

15th Annual Report
2008-09



**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,
New Delhi

AUDIT COMMITTEE

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

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NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of the company will be held on, Saturday, 26th September, 2009 at 4.00 P.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 2009 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. Harvinder Chopra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Akhil Dada who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Place: New Delhi
Dated 30.06.2009

By order of the Board
Sd/-
Nikhlesh Verma
Company Secretary

NOTES:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. The Register of Members and shares transfer books of the company will remain closed from 16th September 2009 to 26th September 2009.
3. Shareholders are requested to advise the company immediately of any changes 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.

DIRECTOR'S REPORT

Dear Shareholders

Your Directors have the pleasure in presenting their 15th Annual Report together with Audited Accounts of the company for the year ended 31st March 2009.

FINANCIAL RESULTS

(Rs. in lacs)

| Particulars | 31 st March, 2009 | 31 st March, 2008 |
|---------------------------------------|------------------------------|------------------------------|
| Total Income | 14318.65 | 11792.81 |
| (Increase)/Decrease of Stock in trade | 2565.10 | (297.39) |
| Profit before Interest & Depreciation | 1932.01 | 861.71 |
| Less : Interest | 346.80 | 350.40 |
| Depreciation | 395.18 | 359.39 |
| Profit before Tax | 1190.04 | 151.92 |
| Provision for Tax / Deferred Tax | 288.62 | 32.80 |
| Net Profit | 901.42 | 119.12 |

Review of the operations

1) Sugar Mill

The Mill commenced crushing operations for the season 2008-2009 on 15.12.2008 & closed on 20.03.2009. The comparative operational results for the last two seasons are as follows:-

| Particulars | Season 2008-09 | Season 2007-08 |
|------------------------------|----------------|----------------|
| Duration (Days) | 96 | 129 |
| Sugarcane Crushed (Quintals) | 22,58,273 | 44,68,005 |
| Recovery (%) | 10.07 | 9.67 |
| Sugar produced (Bags) | 2,27,370 | 4,36,956 |

During the season, the mill operated for 96 days and crushed 22.58 Lacs Quintals of sugar cane. The Sugar Mill has produced 227370 bags of Sugar at an average recovery of 10.07%. The Company could not achieve the target of crushing due to inadequacy of sugarcane cultivation in the northern region of India.

The Sugar unit of the company has achieved turnover and other income of RS. 9517.65 lacs and earned a net profit of Rs. 360.40 lacs during the year.

2) Others

The distillery unit of the company has produced 28.67 lacs cases of Liquor. The products of the distillery are well accepted by the people and have become popular brands in the State of Haryana. The distillery unit has achieved a turnover & other income of Rs 4801.00 lacs & earned a net profit of Rs.541.02 lacs during the year.

Indian Sugar Industry

Our country is witnessing the progressive decline in the production of sugar cane. The following data gives the sugarcane production of our country for the past few years including the latest data for the current year.

| Season (1 st Oct. to 30 th Sept.) | Sugar Cane Production (in Million Tonnes) | Sugar production (in Million Tonnes) |
|--|--|---|
| 2006-07 | 356 | 28.40 |
| 2007-08 | 340 | 26.80 |
| 2008-09 (Estimated) | 289 | 14.50 |

- Source :- Indian Sugar Mills Association (ISMA)

The sugar production has also declined to the all time low level in the current season (2008-2009) at 14.50 million tones against the output of 26.8 million tones for the previous season 2007-2008.

Directors

Sh. Harvinder Chopra and Sh. Akhil Dada, Directors of the Company retires by rotation and are eligible for the re-appointment.

Dividend

Your Directors have not recommended any dividend on the equity shares for the year

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 financial year 2009-10

Corporate Governance

Pursuant to clause 49 of the listing Agreement with the Stock Exchange Mumbai, 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 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 2009 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

Sd/-

Sd/-

Place: New Delhi

(Kartikeya Sharma)

(Harvinder Chopra)

Date : 30/6/2009

Director

Executive Director.

Annexure to the Directors Report for the year 2008-2009

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 2009

A. CONSERVATION OF ENERGY

- 1) As regard energy conservation your company is giving prime consideration for energy saving since beginning with the result, steam consumption and power consumption has been reduced considerably. The measures taken for this energy saving are as under :-
- The dampers of F.D. I.D. Fans of all boilers are under automation reducing the electric power considerably. Mill has also been taken fully in automation reducing the load on D.C. drive.
 - To reduce the steam consumption in boiling house, the boiling house system of juice boiling and pan boiling has been modified on latest technology.
 - The data achieved with regards to conservation of energy is furnished below:-

The company has commenced crushing operation w.e.f 15.12.2008 and all the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

| ELECTRICITY | | 2008-09 | 2007-08 |
|--|--|--------------------|--------------------|
| Purchased | | | |
| Unit | | KWH | KWH |
| Total Units | | 500312 | Nil |
| Total Amount(Rs.) | | 2341462 | Nil |
| Rate per unit(Rs.) | | 4.68 | Nil |
| B. OWNGENERATION | | | |
| i) Through Diesel Generator | | | |
| Unit | | KWH | KWH |
| Total Unit | | 294362 | 492348 |
| Units per Litre of Diesel Oil | | 5.11 | 5.11 |
| Cost Per Unit(Rs.) | | 6.38 | 5.93 |
| ii) Through Steam Turbine | | | |
| Unit | | KWH | KWH |
| Total Units | | 3651240 | 14337280 |
| Units per Ton of fuel (Bagasse) | | Steam produced by | Steam produced by |
| Cost per Unit (Rs.) | | use of own bagasse | use of own bagasse |
| 2. Coal/Furnace Oil | | N.A. | N.A. |
| 3. Other | | N.A. | N.A. |
| 4. Consumption of Per Unit of Production | | | |
| Sugar (Qtlis in lacs) | | 2.72 | 5.21 |
| Other (No. of Cases in lacs) | | 28.67 | 21.34 |
| Electricity(Units) Sugar | | 28.5 | 31.0 |
| Electricity (Units) Other (cases) | | 0.63 | 0.61 |

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 Nil

Place : New Delhi

Date : 30-6-2009

For Piccadily Agro Industries Limited
Sd/- Sd/-
(Kartikya Sharma) (Harvinder Chopra)
Director Executive Director

Management Discussion and Analysis Report:

India is the largest consumer of sugar in the world with an average annual increase in demand of the order of about 8 lakh tones. For the current 11th plan period, with higher GDP growth, the rate of increase in the consumption of sugar is likely to be higher. The Planning Commission has after a study, come to the conclusion that demand for sugar would continue to rise at the compounded rate of 5.37% per annum. After applying the same growth rate of 5.37% at the end of 11th plan period i.e. in the year 2011-12, the total demand of sugar for domestic consumption in India, would reach a level of 290 lakh tones. To produce this amount of sugar, the requirement of sugar cane would be to the order of 455 million tones. To meet the additional requirement of cane, the area under sugar cane cultivation is required to be increased. This situation calls for a major change in the current practices of sugar cane cultivation and this requires large investment. It bears repetition therefore that beyond the promotional activities by the Sugar factories, Government may also lend its support to accelerate the pace of development activities.

In the recent past, some price increases of finished sugar have taken place but the cost of production has also increased due to high cane prices. Also the sugar production has declined to 14.50 million tones (estimated) - almost half the normal output. The price rise in case of sugar has been the minimal as compared with various essential commodities.

The Government procures 10% of production of sugar as levy sugar for distribution to the BPL population through ration shops. This sugar is compulsorily requisitioned by the Government from the factories at a price about half the cost of production of sugar, thereby causes serious losses to Sugar industry. The levy price has been fixed at the statutory minimum prices (SMP) of cane fixed by Central Government, but the factories have to pay State advised prices (SAP) which is more than statutory minimum prices (SMP)

Source :- Indian Sugar Mills Association (ISMA)

Future prospects

The sugar output in India is likely to touch 14.5 million tones during the season of 2008-2009 as against the record production of 26.3 million tones of last season 2007-2008. The steep shortfall in the production of sugar has been mainly due to area under sugarcane has been diverted to other crops and the industry suffered not only due to payment of high cane prices but also due to short duration of the crushing season and there is no nexus between the price of Sugar cane and the finished product sugar.

In the recent past, some price increases have taken place but not without reason. As a matter of fact sugar cane prices have also increased in the Northern India. The cost of production of sugar has also increased.

Import of Sugar

Once the sugar production declines, then imports of sugar takes place to maintain adequate availability of sugar in the country. In such a situation, the Government has been importing white as well as Raw sugar. White sugar has been imported on duty free basis through Public sector companies like NAFED, STC, MMTC etc upto 10 Lakh tones until 1st August 2009. White sugar imports are around 40000 to 50000 tones.

Similarly raw sugar imports have also been permitted on duty free basis for the same period upto 1st August 2009. In regard to raw sugar, the total contracts which have been executed and upto nearly 3 million tones. Already about 1.5 to 2 million tones have arrived and the balance should arrive very shortly. Some more imports have also been made by traders. Raw sugar is converted into finished sugar by the sugar mills and refineries.

We hope that government of India may lay full emphasis on increasing the cultivation of sugar cane through incentives and will correct the shortcomings of Indian sugar policy.

Ethanol

In October 2007, the Cabinet Committee on Economic Affairs had approved 10 percent ethanol blending on a mandatory basis from October 2008 across the country, excluding J&K and the Northern Eastern States. The deadline however has lapsed and now only 5 percent blending is under implementation. The 5% blending was introduced in November 2007.

The Petroleum Ministry has proposed a reduction in the customs duty on denatured alcohol and molasses from 7.5% to 5% to stabilize the 5% blending in view of dip in the Sugarcane output.

Distillery

The Alcohol Industry in India can be divided into the following five categories .

1. Industrial Alcohol
2. Potable Alcohol.
3. Mixed Distilleries (Industrial Alcohol & Potable Alcohol)
4. Bottling Plants(Purchasing Alcohol and bottling alcoholic beverages)
5. Distilleries producing alcohol from substrates other than molasses.

Majority of distilleries are producing Alcohol from Sugar Cane Molasses and Grain. Alcohol industry is a State controlled and output & inputs are controlled by State Excise Departments controls the distilleries in most of States. Alcohol industry is second largest source of revenue to the State Exchequers and the Industry turnover is Rs. 6000 Crores.

The Distillery of the company was commissioned in the year 2007 and since then it has been continuously improving the various grades of spirits ENA/RS. The company has ambitious plans to enter into Indian made Foreign Liquor (IMFL) Section by introducing its own brands in the market.

Out Look / Projection:

The company's projection on crushing of Sugarcane for the current crushing season 2009-10 is 25 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 Mumbai (BSE), 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 2009 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 to 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 | Professional 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 | | |
| Sh. Vinod Dada | 5 | Yes | - | 4 |
| Sh. Harvinder Chopra | 5 | Yes | 4 | 3 |
| Sh. Kartikeya Sharma | 5 | No | 18 | - |
| Sh. Akhil Dada | 4 | No | - | 2 |

During the period starting from July 2008 to June 2009, five Board Meetings were held on 31st July 2008, 31st October 2008, 31st January 2009, 20th April 2009 & 30th June 2009

3 Audit Committee

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

Terms of Reference

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

- The members of the Audit Committee shall elect the Chairman from amongst themselves.
- The Annual report of the company shall disclose the composition of the Audit Committee.
- Every Audit Committee shall act in accordance with terms of reference to be specified in writing by the Board.
- The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of Audit including the observations of the Auditors and review the half yearly and annual financial statement before submission to the Board and also ensure compliance of internal control systems.
- The Audit Committee should have authority to investigate into any matter in relation to the items specified in section 292 A of the Companies Act 1956 or referred to it by the Board and for this purpose, shall have full access to the information contained in the records of the company and external professional advice, if necessary.
- 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 meeting was held on the following dates i.e. held on 28/10/2008, 27/01/2009 & 29/06/2009

3. (A) General Body Meeting

Location and time for last three Annual General Meetings:

| Year | Meeting | Location | Date | Time |
|------|---------|---|------------------------|------------|
| 2006 | AGM | Piccadily Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana | Saturday 30/09/2006 | 10.30 A.M. |
| 2007 | AGM | Piccadily Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana | Saturday 29/09/2007 | 10.30 A.M. |
| 2008 | AGM | Piccadily Agro Industries Limited Village :Bhadson ,Umri-Indri Road, Tehsil Indri Distt Karnal, Haryana | Saturday 27/09/2008 | 10.30 A.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

16th September to 26th September 2009.

(C) Dividend Payment Date

The company had not declared any dividend.

4. Means of Communication

The quarterly results are published in The Financial Express, 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 2009-10.

6. Stock Market Data

The details of monthly highest and lowest closing quotation of the equity shares of the company and number of shares traded during the each calendar month at the Stock Exchange Mumbai limited (BSE) during the year ended 31st March, 2009 as are as under :

| Month | High Price (Rs.) | Low Price (Rs) | Total no shares traded |
|----------------|------------------|----------------|------------------------|
| April 2008 | 8.58 | 6.71 | 112855 |
| May 2008 | 7.93 | 5.70 | 158733 |
| June 2008 | 7.49 | 5.63 | 133298 |
| July 2008 | 8.00 | 5.17 | 82048 |
| August 2008 | 8.50 | 6.50 | 178281 |
| September 2008 | 7.99 | 6.41 | 238052 |
| October 2008 | 8.00 | 3.93 | 70731 |
| November 2008 | 6.05 | 4.00 | 75570 |
| December 2008 | 7.50 | 5.56 | 255096 |
| January 2009 | 9.52 | 5.51 | 689608 |
| February 2009 | 8.50 | 5.75 | 293206 |
| March 2009 | 8.35 | 5.44 | 258044 |

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 11 Share Transfer Committee Meeting were held .

8 Distribution of Shareholding as at 31st March 2009

| Shares holding of nominal value of Rs.10/- each | Share holders | | Number of shares | Amount (in Rs.) | Total (in %) |
|---|---------------|--------|------------------|-----------------|--------------|
| | Number | (in %) | | | |
| Upto 2500 | 4334 | 36.79 | 680760 | 6807600 | 2.89 |
| 2501-5000 | 4943 | 41.97 | 1824099 | 18240990 | 7.74 |
| 5001-10000 | 1614 | 13.70 | 1186427 | 11864270 | 5.03 |
| 10001-20000 | 533 | 4.53 | 776615 | 7766150 | 3.29 |
| 20001-30000 | 123 | 1.04 | 319310 | 3193100 | 1.35 |
| 30001-40000 | 47 | 0.40 | 168946 | 1689460 | 0.72 |
| 40001-50000 | 53 | 0.45 | 248679 | 2486790 | 1.05 |
| 50001-100000 | 67 | 0.57 | 485879 | 4858790 | 2.06 |
| 100001 & above | 65 | 0.55 | 17894105 | 178941050 | 75.87 |
| | 11779 | 100.00 | 23584820 | 235848200 | 100.00 |

Share Holding Pattern at 31st March 2009

| | Number of Shares | Percentage |
|------------------|------------------|---------------|
| Promoters: | 15065305 | 63.88 |
| Bodies Corporate | 1157292 | 4.91 |
| Individuals | 6871809 | 29.13 |
| NFI | 210088 | 0.89 |
| Clearing Members | 1400 | 0.01 |
| H.F | 86626 | 0.37 |
| Institutions | 192300 | 0.81 |
| 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 31/03/2009 :-** The detail of demat of shares is as under:

| Number of Equity Shares | Percentage |
|-------------------------|------------|
| NSDL : 6702690 | 28.42 |
| CDSL : 3596490 | 15.25 |
| Total : 10299180 | 43.67 |

(The Company has already made the Payment of National Securities and Depositories Ltd (NSDL) and Central Depositories & Securities Ltd (CDSL) for year 2009-2010 for maintaining the electronic data of shares of the Company.

11. DISCLOSURES

a) Disclosure on materially significant related party transactions i.e transactions of the company of material nature, with its promoters & the 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. Registrar for Demat & Transfer of Shares

Abhipra Capital Ltd.,

Ground Floor, Abhipra complex, Dilkhush Industrial Area

A-387, G T Karnal Road, Azadpur, Delhi-110033

13. Address for Correspondence

Piccadily Agro Industries Limited

Vill : Bhadson, Umri-Indri Road, Tehsil Indri, Distt Karnal, (Haryana).

13. Plant Location

Piccadily Agro Industries Limited

Vill : Bhadson Umri-Indri Road, Tehsil Indri, Distt Karnal, (Haryana)

14. **Annual General Meeting Date Saturday, 26th September, 2009 Time : 4.00 P.M. Venue : Vill: Bhadson, 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, 2009, 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, 2009 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

Sd/-

(Neeraj Jain)

PARTNER

PLACE: New Delhi

DATED: 30-06-2009

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 2009 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 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 31.3.2009 & 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 2009.
 - 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)

Place: New Delhi

Date: 30-06-2009

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 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 31.03.2009
- 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.

Place: New Delhi
Date: 30-6-2009

FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(Ngeraj Jain)
PARTNER
(M. No. 89477)

BALANCE SHEET AS ON 31/03/2009

(Amount in Rs.)

| | SCH. | Current Year 2008-09 | Previous Year 2007-08 |
|--|------------------|-------------------------|--------------------------|
| I SOURCES OF FUNDS | | | |
| 1. SHARE CAPITAL | 1 | 239,067,200.00 | 239,067,200.00 |
| 2. RESERVES & SURPLUS | 2 | | |
| a) Reserves | | 14,043,726.02 | 9,721,800.00 |
| b) Capital Receipt | | 194,891,714.17 | 194,891,714.17 |
| 3. LOAN FUNDS | | | |
| Secured Loans | 3 | 621,950,390.46 | 618,190,106.03 |
| 4. DEFERRED TAX LIABILITY | | 16,930,629.16 | 74,506.87 |
| TOTAL | | 1,086,883,659.81 | 1,061,945,417.07 |
| II APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| a) Gross Block | 4 | 836,236,785.72 | 772,643,733.64 |
| b) Less: Depreciation | | 374,929,264.90 | 335,410,856.38 |
| c) Net Block | | 461,307,520.82 | 437,232,677.26 |
| d) Capital Work-in-Progress | | 432,903,944.51 | 274,362,758.52 |
| TOTAL 'A' | | 894,211,465.33 | 711,595,635.78 |
| 2. INVESTMENTS | 5 | 7,388,364.45 | 7,388,364.45 |
| TOTAL 'B' | | 7,388,364.45 | 7,388,364.45 |
| 3. CURRENT ASSETS, LOANS & ADVANCES | | | |
| Inventories | | 326,175,308.99 | 581,289,346.23 |
| Sundry Debtors | | 15,880,309.39 | 19,975,817.39 |
| Cash & Bank Balances | | 2,598,755.19 | 265,774,480.51 |
| Loans & Advances | | 94,281,418.71 | 87,148,297.57 |
| | | 438,935,792.28 | 954,187,941.70 |
| Less: Current Liabilities & Provisions | 7 | 253,651,962.25 | 697,047,254.39 |
| Net Current Assets | TOTAL 'C' | 185,283,830.03 | 257,140,687.31 |
| 4. MISCELLANEOUS EXPENDITURE | | | |
| Profit & Loss Account | 8 | -- | 85,820,729.53 |
| TOTAL 'D' | | -- | 85,820,729.53 |
| TOTAL (A) + (B) + (C) + (D) | | 1,086,883,659.81 | 1,061,945,417.07 |
| ACCOUNTING POLICIES, NOTES FORMING PART OF ACCOUNTS & GENERAL BUSINESS ABSTRACT | | | |
| | 16 | | |

In terms of our separate report of even date

Sd/-
(Kartikya Sharma)
DirectorSd/-
(Harvinder Chopra)
Executive DirectorSd/-
(Nikhilosh Verma)
Company SecretaryFor Jain & Associates
Chartered AccountantsSd/-
(Neeraj Jain)
Partner

Place: New Delhi

Date: 30-6-2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

| Particulars | Schedule | (Amount in Rs.) | |
|---|----------|-------------------------|--------------------------|
| | | Current Year 2008-09 | Previous Year 2007-08 |
| INCOME | | | |
| Sales | 9 | 1,455,826,467.00 | 1,218,762,533.00 |
| Less:- Excise Duty | | (60,903,774.00) | (66,848,510.00) |
| Sales net of Exise Duty | | 1,394,922,693.00 | 1,151,914,023.00 |
| Other Miscellaneous Income | | 36,941,611.48 | 27,367,116.41 |
| Closing Stock : | | | |
| Work In Progress | | 29,412,934.74 | 11,776,739.59 |
| Finished goods | | 282,050,785.55 | 556,197,022.46 |
| | | <u>1,743,328,024.77</u> | <u>1,747,254,901.46</u> |
| EXPENDITURE | | | |
| Opening Stock : | | | |
| Work In Progress | | 11,776,739.59 | 13,917,453.00 |
| finished goods | | 556,197,022.46 | 524,317,121.00 |
| Raw Material Consumed | 10 | 704,628,886.57 | 850,139,534.20 |
| Manufacturing Expenses | 11 | 211,114,049.26 | 211,709,946.01 |
| Employment Costs | 12 | 34,252,987.94 | 30,268,377.48 |
| Administrative & Other Expenses | 13 | 25,553,404.63 | 16,921,618.79 |
| Financial Expenses | 14 | 34,679,535.06 | 35,039,954.34 |
| Selling Expenses | 15 | 6,602,767.00 | 11,261,152.00 |
| Depreciation | 4 | 39,518,408.52 | 35,939,274.59 |
| Previous year Expenses | | -- | 2,548,456.01 |
| | | <u>1,624,323,801.03</u> | <u>1,732,062,887.43</u> |
| Profit Before Tax | | 119,004,223.74 | 15,192,014.03 |
| Wealth-Tax (Previous Year) | | 62,471.00 | 37,820.00 |
| Fringe Benefit Tax | | 424,875.00 | 366,832.00 |
| Provision for deferred tax assets/liability | | (16,856,122.00) | (2,875,254.90) |
| Provision for MAT | | 11,518,100.19 | -- |
| Balance carried to Balance Sheet | | 90,142,655.55 | 11,912,107.13 |
| Basic /Diluted Earning Per Share | | 3.82 | 0.51 |
| Nominal Value of each share | | 10.00 | 10.00 |

In terms of our separate report of even date

Sd/-
(Kartikeya Sharma)
DirectorSd/-
(Harvinder Chopra)
Executive DirectorSd/-
(Nikhlesh Verma)
Company SecretaryFor Jain & Associates
Chartered AccountantsSd/-
(Neeraj Jain)

Partner

Place: New Delhi

Date: 30-6-2009

SCHEDULE '1' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

| Particulars | Current Year | Previous Year |
|---|-----------------------|-----------------------|
| | 2008-09 | 2007-08 |
| SHARE CAPITAL | | |
| (a) Authorised | | |
| 27,000,000 Equity Shares of Rs.10/- each | 270,000,000.00 | 270,000,000.00 |
| (b) Issued, Subscribed and Paid up | | |
| 23,584,820 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 |
| TOTAL | 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 |
| General Reserve | 4,321,926.02 | - |
| | 14,043,726.02 | 9,721,800.00 |

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 |
| TOTAL (a+b) | 208,935,440.19 | 204,613,514.17 |

SCHEDULE '3' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

| Particulars | Current Year | Previous Year |
|--|-----------------------|-----------------------|
| | 2008-09 | 2007-08 |
| SECURED LOANS | | |
| A. Loans and Advances from Bank | 301,689,366.76 | 288,385,116.00 |
| i) Cash Credit Accounts | <u>301,689,366.76</u> | <u>288,385,116.00</u> |
| TOTAL (A) | | |
| B) From Others:- | 95,569,105.00 | 95,564,142.00 |
| i) Term Loan Agst. Excise - P.N.B. A/c 2515 | 86,232,951.00 | 100,632,951.00 |
| ii) Term Loan from P.N.B. - Ethanol Project | | |
| iii) Interest Due but not paid on Above Term Loan - Ethanol Project | 966,951.00 | 1,111,098.00 |
| iv) Term Loan from SDF (Cane Development) | | 2,717,550.00 |
| v) Term Loan from SDF (Mordenisation & Expansion) | 42,673,200.00 | 56,897,600.00 |
| vi) Interest on Above SDF Loan | 19,353,040.80 | 25,889,056.80 |
| vii) Term Loan from SDF | 67,762,500.00 | 36,140,000.00 |
| viii) Interest on Above SDF Loan | 1,493,412.00 | 609,925.00 |
| ix) Vehicle Loans | 6,209,857.90 | 10,242,757.23 |
| TOTAL (B) | <u>320,261,023.70</u> | <u>329,805,080.03</u> |
| TOTAL (A + B) | <u>621,950,390.46</u> | <u>618,190,196.03</u> |

- 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 for Rs. 946 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. 193.53 Lacs (Rs. 258.89 lacs) is as per terms and condition for date & year from which repayment will commence as stipulated by SDF, 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 (for Moderination & 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.
- v) Vehicle Loans from banks are secured by hypothecation of vehicles under Hire purchase Agreement.

SCHEDULE "4" FORMING PART OF BALANCE SHEET AS ON 31-3-2009

FIXED ASSETS:-

| PARTICULARS | GROSS BLOCK AT COST | | | DEPRECIATION | | | NET BLOCK | | |
|--|-------------------------------|---------------------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | GROSS BLOCK AT COST ON 1/4/08 | ADDITIONS/ TRANSFER/ SALE DURING YEAR | TOTAL COST AS ON 31/03/2009 | DEPRECIATION UP TO 31/03/08 | DEPRECIATION DURING THE YEAR | DEPRECIATION BACK upto 31-03-09 | TOTAL DEPRECIATION | BALANCE AS ON | BALANCE AS ON |
| | | | | | | | | 31.03.2009 | 31.03.2008 |
| Land | 26,105,761.44 | - | 26,105,761.44 | - | - | - | - | 26,105,761.44 | 26,105,761.44 |
| Buildings | 126,381,163.09 | 1,399,077.00 | 127,780,240.09 | 38,769,529.82 | 4,223,545.94 | - | 42,993,075.76 | 84,777,164.33 | 87,611,633.27 |
| Plant & Machinery | 593,771,291.03 | 51,025,980.38 | 644,797,271.41 | 294,443,299.12 | 32,344,422.29 | - | 316,787,721.41 | 328,009,530.00 | 309,327,991.91 |
| Building (Office flat) | 2,578,000.00 | - | 2,578,000.00 | 142,298.74 | 86,105.20 | - | 228,403.94 | 2,349,596.06 | 2,435,701.26 |
| Furniture & Fixture | 2,174,427.01 | 3,049,056.00 | 5,223,483.01 | 1,359,080.18 | 281,623.68 | - | 1,640,703.84 | 3,578,779.17 | 815,346.85 |
| Office Equipment | 3,705,997.59 | 507,239.70 | 4,213,236.29 | 1,698,154.53 | 305,338.15 | - | 1,973,492.68 | 2,239,743.57 | 2,037,813.03 |
| Vehicle | 17,647,882.51 | 6,884,723.00 | 24,532,605.51 | 8,749,054.01 | 2,267,479.72 | - | 11,016,533.73 | 13,495,872.78 | 8,698,628.49 |
| Tractor | 279,441.00 | 759,997.90 | 1,039,438.90 | 279,440.00 | 9,894.54 | - | 289,334.54 | 750,103.46 | 1.00 |
| TOTAL:- | 772,643,733.64 | 63,953,052.08 | 836,596,785.72 | 335,410,856.38 | 39,518,408.52 | - | 374,929,264.90 | 461,307,520.82 | 437,232,877.25 |
| PREVIOUS YEAR | 712,142,932.24 | 81,949,548.40 | 794,092,480.64 | 299,487,845.34 | 35,939,274.60 | - | 28,263.55 | 335,410,856.39 | 437,232,877.25 |
| Capital Work in Progress | | | | | | | | | |
| I. Ethanol Unit | | | | | | | | | |
| Building under construction | 20,008,845.79 | 2,203,212.50 | 22,212,058.29 | - | - | - | - | 22,212,058.29 | 20,008,845.79 |
| Expenses pending capitalisation | 21,875,560.93 | 17,198,921.99 | 39,074,482.89 | - | - | - | - | 39,074,482.89 | 21,875,560.93 |
| Machinery under installation | 169,697,348.35 | 81,417,633.49 | 251,114,981.84 | 3,898.00 | - | - | - | 251,111,101.84 | 169,697,348.39 |
| Misc. Fixed Assets | 12,981,553.05 | 37,651,759.28 | 50,633,312.34 | - | - | - | - | 50,643,312.34 | 12,981,553.05 |
| Land & Site development | 565,202.75 | - | 565,202.75 | - | - | - | - | 565,202.75 | 565,202.75 |
| Vehicle | 1,422,483.45 | - | 1,422,483.45 | - | - | - | - | 1,422,483.45 | 1,422,483.45 |
| Office Equipment | 171,608.14 | - | 171,608.14 | - | - | - | - | 171,608.14 | 171,608.14 |
| Furniture & Fixture | 136,409.00 | 34,600.00 | 171,009.00 | - | - | - | - | 171,009.00 | 136,409.00 |
| Advance for Capital Goods | 44,617,308.04 | 41,695,261.79 | 86,312,569.83 | - | - | - | - | 86,262,567.83 | 44,617,308.04 |
| 2. Expansion Under Implementation | | | | | | | | | |
| Furniture and Fixture | 1,636,323.00 | 120,870.00 | 1,757,193.00 | - | - | - | - | 1,757,193.00 | 1,636,323.00 |
| Advance for Capital Goods | 1,250,118.00 | - | 1,250,118.00 | - | - | - | - | 1,250,118.00 | 1,250,118.00 |
| TOTAL:- | 274,362,758.51 | 160,302,259.05 | 434,665,017.56 | 1,781,073.00 | 14,142,837.21 | - | 432,903,944.53 | 274,362,758.51 | 274,362,758.51 |
| PREVIOUS YEAR | 97,403,486.84 | 191,102,105.89 | 288,505,592.73 | 14,142,837.21 | 274,362,758.52 | - | 274,362,758.52 | 97,403,486.84 | 97,403,486.84 |

SCHEDULE '5' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

| Particulars | Current Year 2008-09 | Previous Year 2007-08 |
|--|-------------------------|--------------------------|
| INVESTMENT | | |
| Piccadily Sugar and Allied Industries Ltd. | 7,388,364.45 | 7,388,364.45 |
| Total | 7,388,364.45 | 7,388,364.45 |

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 | 13,157,380.00 | 11,847,351.40 |
| ii) STOCK IN TRADE | | |
| Raw Material | 1,554,208.70 | 862,322.79 |
| Raw Material in transit | | 605,910.00 |
| Work in process | 29,412,934.74 | 11,776,739.59 |
| Finished Goods | 282,050,785.55 | 556,197,022.46 |
| Total 'A' | 326,175,308.99 | 581,289,346.23 |

SUNDRY DEBTORS

(Unsecured but considered good)

Debts Outstanding for a period exceeding

Six months

Other Debts

Total 'B'

| | |
|----------------------|----------------------|
| 169,095.00 | 9,186,741.87 |
| 15,711,214.39 | 10,789,075.52 |
| 15,880,309.39 | 19,975,817.39 |

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

Total 'C'

| | |
|---------------------|-----------------------|
| 104,979.06 | 26,483,792.53 |
| 1,017,320.13 | 231,250,929.98 |
| 1,200,000.00 | 6,732,000.00 |
| 276,456.00 | 1,307,758.00 |
| 2,598,755.19 | 265,774,480.51 |

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

Total 'D'

| | |
|----------------------|----------------------|
| 92,530,788.71 | 84,973,992.57 |
| 1,750,630.00 | 2,174,305.00 |
| 94,281,418.71 | 87,148,297.57 |

TOTAL (A+B+C+D)

| | |
|-----------------------|-----------------------|
| 438,935,792.28 | 954,187,941.70 |
|-----------------------|-----------------------|

SCHEDULE '7' FORMING PART OF BALANCE SHEET

(Amount in Rs.)

| Particulars | Current Year | Previous Year |
|---|-----------------------|-----------------------|
| | 2008-09 | 2007-08 |
| CURRENT LIABILITIES & PROVISIONS | | |
| A. CURRENT LIABILITIES | | |
| Sundry Creditors | 109,568,901.66 | 507,106,667.17 |
| Creditor for Capital goods | 5,937,403.37 | 26,041,121.84 |
| Expenses Payable | 3,752,060.00 | 5,842,255.00 |
| Statutory Liabilities | 23,939,288.00 | 47,484,512.00 |
| Other Liabilities | 109,031,646.22 | 109,212,664.38 |
| Interest Accrued But Not Due - SDF loan | -- | 107,652.00 |
| B. PROVISIONS | | |
| Gratuity | 1,422,663.00 | 1,252,382.00 |
| Total | <u>253,651,962.25</u> | <u>697,047,254.39</u> |

Note : Sundry creditors are other than SSI unit

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

| | | |
|---|-----------------------|----------------------|
| As per last Balance Sheet (Debit Balance) | 85,820,729.53 | 97,732,836.66 |
| Profit transferred from Profit & Loss A/C | (90,142,655.55) | (11,912,107.13) |
| Total :- | <u>(4,321,926.02)</u> | <u>85,820,729.53</u> |

SCHEDULE '9' FORMING PART OF BALANCE SHEET**SALES & OTHER INCOME**

| | | |
|-------------------------------|-------------------------|-------------------------|
| Sugar Sale | 828,317,136.00 | 764,011,948.00 |
| Molasses Sales | 151,569,502.00 | 91,041,180.00 |
| Country Liquor Sale | 466,139,933.00 | 363,709,405.00 |
| D-Nature Sale | 428,016.00 | - |
| Bottling & Processing Charges | 924,816.00 | - |
| Hire Charges Income | 2,346,774.00 | - |
| Sale Bio-Compost Fertilizers | 6,100,290.00 | - |
| TOTAL (A) :- | <u>1,455,826,467.00</u> | <u>1,218,762,533.00</u> |
| Misc Income | 36,941,611.48 | 27,367,116.41 |
| TOTAL (B) :- | <u>36,941,611.48</u> | <u>27,367,116.41</u> |
| TOTAL (A+B) :- | <u>1,492,768,078.48</u> | <u>1,246,129,649.41</u> |

SCHEDULE '10' FORMING PART OF BALANCE SHEET**RAW MATERIAL CONSUMED**

| | | |
|--------------------------------------|-----------------------|-----------------------|
| Opening stock - Cane | 87,969.00 | 925,242.00 |
| Opening stock - Molasses | 753,063.79 | - |
| Opening stock - R.S. | 627,200.00 | - |
| Sugar cane purchased | 440,791,596.38 | 684,676,633.99 |
| Rectified Spirit Purchased | 100,060,589.00 | 154,071,726.00 |
| Rectified Spirit Import Fee | 3,465,835.00 | 4,972,945.00 |
| Molasses Purchased | 158,844,089.90 | 6,961,220.00 |
| Grain Purchased | 1,552,752.20 | - |
| Closing Stock of Raw Material | | |
| Sugar Cane | - | (3,219.00) |
| Molasses | (1,456.50) | (753,063.79) |
| Rectified Spirit | - | (106,040.00) |
| Grain | (1,552,752.20) | - |
| Raw Material in Transit | | |
| Cane | - | (84,750.00) |
| Rectified Spirit | - | (521,160.00) |
| TOTAL | <u>704,628,886.57</u> | <u>850,139,534.20</u> |

| Partiulars | Current Year | Previous Year |
|------------|--------------|---------------|
| | 2008-09 | 2007-08 |

SCHEDULE '11' FORMING PART OF BALANCE SHEET**MANUFACTURING EXPENSES**

| | | |
|---------------------------------|-----------------------|-----------------------|
| Chemicals, Oil & Lubricants | 15,198,938.09 | 25,787,688.13 |
| Power & Fuel | 20,218,733.84 | 7,273,450.63 |
| Packing Material | 143,438,028.03 | 130,933,069.98 |
| Electricals Repair | 1,990,433.94 | 4,267,178.32 |
| Plant & Machinery Repair | 24,823,402.26 | 31,422,728.16 |
| Sugar Loading & Unloading | 1,292,699.00 | 1,976,154.00 |
| Local Area Development Tax | - | 558,706.00 |
| Excise Duty on Closing Stock | - | 1,729,151.00 |
| Cane Development Expenses | 3,761,451.10 | 7,761,819.79 |
| Environmental & E.T.P. Expenses | 390,363.00 | - |
| TOTAL | 211,114,049.26 | 211,709,946.01 |

SCHEDULE '12' FORMING PART OF BALANCE SHEET**EMPLOYMENT COST**

| | | |
|--------------------------------|----------------------|----------------------|
| Salary, Wages & Bonus | 31,335,436.94 | 27,283,404.99 |
| Staff Welfare | 2,198,881.00 | 2,224,788.50 |
| Contribution to Provident Fund | 341,689.00 | 330,804.99 |
| Gratuity | 170,281.00 | 174,379.00 |
| Retrenchment & Compensation | 206,700.00 | 255,000.00 |
| TOTAL | 34,252,987.94 | 30,268,377.48 |

SCHEDULE '13' FORMING PART OF BALANCE SHEET**ADMINISTRATIVE & OTHER EXPENSES**

| | | |
|-----------------------------------|----------------------|----------------------|
| Rent | 3,032,150.00 | 2,752,796.26 |
| Lease Rent/Hire Charges | 2,118,132.27 | 349,499.19 |
| Insurance | 1,369,832.00 | 1,162,504.00 |
| Fee & taxes | 5,674,108.00 | 2,648,401.00 |
| Service Tax | 90,423.00 | 193,343.00 |
| Professional Charges | 1,676,296.00 | 997,228.00 |
| Running & Maintenance of Vehicle | 2,252,923.86 | 2,527,160.02 |
| Postage & telephone expenses | 1,155,482.58 | 1,084,579.72 |
| Audit Fee | 100,000.00 | 50,000.00 |
| Tax Audit Fees | 25,000.00 | 10,000.00 |
| Directors Remuneration | 6,42,000.00 | 852,000.00 |
| Printing, Stationery & publishing | 313,100.60 | 429,261.99 |
| Travelling & Conveyance | | |
| Director | 155,435.00 | 148,235.01 |
| Others | 1,592,832.82 | 1,466,581.90 |
| Repair & Maintenance | | |
| Building | 600,262.55 | 1,083,309.90 |
| Others | 3,120,573.11 | 959,867.80 |
| Donation | 1,004,001.00 | 12,201.00 |
| Sundry balances w/off | 444,437.84 | - |
| Advertisement | 186,414.00 | 194,650.00 |
| TOTAL | 25,553,404.63 | 16,921,618.79 |

SCHEDULE '14' FORMING PART OF BALANCE SHEET**FINANCIAL EXPENSES**

| | | |
|--------------|----------------------|----------------------|
| Interest | 30,235,555.00 | 31,091,451.13 |
| Bank Charges | 4,443,980.06 | 3,948,503.21 |
| TOTAL | 34,679,535.06 | 35,039,954.34 |

| Partiulars | Current Year | Previous Year |
|------------|--------------|---------------|
| | 2008-09 | 2007-08 |

SCHEDULE '15' FORMING PART OF BALANCE SHEET**SELLING EXPENSES**

| | | |
|-------------------|---------------------|----------------------|
| Commission | 3,649,429.00 | 3,566,481.00 |
| Loading Unloading | 611,305.00 | 1,152,034.00 |
| Freight Outward | 1,745,950.00 | 6,542,637.00 |
| Export Duty | 148,885.00 | - |
| Advertisement | 447,198.00 | - |
| TOTAL | 6,602,767.00 | 11,261,152.00 |

SCHEDULE- 16**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS AS ON 31-03-2009****A. ACCOUNTING POLICIES**

- The Company prepares its accounts on accrual basis, except otherwise stated, in accordance with the normally accepted accounting principles and Accounting Standards and relevant provisions of The Companies Act, 1956
- 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 building and other building) has been provided on straight line method on prorata 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.
- Inventories:
 - Raw Material : At cost on FIFO basis.
 - Work in Process : At estimated cost including expenses attributable to production on percentage completion basis/ Net Realisable value, whichever is low.
 - Finished Goods:- At weighted average cost/net realisable value whichever is low, including Excise duty and all expenses attributable to production.
 - By Products : At Net realisable value inclusive of Excise Duty.
 - Stores and spares : At cost
- Sales are inclusive of Excise Duty.
- Gratuity is provided in respect of the eligible employees as per the Payment of Gratuity Act, 1972.
- Borrowing cost directly attributable to acquisition / construction of qualifying assets have been capitalised as part of cost of that asset.
- Long term investments are carried at cost.
- Contingent liabilities are not provided for and are disclosed by way of notes.
- Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

B. NOTES ON ACCOUNTS

- | | Current Year
(Rs. in lacs) | Previous Year
(Rs. in lacs) |
|--|-------------------------------|--------------------------------|
| 1. Contingent Liabilities: | | |
| a) Guarantee given to banks in respect of advance given by banks to cane growers | 1000.00 | 1000.00 |
| b) In respect of unassessed cases of Income Tax, Sales Tax, Excise Duty & Service Tax. | | Amount unascertained |
| 2. Remuneration paid to Director (Executive Director) | | |
| | CURRENT YEAR | PREVIOUS YEAR |
| a) Salary | Rs. 6,00,000/- | Rs. 6,00,000/- |
| b) House Rent | Rs. 42,000/- | Rs. 2,52,000/- |
- Other Miscellaneous income includes interest income amounting to Rs.28.86 lacs (Rs. 232.54 lacs) on which TDS is deducted Rs. 5.84 lacs (Rs. 52.00 lacs).
 - Fixed deposit with banks includes Rs. 2.50 lacs (Rs.3.50 lacs), Rs. 2.50 lacs (Rs.2.50 lacs), Rs. 0 lacs (Rs. 29.32 lacs), Rs. 1.00 lacs (2.00 Lacs) respectively which are under lien with Sales Tax Department, Haryana Pollution Board and Asslt. Excise & Taxation Commissioner.
 - Investments of Rs. 73.88 Lacs (At Cost) is consist of 1383871 Equity shares of Rs.10/- each fully paid up of Piccadilly Sugar & Allied Industries Limited (Market value of Rs.8.35 per share) is long term investment.
 - Previous year expenses amounting to Rs. 2.35 Lacs on account of passenger tax of staff bus has been adjusted against previous year income of Rs. 19.23 lacs on account of Service tax Cenvat and the net amount of Rs. 16.88 lacs has been included in other Miscellaneous income and an amount of Rs. 2.50 lacs pertaining to hire charges income has been reversed from lease rent expenses / hire charges.

7. Interest charged under the head Financial Expenses in Profit & Loss Account includes interest on Term loans amounting to Rs.19.40 lacs (Rs.44.52 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 (Rs. in lacs) | OTHER UNIT (Rs. in lacs) | TOTAL (Rs. in lacs) |
|---|-----------------------------|-----------------------------|------------------------|
| a) Segment Revenue | | | |
| Sales & Other Income | 9517.65 | 4801.00 | 14318.65 |
| Less: Inter Segment Revenue | | | |
| TOTAL | 9517.65 | 4801.00 | 14318.65 |
| b) Segment Results | | | |
| Profit before Interest, Depreciation & Taxation | 1340.29 | 591.73 | 1932.02 |
| Depreciation | 363.46 | 31.72 | 395.18 |
| Profit After Depreciation | 976.83 | 560.01 | 1536.84 |
| Interest Expenses | 329.23 | 17.57 | 346.80 |
| Provision for Taxation | | | |
| Wealth Tax | 0.63 | 0.00 | 0.63 |
| Fringe benefit Tax | 2.83 | 1.42 | 4.25 |
| Deferred Tax | (168.56) | 0.00 | (168.56) |
| Provision for MAT | 115.18 | 0.00 | 115.18 |
| Net Profit | 360.40 | 541.02 | 901.42 |
| Other information | | | |
| Segment Assets | 10110.23 | 344.01 | 10454.24 |
| Segment Liabilities | 5165.65 | 654.55 | 5820.20 |
| Capital Expenditure Depreciation Debited to P&L A/c | 363.46 | 31.72 | 395.18 |

Notes :-

- a) The Company has identified Business Segment as primary Segments. The reportable business Segments are "Sugar" & "Other".
- b) The type of Product in each business segment are as under :-
 1. Sugar : Sugar, Molasses and Bagasse
 2. Other : Liquor.
- c) There is no unallocated amount of revenue / expenses.
9. Sundry Creditors and loan and advances are subject to confirmation, reconciliation and adjustment.
10. 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.
11. Installment of term loan Payable within one year is Rs. 376.59 lacs (Rs. 155.83 lacs)
12. 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 Rs. 90142656 | Previous year Rs. 11912107 |
|------------------------|------------------------------|-------------------------------|
| Profit during the year | 23584820 | 23584820 |
| No. of shares | 10 | 10 |
| Face value | | |

13. Disclosure regarding Deferred Tax :

| Particulars | 31-03-2009 (Rs. in Lacs) | 31-03-2008 (Rs in Lacs) |
|---|--------------------------|-------------------------|
| A. Deferred Tax Assets | | |
| 1. On account of carry forward tax losses & Unabsorbed depreciation | 500.19 | 712.23 |
| 2. On Account of Section 43-B of Income Tax Act | 22.48 | 52.52 |
| TOTAL (A) | 522.67 | 764.75 |
| B. Deferred Tax Liability | | |
| Timing Difference on account of Depreciation | 691.97 | 765.49 |
| TOTAL (B) | 691.97 | 765.49 |
| NET DEFERRED TAX LIABILITY / ASSETS (A-B) | (169.30) | (0.74) |

Deferred Tax Liability for the current year Rs. 168.56 lacs has been charged to Profit and Loss Account (Rs. 169.30 lacs - 0.74 lacs)

14. Advances recoverable in cash or kind amounting to Rs 925.31 lacs (Rs 849.74 lacs) includes loan advanced Rs 259.93 (Rs. 264.38 lacs) out of which Rs. 250.00 lacs (Rs. 247.38 lacs) are secured against Plant & Machinery and balance is unsecured

15. 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

| Licensed & Installed Capacity | UNIT | CURRENT YEAR |
|-------------------------------|-------|----------------|
| i) Sugar | TCD | 5000 (5000) |
| ii) Ethanol Unit : | KL PD | 60 (60) |

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

II) Production

| | | (Qty in Lacs) |
|-------------|---------------|------------------|
| 1) Sugar | Qtls | 2.72 (5.21) |
| 2) Molasses | Qtls | 1.44 (2.62) |
| 3) Others | Cases in Lacs | 28.67 (21.77) |

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

| | UNIT | CURRENT YEAR | |
|------------|------|--------------------------|------------------------|
| | | (Qty and Valued in Lacs) | |
| | | Qty | Value |
| Sugar Cane | Qtls | 26.48 (52.72) | 4,408.80 (6,855.14) |
| Molasses | Qtls | 2.56 (0.14) | 1,595.95 (62.08) |

C. PARTICULARS OF SALES

| | UNIT | CURRENT YEAR | |
|-------------|---------------|-------------------------|------------------------|
| | | (Qty and Value in Lacs) | |
| 1. Sugar | Qtls | 4.32 (5.19) - | 8,283.17 (7,640.12) |
| 2. Molasses | Qtls | 2.53 (2.69) | 1,515.70 (910.41) |
| 3. Others | Cases in Lacs | 28.61 (21.64) | 4661.40 (3,637.09) |

D. OPENING AND CLOSING STOCK OF WORK IN PROCESS

| | UNIT | OPENING STOCK | | CURRENT YEAR | | CLOSING STOCK | |
|-------------|------------------------|------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| | | Qty. | Value (Rs. in lacs) | Qty. | Value (Rs. in lacs) | Qty. | Value (Rs. in lacs) |
| 1. Sugar | Qtls | 1,104.00 (8,167.00) | 16.02 (117.36) | Nil (1,104.00) | Nil (16.02) | Nil (1,104.00) | Nil (16.02) |
| 2. Molasses | Qtls | 7,660.00 (7,129.00) | 31.41 (21.81) | Nil (7,660.00) | Nil (31.41) | Nil (7,660.00) | Nil (31.41) |
| 3. Other | Bulk Litres in Lacs | 2.89 | 70.34 | 9.57 (2.89) | 294.12 (70.34) | 9.57 (2.89) | 294.12 (70.34) |

E. OPENING & CLOSING STOCK OF FINISHED GOODS

| Class of Goods | UNIT | OPENING STOCK | | CURRENT YEAR | | CLOSING STOCK | |
|------------------|---------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
| | | (Qty and Value in Lacs) | | (Qty and Value in Lacs) | | (Qty and Value in Lacs) | |
| | | Qty. | Value (Rs. lacs) | Qty. | Value (Rs. lacs) | Qty. | Value (Rs. lacs) |
| 1. Sugar | Qtls | 3.04 (3.13) | 4,934.14 (4,765.40) | 1.43 (3.04) | 2,734.06 (4,934.14) | 1.43 (3.04) | 2,734.06 (4,934.14) |
| 2. Molasses | Qtls | 1.17 (1.23) | 569.43 (473.27) | 0.07 (1.17) | 52.05 (569.43) | 0.07 (1.17) | 52.05 (569.43) |
| 3. Miscellaneous | | - | 40.00 | -- | 7.20 (40.00) | -- | 7.20 (40.00) |
| 4. Other | Cases in Lacs | 0.14 | 18.39 | 0.20 (0.14) | 27.20 (18.39) | 0.20 (0.14) | 27.20 (18.39) |

F. CIF value of imports

| | |
|-------|-------|
| Nil | Nil |
| (Nil) | (Nil) |

| | | |
|---------------------------|--------|-------|
| G. Expenditure in foreign | Nil | Nil |
| Currency | (4.91) | (Nil) |
| H. Earning in foreign | Nil | Nil |
| Exchange | (Nil) | (Nil) |

16. Figures in brackets relates to Previous Year.

17. Figures of the Previous year have been regrouped and recast to make them comparable with those of current year wherever considered necessary.

18. Schedule 1 to 16 forms an integral part of Balance Sheet and Profit and Loss Account.

| | | | |
|--|--|---|--|
| Sd/- (Kartikeya Sharma) Director | Sd/- (Harvinder Chopra) Executive Director | Sd/- (Nikhlesh Verma) Company Secretary | For Jain & Associates Chartered Accountants Sd/- (Neeraj Jain) Partner |
|--|--|---|--|

Place: New Delhi

Date: 30-06-2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | | |
|-------------------------------|--|-----------------------|--|
| I. Registration Detail | | | |
| Registration No. | | U01115HR1994PLC032244 | |
| State Code | | 05 | |
| Balance Sheet Date | | 31.03.2009 | |

| | | | |
|--|-----|-------------------|-----|
| II. Capital Raised during the year (Amount in Rs. Thousand) | | | |
| Public Issue | NIL | Right Issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

| | | | |
|--------------------------------------|---------|---------------------------------|---------|
| III. Position of mobilisation | | (Amount in Rs. Thousand) | |
| Total Liabilities | 1340536 | Total Assets | 1340536 |
| Source of Funds | | Application of Funds | |
| Paidup Share Capital | 239067 | Net Fixed Assets | 894211 |
| Application Money | Nil | Investments | 7388 |
| Reserves & Surplus | 14044 | Net Current Assets | 185285 |
| Capital Receipts | 194892 | | |
| Secured Loans | 621950 | | |
| Defferred Tax Liabilities | 16931 | | |

| | |
|--|---------|
| IV. Performance of the Company (Amount in Rs. Thousand) | |
| Turnover | 1431864 |
| Total Expenditure | 1312860 |
| Profit Before Tax | 119004 |
| Profit After Tax | 90142 |
| Earning Per Share (In Rs.) | 3.82 |
| Including Deffered Tax Asset | |

| | | | |
|---|---------------------|-----------|----------|
| V. Genetic Names of three Products/ service of company (As per monetary Terms) | | | |
| Item Code No. (ITC Code) | 17011109 | 170111000 | 23010000 |
| Product Description | White Crystal Sugar | Molasses | Bagasse |

| | | | |
|--|--|---|--|
| Sd/- (Kartikeya Sharma) Director | Sd/- (Harvinder Chopra) Executive Director | Sd/- (Nikhlesh Verma) Company Secretary | For Jain & Associates Chartered Accountants Sd/- (Neeraj Jain) Partner |
|--|--|---|--|

Place: New Delhi

Date: 30-06-2009

CASH FLOW STATEMENT

(Amount Rs. in Lacs)

| | For the Year ended 31.03.09 | For the Year Ended 31.03.2008 |
|--|--------------------------------|----------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profits | 901.42 | 119.12 |
| ADJUSTMENTS FOR: | | |
| i) Depreciation | 395.18 | 359.39 |
| ii) Interest on term loans | 19.40 | 44.52 |
| iii) Interest received | (28.86) | (241.80) |
| iv) Income Tax/Wealth Tax/MAT Provision | 120.05 | 4.05 |
| v) Deferred Tax Expenditure | 168.56 | 28.75 |
| vi) Gratuity | - | 1.74 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES | 1,575.75 | 315.77 |
| ADJUSTMENTS FOR: | | |
| i) Trade & Other Receivables | 40.96 | 127.24 |
| ii) Inventories | 2,551.14 | (310.07) |
| iii) Loan & advances | (71.33) | 2,023.72 |
| iv) Current Liabilities | (4,433.96) | 707.48 |
| v) Working Capital Borrowing | 133.04 | (181.88) |
| | (1,780.15) | 2,366.49 |
| Cash flow from operating Activities | (204.40) | 2,682.26 |
| Direct Taxes Paid | (120.05) | (4.05) |
| Cash flow from operating Activities | (324.45) | 2,678.21 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| i) Purchase of fixed Assets | (2,221.33) | (2,374.60) |
| ii) Loans & Advances | - | (37.11) |
| iii) Purchase of Investments | - | 241.80 |
| iv) Interest Received | 28.86 | |
| Net Cash from investing activities | (2,192.47) | (2,169.91) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| i) Repayment of Term Loans | (456.84) | (209.95) |
| ii) Receipt of Term Loans | 361.40 | 1,744.64 |
| iii) Interest Paid on Term Loans | (19.40) | (44.52) |
| Net Cash flow from Financing Activities | (114.84) | 1,490.17 |
| Net increase in Cash or Cash Equivalents | (2,631.76) | 1,998.47 |
| Cash & Cash Equivalents as on 31.3.2008 | 2,657.75 | 659.28 |
| Cash & Cash Equivalents as on 31.3.2009 | 25.99 | 2,657.75 |
| | (2,631.76) | 1,998.47 |

for and on behalf of the Board

Sd/-

(Kartikeya Sharma)
Director

Sd/-

(Harvinder Chopra)
Executive Director

Sd/-

(Nikhlesh Verma)
Company SecretaryFor Jain & Associates
Chartered Accountants

Sd/-

(Neeraj Jain)

Partner

Place: New Delhi

Date: 30-06-2009

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 2009 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)

Partner

PLACE : New Delhi

DATED : 30-06-2009

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 15th Annual General Meeting of the Company to be held on Saturday 26th September 2009 at 04.00 P.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 _____ 2009

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 AGRO INDUSTRIES LTD.

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

I hereby record my presence at the 15th Annual General Meeting of Piccadily Agro Industries Limited held at the Registered Office of the Company Vill. Bhadson, Umri-Indri Road, Tehsil Indri, Distt. Karnal, Haryana on the Saturday 26th September, 2009 at 04.00 P.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 _____

BOOK POST

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