	174,379.00	308,902.00
Retrenchment & Compensation	255,000.00	830,016.00
	30,268,377.48	22,483,391.00

SCHEDULE 13 FORMING PART OF BALANCE SHEET

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
ADMINISTRATIVE EXPENSES & OTHER EXPENSES		
Rent		
Lease Rent/Hire Charges	2,752,796.26	1,877,250.00
Insurance	349,499.19	272,664.32
Fee & taxes	1,162,504.00	1,036,705.00
Service Tax	2,648,401.00	903,719.00
Professional Charges	193,343.00	18,801.00
Running & Maintenance of Vehicle	997,228.00	715,851.00
Postage & telephone expenses	2,527,160.02	1,527,376.89
Audit Fee	1,084,579.72	1,098,890.93
Tax Audit Fees	50,000.00	50,000.00
Directors Remuneration	10,000.00	10,000.00
Printing, Stationery & publishing	852,000.00	1,500,064.00
Travelling & Conveyance	429,261.99	361,865.00
Director		
Others	148,235.01	115,897.00
Repair & Maintenance	1,466,581.90	1,293,597.00
Building		
Others	1,083,309.90	1,288,360.22
Donation	959,867.80	515,867.06
Miscellaneous expenses	12,201.00	5,301.00
Loss on Sale of Vehicle		1,604.00
Advertisement		99,509.00
	194,650.00	87,747.00
	16,921,618.79	12,781,069.42

SCHEDULE 14 FORMING PART OF BALANCE SHEET

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
FINANCIAL EXPENSES		
Interest	31,091,451.13	26,527,444.00
Bank Charges	3,948,503.21	1,898,931.85
	35,039,954.34	28,426,375.85

Particulars	CURRENT YEAR 2007-2008	PREVIOUS YEAR 2006-2007
SCHEDULE 15 FORMING PART OF BALANCE SHEET		
SELLING EXPENSES		
Commission	3,566,481.00	3,183,914.00
Sugar Loading Unloading	1,152,034.00	253,865.00
Freight Outward	6,542,637.00	
	11,261,152.00	3,437,779.00

SCHEDULE- 16

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS AS ON 31-03-2008

A. 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
 - a) 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 building and other building) has been provided on straight line method on pro-rata basis as per rates briefed in schedule - XIV of the Companies Act, 1956. Fixed Assets individually costing less than Rs. 5,000/- are depreciated at the rate of 100% in the year of purchase.
3. Inventories
 - a) Raw Material : At cost on FIFO basis.
 - b) Work in Process : At estimated cost including expenses attributable to production on percentage completion basis/ Net Realisable value, whichever is low.
 - c) Finished Goods - At weighted average cost/net realisable value which ever is low, including Excise duty and all expenses attributable to production.
 - d) By Products: At Net realisable value inclusive of Excise Duty
 - e) Stores and spares : At cost
4. Sales are inclusive of Excise Duty.
5. Gratuity is provided in respect of the eligible employees as per the Payment of Gratuity Act 1972.
6. Borrowing cost directly attributable to acquisition / construction of qualifying assets have been capitalised as part of cost of that asset.
7. Long term investments are carried at cost.
8. Contingent liabilities are not provided for and are disclosed by way of notes.
9. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

B. NOTES ON ACCOUNTS

	Current Year	Previous Year
1. Contingent Liabilities		(Rs. in lacs)
a) Guarantee given to banks in respect of advance given by banks to cane growers	1000.00	800.00
b) In respect of unassessed cases of Income Tax, Sales Tax, Excise Duty & Service Tax	Amount unascertained	
2. Remuneration paid to Directors (Managing Director & Executive Director)		
	CURRENT YEAR	PREVIOUS YEAR
a) Salary	Rs. 6,00,000/-	Rs. 12,58,064/-
b) House Rent	Rs. 2,52,000/-	Rs. 2,42,000/-
3. Other Miscellaneous income includes interest income amounting to Rs. 232.54 lacs (Rs. 147.05 lacs) on which TDS is deducted Rs. 52.00 lacs (Rs. 33.00 lacs).		
4. Fixed deposit with banks includes Rs. 3.50 lacs (Rs. 3.50 lacs), Rs. 2.50 lacs (Rs. 2.50 lacs), Rs. 29.32 lacs (Rs. 29.32 lacs), Rs. 2.00 lacs (Nil) respectively are under lien with Sales Tax Department, Haryana Pollution Board, against bank guarantee for SDF Crop Loan and Asstt. Excise & Taxation Commissioner.		
5. Investments of Rs. 73.88 Lacs (At Cost) is consist of 1383564 Equity shares of Rs. 10/- each fully paid up of Piccadilly Sugar & Allied Industries Limited (Market value of Rs. 7.10 per share) is long term investment.		
6. Previous year expenses amounting to Rs. 25.48 Lacs includes Rs. 22.10 Lacs and Rs. 3.17 Lacs respectively on account of Excise Duty Reversal and passenger tax of staff bus.		
7. Interest charged under the head Financial Expenses in Profit & Loss Account includes interest on Term loans amounting to Rs. 44.52 lacs (Rs. 32.88 lacs)		

8. Segment 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 & Other Unit. The main Financials of the reporting is given as under :-

	SUGAR UNIT	OTHER UNIT	(Rs. In Lac) TOTAL
a) Segment Revenue			
External Sales			
Inter Segment Revenue	8154.13	3638.68	11792.81
TOTAL	69.30	0.00	69.30
b) Segment Results	8223.43	3638.68	11862.11
Profit before Interest, Depreciation & Taxation	128.98	732.73	861.71
Depreciation	351.38	8.01	359.39
Profit After Depreciation	(222.40)	724.72	502.32
Interest Expenses	341.53	8.87	350.40
Provision for Taxation			
Wealth Tax	0.38	0.00	0.38
Fringe benefit Tax	2.98	0.69	3.67
Deferred Tax	(28.75)	0.00	(28.75)
Net Profit/Loss	(596.04)	715.16	119.12
Other information			
Segment Assets	12157.56	3130.92	15288.48
Segment Liabilities	9347.88	1176.55	10524.43
Capital Expenditure Depreciation debited to P&L A/c	351.38	8.01	359.39

Notes :-

- The Company has identified Business Segments as primary Segments. The reportable business Segments are "Sugar" and Other.
 - The type of products in each business segments are as under :
 - Sugar : Sugar, Molasses and Bagasse
 - Other - Liquor.
 - Interdivisional transfers have been valued at prevailing market price.
 - Accumulated losses of Rs. 858.20 lacs have been excluded from Segments Assets shown above
 - There is no unallocated amount of revenue /expenses
- Sundry Creditors and loan and advances are subject to confirmation, reconciliation and adjustment.
 - In the opinion of the board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provision for known liabilities is adequate and not in excess of amount reasonably necessary.
 - Installment of term loan Payable with in one year period is Rs.155.83 lacs (Rs. 142.24 lacs)
 - In compliance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India, the following information is disclosed for basic and diluted earning per share.

Particulars	Current year	Previous year
	11912107	2962581
Profit/(Loss) during the year	23584820	23584820
No. of shares	10	10
Face value		

Particulars	31-03-2008	31-03-2007
	(Rs. In Lacs)	(Rs. In Lacs)
A. Deferred Tax Assets		
1. On account of carry Forward tax losses & Unabsorbed depreciation	712.23	808.63
2. On Account of Section 43B of I.T. Act	52.52	27.27
TOTAL (A)	764.75	835.90
B. Deferred Tax Liability		
1. Timing Difference on account of Depreciation	765.49	807.89
TOTAL (B)	765.49	807.89
Net Deferred Tax Liability/ Assets (A-B)	-0.74	28.01

15. Deferred Tax Liability for the current year Rs. 28.75 lacs has been charged to Profit & Loss Account. Advances recoverable, in cash or kind amounting to Rs 852.11 lacs (Rs 2889.31 lacs) includes loans advanced Rs 264.38 (Rs 1582.38 lacs) out of which Rs. 247.38 lacs (Rs.247.38 Lacs) are secured against Plant & Machinery and balance is unsecured.

16. The information as required by para 3, 4C and 4D of part II of schedule VI of Companies Act, 1956:-

PICCADILY AGRO INDUSTRIES LTD.

16 The information as required by para 3.4c and 4D of part II of Schedule VI of the Companies Act, 1956

A. PARTICULARS OF LICENCED/INSTALLED CAPACITY/PRODUCTION

	UNIT	CURRENT YEAR
i) Licenced & Installed Capacity	TOD	5000
Sugar Unit		(5000)
Ethanol Unit	KL PD	60

The installed capacity has been certified by the management and has not been verified by the Auditors being a technical matter.

B. PARTICULARS OF RAW MATERIAL CONSUMED:(INDEGENIOUS 100%)

	UNIT	(Qty in Lacs)
ii) Production	Qtls	5.21
i) Sugar		(4.38)
ii) Molasses	Qtls	2.62
		(2.21)
iii) Others	Cases in Lacs	21.77

C. PARTICULARS OF SALES

	UNIT	Value	CURRENT YEAR
	(Qty and Value in Lacs)		
	Qty		
Sugar Cane	Qtls	52.72	6,855.14
		(45.55)	(6,068.85)
Molasses	Qtls	0.14	62.08

D. OPENING AND CLOSING STOCK OF WORK IN PROCESS

	UNIT	OPEINING STOCK	CURRENT YEAR	CLOSING STOCK	
		Qty	Value	Qty	
				Value	
1. Sugar	Qtls	8,167.00	117.36	1,104.00	16.02
		(8,126.00)	(123.04)	(8,167.00)	(117.36)
2. Molasses	Qtls	7,129.00	21.81	7,660.00	31.41
		(11,327.00)	(28.32)	(7,129.00)	(21.81)
3. Others	Bulk Litres in Lacs			2.89	70.34

E. OPENING & CLOSING STOCK OF FINISHED GOODS

	Unit	Current year (Qty & Value in lacs)	Value	Qty	Value
		Qty			
		Opening Stock		Closing Stock	
1. Sugar	Qtls	3.13	4,765.40	3.04	4,934.14
		(2.49)	(4,092.69)	(3.13)	(4,765.40)
2. Molasses	Qtls	1.23	473.27	1.17	569.43
		(1.43)	(466.03)	(1.23)	(473.27)
3. Miscellaneous			4.50		40.00
					(4.50)

4	Others	Cases in Lacs		0.14	18.39
		CIF value of imports	Nil	Nil	
			(Nil)	(Nil)	
G	Expenditure in foreign 4.91		Nil	(Nil)	
	currency		(Nil)		
H	Earning in foreign		Nil	(Nil)	
	exchange		(Nil)	(Nil)	

17 Figures in brackets relates to Previous Year.
 18 Figures of the Previous Year have been regrouped and recast to make them comparable with those of current year wherever considered necessary.
 19 Schedule 1 To 16 forms an integral part of Balance Sheet and Profit & Loss Account.

(Kartikeya Sharma) Director (Harvinder Chopra) Executive Director (Nikhlesh Verma) Company Secretary For Jain & Associates Chartered Accountants

Place New Delhi
 Date 30-06-2008

Sd/-
 (Neeraj Jain)
 Partner

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUINESS PROFILE

I Registration Detail				
Registration No.				U01115HR1994PLC032244
State Code				05
Balance Sheet Date				31.03.2008
II Capital Raised during the year (amount in Rs. Thousands)				
Public Issue				
Bonus Issue	Nil			
				Right Issue Nil
				Private Placement Nil
III Position of Mobilisation				
Total Liabilities	1758993	(Amount in Rs. Thousand)		Total Assets 1758993
Sources of funds				Application of Funds
Paid up Share Capital	239067			Net Fixed Assets 711596
Application Money	Nil			Investments 7388
Reserve and surplus	9722			Net Current Assets 257141
Capital Receipts	194892			Accumulated Losses 85821
Secured Loans	618190			Deffered tax Liabilities 75
Unsecured Loans	Nil			
IV Performance of the Company (Rs. In Thousand)				
Turnover				1179281
Total Expenditure				1164089
Profit before tax				15192
Profit after tax				11912
Earning Per Share in Rs.				0.51
Including Deffered Tax Asset				
V Generic Names of three Principal/Services of Company (as per monetary terms)				
Item Code				
(ITC Code)	17011109		170111000	23010000
Product				
Description	White Crystal Sugar		Molasses	Bagasse

(Kartikeya Sharma) Director (Harvinder Chopra) Executive Director (Nikhlesh Verma) Company Secretary

For Jain & Associates Chartered Accountants

Place New Delhi
 Date - 30-06-2008

Sd/-
 (Neeraj Jain)
 Partner

CASH FLOW STATEMENT

PARTICULARS	(Amount Rs. in Lacs)	
	For the Year ended 31.03.2008	For the Year ended 31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES	119.12	29.63
Net Profits	-	342.82
ADJUSTMENTS FOR :		
i) Depreciation	-	19.43
ii) Amount transferred to Capital Receipt	44.52	32.88
iii) Interest on term loans	(241.80)	(147.05)
iv) Interest received	4.05	3.13
v) Income Tax/Wealth Tax	28.75	19.57
vi) Deferred Tax Expenditure	-	1.00
vii) Loss on sale of Fixed Assets	1.74	3.09
viii) Gratuity	(43.62)	304.50
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES		
ADJUSTMENTS FOR :		
i) Trade & Other Receivables	127.24	(96.24)
ii) Inventories	(310.07)	(709.05)
iii) Loan & advances	2,023.72	135.60
iv) Current Liabilities	-	1,756.40
v) Working Capital Borrowing	(181.88)	1,020.74
	1,659.01	2,107.45
Cash flow from operating Activities	1,615.39	2,411.95
Direct Taxes Paid/	(4.05)	(3.13)
Cash flow from operating Activities	1,611.34	2,408.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of fixed Assets	(2,374.60)	(893.50)
ii) Loans & Advances	-	(785.00)
iii) Purchase of Investments	(37.11)	(433.02)
iv) Advance for purchase of Business Accomodation	-	(540.00)
v) Interest Received	241.80	147.05
vi) Sale of Fixed Assets	-	3.55
Net Cash from investing activities	(2,169.91)	(2,500.92)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Repayment of Term Loans	(209.95)	(47.40)
ii) Receipt of Term Loans	1,744.64	717.53
iii) Interest Paid on Term Loans	(44.52)	(4.91)
Net Cash flow from Financing Activities	1,490.17	665.22
Net increase in Cash or Cash Equivalents	931.60	573.12
Cash & Cash Equivalents as on 31.3.2007	659.28	86.16
Cash & Cash Equivalents as on 31.3.2008	2,657.75	659.28
	1,998.47	573.12
		11.00
for and on behalf of the Board		

(Kartikya Sharma)
Director(Harvinder Chopra)
Executive Director(Nikhlesh Verma)
Company SecretaryFor Jain & Associates
Chartered AccountantsPlace: New Delhi
Date: - 30-06-2008(Neeraj Jain)
Partner**AUDITOR'S CERTIFICATE**

We have verified the above Cash Flow Statement of Piccadilly Agro Industries Limited, derived from the audited financial statements for the year ended 31st March 2008 and found the same to drawn in accordance therewith and also with requirements of clause 32 of the Listing Agreement with the Stock Exchange.

For Jain & Associates
Chartered Accountants
Sd/-(Neeraj Jain)
PartnerPlace: New Delhi
Dated: 30-6-2008

PROXY FORM

PICCADILY AGRO INDUSTRIES LTD.

Regd. Office : Vill. Bhadson, Umri-Indri Road, Tehsil Indri, Distt. Karnal, Haryana

I/We _____ of _____ in the District of _____

(Address) _____

_____ being a member(s) of PICCADILY AGRO INDUSTRIES LTD. hereby appoint _____ of _____ in the district of _____

or failing him _____ of _____ in the District of _____

as my/our Proxy to vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on Saturday 27th September 2008 at 10.30 A.M. at the Registered Office of the company Vill. Badson, Umri-Indri Road, Tehsil Indri, Distt Karnal Haryana.

AS WITNESS my/our hand(s) this _____ day of _____ 2008

* Regd. Folio No./Client ID _____

Signature _____



- 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 AGRO INDUSTRIES LTD.

Regd. Office : Vill. Bhadson, Umri-Indri Road, Tehsil Indri, Distt. Karnal, Haryana

I hereby record my presence at the 14th Annual General Meeting of Piccadilly Agro Industries Limited held at the Registered Office of the Company Vill. Bhadson, Umri-Indri Road, Tehsil Indri, Distt. Karnal, Haryana on the Saturday 27th September, 2008 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 _____

Share Holder'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 _____

piccadilly

PICCADILY Agro Industries Ltd.

PROXY FORM
PICCADILY AGRO INDUSTRIES LTD.
We, the undersigned, do hereby appoint the person named below as my proxy to attend and vote at the meeting of the members of the company to be held on the date and at the place mentioned below.

BOOK POST

If undelivered, please return to
PICCADILY AGRO INDUSTRIES LTD.
Regd Office : Village Bhadson, Umri-Indri Road,
Tehsil Indri, Distt. Karnal, Haryana