

27th

**ANNUAL  
REPORT**

2019-20

**PICCADILY  
SUGAR & ALLIED  
INDUSTRIES LTD.**

**Board of Directors**

Sh. Devinder Sharma, Whole time Director & Chairman  
 Sh. Harvinder Singh Chopra, Director  
 Sh. Jai Parkash Kaushik, Director  
 Ms. Madhu Sharma, Director

**DIN No.**

03264719  
 00129891  
 02354480  
 07149078

**Auditors**

M/s Aggarwal Sahil & Associates, Chartered Accountants  
 H.No. 3026, 2nd Floor,  
 Sector 27-D, Chandigarh

**Company Secretary**

Ms. Avneet kaur

**Chief Financial Officer**

Sh. Sunil Kumar

**CIN No. : L15424PB1993PLC013137**

**Registered Office**

Jakhal Road, Patran, Distt. Patiala,  
 Punjab-147001

**Registrar & Share Transfer Agent**

Abhipra Capital Ltd.  
 Ground Floor, Abhipra Complex Dilkush Industrial Area,  
 A-387, GT Karnal Road, Azadpur, Delhi-110033

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**NOTICE**

Notice is hereby given that the 27th Annual General Meeting of the members of Piccadilly Sugar & Allied Industries Limited will be held on Wednesday, September 23rd, 2020 at 11.00 A.M. at Jakhal Road, Patran, Distt. Patiala Punjab-147001 through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

**ORDINARY BUSINESS****1. To receive, consider and adopt:**

a. The Audited Financial Statements of the company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon; and

b. The Audited Consolidated Financial Statement of the company for the financial year ended March 31, 2020.

2. To appoint a Director in place of Ms. Madhu Sharma (DIN No :07149078) , who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.

**SPECIAL BUSINESS****3. Re-appointment of Sh. Devinder Sharma (DIN: 03264719) as Whole Time Director.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force Sh. Devinder Sharma (DIN: 03264719) be and is hereby reappointed as Whole Director of the Company, for a period of one (1) year with effect from August 2, 2020 as per terms & conditions set out in explanatory statement annexed to the notice convening this meeting with liberty to the Directors to alter and vary the terms & conditions of the said appointment in such a manner as may be agreed between the Directors and Sh. Devinder Sharma, Whole-time Director.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution.

"By the order of the Board of Director  
Sd/-

Avneet Kaur  
Company Secretary  
M.No. -60841

Date: 18-06-2020  
Place: Chandigarh

**Notes:-**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC /OAVM. The procedure for participating in the meeting through VC/OAVM is explained in Point C (Instructions for Shareholders Attending the AGM through VC/OAVM).
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent via registered email of the shareholder to email of the Company [piccadillygroup34@rediffmail.com](mailto:piccadillygroup34@rediffmail.com).

5. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be available on first come first served basis.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.psailpatran.com](http://www.psailpatran.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
7. The Company's Registrar and Share Transfer Agent for its Share Registry Work (Physical and Electronic) are M/s Abhipra Capital Limited having their office at Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, GT Kamal Raod, Azadpur, Delhi-110033.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 12th, 2020 to Wednesday, September 23rd, 2020 (Both days inclusive).
11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar and Share Transfer Agents of the Company (RTA) i.e Ms Abhipra Capital Limited in case the shares are held by them in physical form.
12. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. Accordingly, Members are advised to dematerialize shares held by them in physical form.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
14. Pursuant to Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the RTA in case the shares are held in physical form and to their DP in case the shares are held by them in electronic form.
15. Re-appointment of Directors  
Sh. Devinder Sharma will be re-appointed as Whole Time Director of the Company and Ms. Madhu Sharma Liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment at this AGM, forms part of the Notice. Details mentioned at the end of the notice.  
Both Madhu Sharma and Devinder Sharma are inter-se related to each other.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. The Securities and Exchange Board of India (SEBI) has directed for the submission of permanent account No. (PAN) by every Participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding shares in physical forms can submit their PAN to the Company/Registrar.
18. Members holding shares in physical mode and who have not registered/updated their email address with the company are requested to register/update their email addresses by writing to the company at [Piccadilygroup34@rediffmail.com](mailto:Piccadilygroup34@rediffmail.com) along with the copy of signed request letter mentioning the name and address of the member, self attested copy of the PAN Card and self attested copy of any document (e.g driving license, Aadhar Card, Election Identity Card, Passport) in support of the address of the member. Members holding shares in dematerialized mode are requested to register, update their email addresses with the relevant Depository Participants..
19. Voting through electronic means Detail instructions explained after explanatory statement.
20. Other Instructions:
  1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast

- during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.psailpatran.com and on the website NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM No. 3**

Sh. Devinder Sharma (Din No .03264719) is a graduate in Arts is having more than 31 years experience and has been associated with Hotel, textile & engineering industry. He has got rich experience in project implementation, marketing & sales, administration etc.

He has been managing the affairs of the company for the last nine years with strong dedication and devotion.

The Board of Directors of the Company in its meeting held on 18 June 2020 has, subject to the approval of members, re-appointed Sh. Devinder Sharma (Din No .03264719) as Whole time Director, for a period of one (1) year w.e.f. 2nd August 2020 at the remuneration recommended by the Nomination & Remuneration Committee of the Board and approved by the Board, within the limit specified in Schedule V, Part II, Section II(A) of the Companies Act, 2013.

Terms of remuneration of Sh. Devinder Sharma (Din No. 03264719) are as follows:

Period: 2nd August 2020 to 1st August 2021.

Nature of Duties: The Whole Time Director carry on the business of the company and carry on such duties as may be entrusted to him by the Board of Directors of the company from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control & Directions of the board in connection with and in the best interests of the business of the company.

1) A. Remuneration

- a) Salary Rs 50,000 (Rs fifty Thousand only) per month including all perquisites & allowances.
- b) Benefits, perquisites and allowances as will be determined by the Board from time to time. Reimbursement of expenses incurred on travelling, telephone expenses shall not be considered as perquisite.

**B). Minimum remuneration**

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of whole time Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, benefits and perquisites, performance incentive as approved by the Board of Directors as per provisions of Companies Act 2013 & rules framed there under.

- 2)(i) The Whole time Director shall not become interested or otherwise concerned through his spouse and/children or any selling agency of the company.
- (ii) The appointment may be terminated by either party by giving to other party one month notice for such termination or the company paying one month remuneration in lieu thereof.

The Board recommends this resolution as a Special Resolution for the approval of the members in terms of Resolution set out in Item No. 3 of the Notice.

None of the Directors or Key Managerial Person of the Company or their relatives is interested in the resolution except Sh. Devinder Sharma and Ms. Madhu Sharma.

The Information As Required Under Schedule V To The Companies Act, 2013 Is given hereunder:

**1. General Information**

1	Nature of Industry	The Company comes under Sugar & Alcohol industry
2	Date or expected date of commencement of commercial production	The Commercial production started in the year 1996.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4	Financial performance based on given indicators:	Given as Below

Particulars	Rs. In lacs	
	31st March, 2020	31st March, 2019
Total Income	4493.62	3971.45
Profit Before Tax	23.84	49.35
Provisional for Tax/Deferred Tax	21.96	16.36
Net Profit	1.88	32.99
5 Export performance and net foreign exchange collaborations	Nil	
6 Foreign investments or collaborators, if any	Nil	

**2. Information about the Appointee:**

1	Background details	As mentioned in the explanatory statements as mentioned above
2	Past remuneration	Sh. Devinder Sharma (Din No.03264719) was drawing Remuneration of Rs.50,000/- p.m. including other benefits and Perquisites.
3	Recognition or awards:	Career profile already covered in the section Background detail.
4	Job profile and his suitability	Sh. Devinder Sharma (Din No.03264719) is managing the affairs of the Company for the last Nine Years and has given his strong dedication and devotion for the overall growth of the Company to a very sound state. He is very well suited to handle the responsibility of his designation/position and the responsibilities assigned to him by the Board of Directors of the Company.
5	Remuneration proposed	Consolidated Salary amounting Rs. 50,000/- per month including other benefits and perquisites as mentioned in the Notice subject to maximum ceiling as allowed in Schedule V of the Companies Act, 2013.
6	Comparative remuneration profile with respect to industry size of the company, profile of the position and person	In the present scenario the remuneration being paid to the managerial personnel by companies in Sugar & Alcohol trade is very high. Devinder Sharma (Din No.03264719) has business experience of approximately more than thirty one years and taking into account the responsibilities assigned, the remuneration proposed to be paid to him is very reasonable in comparison of remuneration packages paid to similar senior level appointee(s) in other Companies in the industry.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Sh. Devinder Sharma (Din No.03264719) WholeTime Director; has no other pecuniary relations with the Company except drawing of remuneration as approved by shareholders of the company. None of the KMP or any other Director or their relatives is interested in the resolution except Ms. Madhu Sharma, Director.

**3. Other information**

1	Reasons of loss or inadequate profits	In view of the highly competitive market scenario in Liquor industry, the Company has posted profits before tax of Rs.23.84 Lacs and net profit after tax of Rs.1.88 Lacs for the year ended 31st March, 2020..
2	Steps taken or proposed to be taken for improvement	The Company is constantly looking forward to improve its productivity, sales and consequently its profits and therefore steps have been taken for addition of new machinery equipped with latest technology, cost cutting, optimum utilization of resources to cater the needs of customers
3	Expected increase in productivity and profit in measurable terms	Considering the present market conditions and the steps taken by the Company, the production, sales and profitability of the Company is expected to increase substantially in the ensuing years.

None of the Directors or Key Managerial Person of the Company or their relatives is interested in the resolution except Sh. Devinder Sharma, Whole time Director and Ms. Madhu Sharma, Director.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

**A. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AREAS UNDER:-**

The remote e-voting period begins on Sunday, 20th September 2020 at 09.00 A.M. and ends on Tuesday, 22nd September 2020 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

1. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered
      1. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
        - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
        - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
      - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
      - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
2. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
3. Now, you will have to click on "Login" button.
4. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

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1. Your password details are given below:
  - a) if you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your initial password, you need to enter the initial password and the system will force you to change your password.
  - c) How to retrieve your "initial password"?
  - (i) If your email ID is registered in your demat account or with the company, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your "User ID" and your "initial password".
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered
    1. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
      - a) Click on "Forgot User Details/Password?" (if you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
      - b) Physical User Reset Password? (if you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
      - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
2. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
3. Now, you will have to click on "Login" button.
4. After you click on the "Login" button, Home page of e-Voting will open.

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2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre Tel. No.: 02224994545, email-id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [piccadilygroup34@rediffmail.com](mailto:piccadilygroup34@rediffmail.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [piccadilygroup34@rediffmail.com](mailto:piccadilygroup34@rediffmail.com)

**A. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



Piccadilly

Piccadilly Sugar &amp; Allied Industries Limited

Details of Directors seeking appointment/ re-appointment in Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Ms. Madhu Sharma	Sh. Devinder Sharma
Director Identification Number (DIN)	07149078	03264719
Date of Birth & Age	22/03/1975 & 45	13/02/1968 & 52
Date of Appointment	31/03/2015	02/08/2010
Qualifications	Graduate	Graduate
Expertise	Well experienced and possess expertise in administration, business, & entrepreneurship qualities	Well experience and associated with Hotel, Textile & engineering industry.
Shareholding of Director in the Company	NIL	NIL
Relationship with other directors and KMPs of the Company	Sh. Devinder Sharma (Husband)	Ms. Madhu Sharma (Wife)
List of outside Directorships as on Appointment Date	NIL	1. Six Trees Drinks Pvt. Ltd. 2. Sharma Engineering Corporation Pvt. Ltd. 3. White House Export Pvt. Ltd.
Chairmanship/ Membership of Committee	NIL	NIL

**DIRECTOR'S REPORT**

Dear Share Holders,

Your Directors have the pleasure in presenting their 27th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2020.

**FINANCIAL RESULTS:****1. Financial Results :**

Rs. In Lacs

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Gross Income	4361.37	3909.87	4361.37	3909.87
Add: other income	132.25	61.58	132.25	61.58
Total income	4493.62	3971.45	4493.62	3971.45
(Increase)/decrease of Stock in trade	(89.77)	26.94	(89.77)	26.94
Profit before Interest, Depreciation, Tax & Exceptional items	152.83	331.56	152.90	331.56
Less : Interest	60.08	59.39	60.08	59.39
Depreciation	363.27	331.11	363.27	331.11
Add: Exceptional items	294.29	108.29	294.29	108.29
Profit before Tax	23.77	49.35	23.84	49.35
Provision for Current Tax	0	7.03	0	7.03
Deferred Tax	21.96	9.33	21.96	9.33
Earlier years	0	0	0	0
Net Profit	1.80	32.99	1.88	32.99
Transfer to Profit & Loss A/c	1.80	32.99	1.88	32.99

**Review of the operations****A) Distillery**

- i) **Patran (Punjab):** The distillery unit has produced 296341 cases of Punjab Medium Liquor (PML) consisting of 50 degree & 65 degree. The unit has also produced 4006 boxes of Indian made foreign Liquor (IMFL) consisting of 800 boxes of Whistler whisky, 3206 boxes of Golden Wings.
- ii) The unit has also produced 23,44,360 bulk liters of Ethanol which has been supplied to various oil manufacturing companies. The unit has achieved a turnover & other income of 2624.19 lacs during the year.
- iii) **Bawal (Haryana):** The distillery unit has produced 546139 cases of Country Liquor & has made a turnover & other income of Rs.1737.18 lacs.

**B) Sugar Mill**

Sugar Mill did not commence the crushing operations during the season 2019-20, due to adverse conditions prevailing in the entire area. The sugar availability in the country is much more than the consumption in the country. More over the steep increase in the prices of sugarcane rendered the prices of finished sugar unremunerative.

**2. Dividend**

Your Directors have not recommended any dividend on the equity shares for the financial year ended March 31<sup>st</sup>, 2020 due to accumulated Losses.

**3. Share Capital**

The paid up Equity Share Capital as at March 31, 2020 stood at Rs 2322.09 lacs consisting of 23254527 equity shares of Rs.10/- each. During the year under review, the company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

**4. Subsidiary/Associate Company**

During the year under review, Six Trees Drinks Pvt. Ltd. & Six Tress Beverages LLP has become the subsidiary of the company.

**5. Directors & Key Managerial Personnel****(a) Appointment/Re-appointment of Director.**

Sh. Raju Sharma, Director, has resigned from the post of Directorship of the company w.e.f. 01/07/2019.

Sh. Devinder Sharma re-appointed as Whole Time Director of the Company w.e.f 02<sup>nd</sup> August, 2020 for a period of one year subject to the approval of shareholder in the forthcoming Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Madhu Sharma, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify as an independent director under section 149 (6) of the Companies Act 2013 & 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**(b) Key Managerial Personnel.**

During the financial year ended March 31, 2020 the following persons are the Whole Time Key Managerial Personnel (KMP) of the Company in term of provision of section 203 of the Companies Act, 2013.

Sr. No.	Name	Designation
1.	Sh. Devinder Sharma*	Whole Time Director
2.	Ms. Charu Aggarwal#	Company Secretary
3.	Ms. Avneet Kaur\$	Company Secretary

\*Sh. Devinder Sharma re-appointed as Whole Time Director of the Company w.e.f 02nd August, 2020 for a period of one year.

#Ms. Charu Aggarwal resigned from the post of Company Secretary and Compliance officer of the Company w.e.f 24th June 2019.

\$Ms. Avneet kaur Appointed as Company Secretary and Compliance Officer of the Company w.e.f 18th December 2019

#### 6. Number of meetings of the Board

During the year under review 9 (Nine) meetings of the Board of Directors were held to transact the business of the company. The time gap between the two consecutive meetings was not exceeding 120 days. Details of the Board meetings including attendance of Directors at these meetings are provided in the Corporate Governance Report annexed to this report.

#### 7. Board evolution

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board and Committees thereof was evaluated on the basis of the criteria such as the composition and structure, effectiveness of processes, information, involvement of the Members and functioning etc. The Board reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive discussion and inputs in meetings, etc.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the performance of the Board as a whole was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The review concluded by affirming that the Board as a whole, the Committees of the Board as well as all of its Members, individually, continued to display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member of the Board and the Committee thereof contribute its best in the overall growth of the organization.

#### 8. Material Changes & commitment affecting the financial position of the company

There is no material changes affecting the financial position of the company subsequent to the close of the financial year 2019-20 till the date of report.

#### 9. Significant & material orders passed by the Regulators or Courts or Tribunals

There are no significant material orders passed by the regulators or Courts or Tribunal which would impact the going concern status of the company and its future operation. However, Members attention is drawn to the statement on Contingent Liabilities and commitments in the notes forming part of the financial statement.

#### 10. Deposits

Your company has not accepted any deposits from the public during the year. Further there is not any non-compliance of Chapter 5 of Companies Act 2013 and rules framed there under.

#### 11. Risk Management

Your company carries out a periodical exercise to identify various risks involved in the business & operations of the company. After identification, such risks are assessed for the degree of risks involved and accordingly steps are taken to mitigate those risks. The objective of such exercise is to mitigate the probable adverse impact on business operations and thus enhance the competitiveness. The risk assessment process of the company defines the risk management approach at all levels across the organization including determination of the degree of risks and proper steps to be taken to avoid the probable harm. The Board is updated periodically on the risks identified and steps taken for mitigating them.

#### 12. Audit Committee

The Audit Committee comprises of three Directors, two of whom are independent Director and one is Executive Directors, viz., Sh. Jai Parkash Kaushikas Chairman, Sh. Harvinder Singh Chopra and Sh. Devinder Sharma as Members. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

#### 13. Nomination and Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration.

#### 14. Remuneration Policy

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The Non-Executive Directors do not draw any remuneration from the Company. The aforesaid policy is annexed in "Annexure-G-4".

**15. Auditors & Audit report****a. Statutory Auditors**

M/s Aggarwal Sahil & Associates, the Statutory Auditors of the company were appointed by the members at the 24th Annual General meeting of the company for an initial term of 5 years i.e. from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General meeting of the company pursuant to section 139 of the Companies Act 2013. They have confirmed that they are not disqualified from continuing as Auditors of the company.

The Auditors Report does not contain any qualification, reservation or adverse remark. The Notes on Financial statements referred to in the Auditors report are self-explanatory and do not call any further comments.

**b. Secretarial Audit**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014 the Board has appointed Mr. Karwaljit Singh, Practising Company Secretary as Secretarial Auditors of your company for the financial year 2019-2020.

The Secretarial Audit report for the financial year 2019-20 is annexed to this report as "Annexure-A".

The Auditors Report does not contain any qualification, reservation or adverse remark.

The Notes on Financial statements referred to in the Auditors report are self-explanatory and do not call any further comments.

**16. Amounts proposed to be carried to Reserves**

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the company.

**17. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo:**

As required under Section 134 (3)(m) of the Companies Act 2013 read with rule 8 of the Companies (Accounts) Rules 2014, the information relating to the conservation of the energy, technology absorption and foreign exchange earnings and outgo, is annexed and forms part of the report as per "Annexure-B".

**18. Contracts or Arrangements with related Parties**

Pursuant to section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, the contracts or arrangements entered into by the company with related parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC-2 as per "Annexure-C."

**19. Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements, and however there is no transaction during the year.

**20. Internal Controls**

The company's internal Control system is commensurate with its size, scale and complexities of its operations. The Audit committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the Internal Audit reports.

**21. Change in the nature of business**

During the year under review, there has been no change in the nature of business of the company.

**22. Extract of Annual Return**

The information required under section 134(3) (a) of the Companies Act 2013 (the Act) read together with section 92(3) of the Act regarding extract of the Annual return is given in Annexure D of this report.

**23. Corporate Social Responsibility (CSR) Committee-CSR Report**

The expenditure on the corporate social responsibility is not applicable on the company as there are no average profits during the last three preceding years.

**24. Management Discussion and Analysis & Corporate Governance & Policies**

Pursuant to regulation 34 (3) of SEBI (Listing obligation and disclosure requirements) 2015. Management discussion and Analysis, Corporate Governance Report and Auditors certificate regarding compliance of conditions of corporate governance are made part of the Annual Report as per "Annexure-F".

Your board has in accordance with the requirements of Companies Act 2013 & SEBI (Listing obligation and disclosures requirement) 2015 has adopted policies such as Related Party Transaction, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism policy. These policies are available on the website of the company and can be viewed on [www.psailpatran.com](http://www.psailpatran.com).

Your board has in accordance with the requirements of Companies Act 2013 & SEBI (Listing obligation and disclosure requirements) 2015, has formed Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Audit Committee & Stakeholders relationship Committee is given in "Annexure-F".

**25. Whistle Blower / Vigil Mechanism policy**

Whistle Blower / Vigil Mechanism policy regulation 22 of the Listing regulations and subsection (9 & 10) of section 177 read with rule 7 of the companies (Meetings of Board & its powers) Rules, 2014, inter-alia, provides, for all listed companies to establish a

Whistle Mechanism called "whistle blower policy" for Directors & employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

As a conscious & vigilant organization, the company believes in the conduct of the affairs of its constituents in a fair & transparent manner, by adopting the highest standards of professionalism, honesty, integrity & ethical behavior. In its endeavor to provide its employee a secure & fearless working environment, the company has established the "Whistle Blower policy".

The Whistle Blower policy and establishment of Vigil Mechanism have been appropriately communicated with in the company. The whistle blower policy is also posted on the website of the company. The purpose of the policy is to create a fearless environment for the Directors & employees to report any instance of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It protects Directors & employees wishing raise a concern about serious irregularities within the company.

During the year, the company has not received any complaint under Vigil mechanism / whistle blower policy.

#### 26. Reporting of Frauds

There were no instances of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of Act and rules framed thereunder.

#### 27. Insurance

The Company has taken adequate insurance policies for its assets against the possible risks like fire, flood, public liability, marine etc.

#### 28. Policy on sexual harassment of women at workplace (Prevention, Prohibition and Redressed Act 2013)

Your company is committed in creating & maintaining a secured work environment where its employees, agents vendors & partners can work and pursue business together in an atmosphere free of harassment, exploitation & intimidation. To empower women & protect woman against sexual harassment a policy for prevention of sexual harassment had been rolled out & internal complaints committee as per legal guidelines had been set up. This policy allows employees to report sexual harassment at the work place. The internal committee is empowered to look into all complaints of sexual harassment & facilitate free & fair enquiry process with clear timelines. The policy on prevention of sexual harassment is also posted on the website of the company.

During the year ended 31st March 2020, no complaints pertaining to sexual harassment was received by the company.

#### 29. Employees and Industrial relations

The relation between the management and employees are healthy and cordial. There is transparency in the dealings and on matters relating to the activities of the company and its employees.

Disclosure required under section 197 (12) of the Companies Act, 2013 read with Rule (1) of Companies (Appointment and Remuneration of managerial Personnel) rules 2014 is as under:

Sr.no	Information required	Input
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.	Please refer Annexure E-1
2.	The percentage increase in remuneration of each Director, Chief Financial officer, Company Secretary or manager, if any in the financial year	Please refer Annexure E-1
3.	The percentage increase in the median remuneration of employees in the financial year.	NIL
4.	The number of permanent employees on the role of company as on 31.03.2020	61
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase of 160.29 in salaries of non-managerial personnel: The salary increases are a functions of various factors due to inflationary trends, motivational human development policies.
6.	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration paid to the Directors is as per the remuneration policy of the company.
7.	Statement showing the name of every employee of the company who- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty Lakh rupees. (ii) if employed for the part of financial year, was in receipt of remuneration for any part of that year at a rate which, in the aggregate was not less than five lakh rupees per month. (iii) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, or as the case may be, at a rate, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the company	The particulars of employees and related disclosures: Nil

**30. Director's Responsibility Statement**

Pursuant to the requirement under section 134 (3) (c) and section 134(5) of the Companies Act 2013, your Directors hereby report that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable & prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for the said period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) The Directors have prepared the Annual Account ongoing concern basis.
- e) The Directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**31. Compliance with Secretarial Standards**

The Company has fully complied with the applicable secretarial standards on Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICS).

**32. Appreciation**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the company and their gratitude to the company's valued customers, farmers, bankers, vendors, for their continued support and confidence in the company.

For Piccadilly Sugar & Allied Industries Limited

Place: Chandigarh  
Date :18/06/2020

Sd/-  
(Madhu Sharma)  
Director  
Din No 07149078

Sd/-  
(Devinder Sharma )  
Wholetime Director & Chairman  
Din No 03264719

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
 The Members,  
 Piccadily Sugar and Allied Industries Limited,  
 Jakhhal Road, Patran,  
 Distt.: Patiala,  
 Punjab- 147001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED ("the Company") for the financial year ended on March 31, 2020 under the provisions of below mentioned regulations, which were shared with me.

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable, as none of the securities of the company were delisted during the audit period.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
  - b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the BSE Limited;
- During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.
- Based on our examination and the information received and records maintained, I further report that:
1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent

well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All decisions are carried out through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
  4. The company has proper board processes.  
Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that:
    1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
    2. On examination of the relevant documents and records, on test check basis, the company has complied with the following laws specifically applicable to the company:
      - a. Sugar Cess Act, 1982
      - b. Essential Commodities Act, 1955
      - c. Sugar Development Fund Act, 1982
      - d. Levy Sugar Price Equilization Fund Act, 1976
- I further report that there were no instances of:
- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
  - (ii) Redemption / buy-back of securities.
  - (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
  - (iv) Merger / amalgamation / reconstruction etc.
  - (v) Foreign technical collaborations.

Place: Chandigarh  
Date : 10.07.2020

Sd/-  
KANWALJIT SINGH  
FCS No. 5901  
CP No.: 5870  
UDIN: F005901B000436991

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.  
"Annexure-A"

To,  
The Members,  
Piccadilly Sugar and Allied Industries Limited,  
Jakhai Road, Patran,  
Distt.: Patiala,  
Punjab- 147001.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and book of accounts of the company.
4. Wherever required, My have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. I examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh  
Date : 10.07.2020

Sd/-  
KANWALJIT SINGH  
FCS No. 5901  
CP No.: 5870  
UDIN: F005901B000436991



### Annexure to the Directors Report for the year 2019-20

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS OUTGO IN ACCORDANCE WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

##### (A) CONSERVATION OF ENERGY

###### (i) The step taken or impact on conservation of energy:

The Company is continuously working on conservation of energy through innovative measures and has taken following steps towards the same:

1. Replacement of old and in-efficient motors and panels to improve efficiency of equipment.
2. Water circulation arrangement has been done to reduce ground water consumption. Water recycle system has been modified. The same will reduce ground water consumption significantly.
3. Partial replacement of conventional lights with LED Light.
4. Old Air compressors replaced with new oil free air compressors of high efficiency.

###### (ii) Steps taken by the Company for utilising alternate sources of energy: NIL

###### (iii) The capital investment on energy conservation equipment's: NIL

##### (B) TECHNOLOGY ABSORPTION

###### (i) The efforts made towards technology absorption

1. Water recycle technology for cooling tower.
2. To improve upon the raw material efficiency and better quality of its products continuous up gradation of technology is undertaken.

###### (ii) Benefits derived as a result of the above.

The above mentioned measures will create a Pollution free environment and around the Plants of the Company.

###### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable.

##### (C) Foreign Exchange Earning and Outgo

Foreign Exchange Earning	:	Nil
Foreign Exchange Outgo	:	Nil

For Piccadilly Sugar & Allied Industries Limited

Place : Chandigarh	Sd/-	Sd/-
Date : 18/06/2020	(Madhu Sharma)	(Devinder Sharma)
	Director	Whole Time Director & Chairman
	DIN No. 07149078	DIN No. 03264719

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

## I. REGISTRATION &amp; OTHER DETAILS:

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Six Trees Drinks Pvt. Ltd.	Six Trees Beverages LLP
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial Year 2019-2020	Financial Year 2019-2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
4.	Share capital	Rs. 100000	Rs. 100000
5.	Reserves & surplus	Rs. (8515)	-
6.	Total assets	Rs. 107751	-
7.	Total Liabilities	Rs. 16266	-
8.	Investments	-	-
9.	Turnover	-	-
10.	Profit before taxation	Rs. 8515	-
11.	Provision for taxation	-	-
12.	Profit after taxation	Rs. 8515	-
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

Notes: Six Trees Drinks Pvt Ltd & Six Trees Beverages LLP is yet to commence its operations.

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	-
1. Latest audited Balance Sheet Date	-
2. Shares of Associate/Joint Ventures held by the company on the year end No.	-
Amount of Investment in Associates/Joint Venture	-
Extend of Holding%	-
3. Description of how there is significant influence	-
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit/Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

For Piccadilly Sugar & Allied Industries Limited

Place: Chandigarh  
Date :18/06/2020

Sd/-  
(Madhu Sharma)  
Director  
Din No 07149078

Sd/-  
(Devinder Sharma)  
Wholetime Director & Chairman  
Din No 03284719

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L15424PB1993PLC013137
2.	Registration Date	15/03/1993
3.	Name of the Company	Piccadilly Sugar & Allied Industries Limited
4.	Category/Sub-category of the Company	Company Limited by shares/Non Government Company Address of the Registered office & contact details Jakhai Road, Patran, Distt. Patiala (Punjab)-147001 01764-242027, 242501
5.	Whether listed company	Yes
6.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Abhipra Capital Ltd. A-387,Dilkush Industrial Area, G.T Karnal Road Azadpur,Delhi-110033 011-41411130 Fax:011-42390930
7.	Email Id of the Company	piccadilygroup34@rediffmail.com
8.	Website	www.pseilpatran.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Distillery	11011 & 11012	100
2	Sugar	10721	0

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. No	Name and address of the Company	CIN/LLPIN	Holding/ Subsidiary /Associate	% of shares held	Application Section
1	Six Trees Drinks Pvt. Ltd.	U15490HR2019PTC083894	Subsidiary	100	Section 2(87) of Companies Act, 2013
2.	Six Trees Beverages LLP	AAQ-7065	Subsidiary	100	Section 2(6) of Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	3485263	0	3485263	14.99	3485263	0	3485263	14.99	nil
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	13950291	0	13950291	59.99	13950291	0	13950291	59.99	nil
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
<b>Total shareholding of Promoter (A)</b>	<b>17435554</b>	<b>0</b>	<b>17435554</b>	<b>74.98</b>	<b>17435554</b>	<b>0</b>	<b>17435554</b>	<b>74.98</b>	<b>nil</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Banks / FI	0	0	0	0	0	0	0	0	
c) Central Govt	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	
g) FIs	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

2. Non-Institutions									
a) Bodies Corp.	46516	5900	52416	0.22	10547	5900	16447	0.07	0.15
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2354046	2022642	4376688	18.82	2360024	2007192	4387216	18.78	0.4
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	809123	0	809123	3.48	818226	0	818226	3.52	0.04
c) Others (specify) (HUF)	61921	0	61921	0.27	68046	0	68046	0.29	0.02
Non Resident Indians	69310	448950	518260	2.23	100588	446000	546588	2.35	0.12
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	565	0	565	0	2450	0	2450	0.01	0.01
Trusts	0	0	0	0	0	0	0	0	nil
Foreign Bodies - D R	0	0	0	0	0	0	0	0	nil
Sub-total (B)(2)-	3341481	2477492	5818973	25.02	3359881	2459092	5818973	25.02	nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	3341481	2477492	5818973	25.02	3359881	2459092	5818973	25.02	nil
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	20777035	2477492	23254527	100.00	20795435	2459092	23254527	100.00	nil

## b) Shareholding of Promoter-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]			No. of Shares held at the end of the year [As on 31-March-2020]			% Chang during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1 Siddhartha Vashishta	3475263	14.99	Nil	3475263	14.99	Nil	Nil
2 Prachi sety	10000	0.04	Nil	10000	0.04	Nil	Nil
3 Soon-n-sure holdings ltd.	5569702	23.95	Nil	5569702	23.95	Nil	Nil
4 Piccadilly Hotels Private ltd.	38653	0.17	Nil	38653	0.17	Nil	Nil
5 Piccadilly Agro Industries Limited	8341936	35.87	Nil	8341936	35.87	Nil	Nil
Total	17435554	74.98	Nil	17435554	74.98	Nil	Nil

## c) Change in Promoters' Shareholding (please specify, if there is change)

1) There is no change in the promoters Shareholding.

## d) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company
<b>At the beginning of the year 1/04/2019.</b>			
1	Rajneesh Kumar Sharma	155000	0.67
2	Deepak Mishra	106543	0.46
3	Abhishek Singhvi	85200	0.37
4	Jitender Mittal	73032	0.31
5	Alka Jindal	56076	0.24
6	Rashmi Navinbhai Mehta	56000	0.24
7	Ravindra Madhavprasad Jajodia	47832	0.21
8	Ravindra Jajodia (HUF)	41000	0.18
9	Dilip Hundrajmal Udhani	35000	0.15
10	Total	30990	0.13
		686672	2.96
<b>At the end of the year 31/03/2020.</b>			
1	Rajneesh Kumar Sharma	155000	0.67
2	Abhishek Singhvi	100000	0.43
3	Deepak Mishra	81125	0.35
4	Jitender Mittal	73032	0.31
5	ALKA Jindal	67003	0.29
6	Manju Singhi	59456	0.25
7	Rashmi Navinbhai Mehta	47832	0.21
8	Ravindra Madhavprasad Jajodia	41000	0.18
9	Ravindra Jajodia (huf)	35000	0.15
10	Dheeraj Kumar Lohia	34445	0.15
	Total	693893	2.98

## e) Shareholding of Directors and Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01-04-2019		Cumulative Shareholding during the Year 31-03-2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Devinder Sharma	0	0	0	0
2	Sh. Harvinder Singh Chopra	0	0	0	0
3	Sh. Jai Parkash Kaushik	0	0	0	0
4	Ms. Madhu Sharma	0	0	0	0
5	Sh. Sunil Kumar	0	0	0	0
6	Ms. Avneet Kaur	0	0	0	0
7	*Ms. Charu Aggarwal	0	0	0	0

\*Ms Charu Aggarwal Resigned during the year on 24th June, 2019

## Shareholding of Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01-04-2019		Cumulative Shareholding during the Year 31-03-2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Devinder Sharma	0	0	0	0
2	Sh. Sunil Kumar	0	0	0	0
3	Ms. Avneet kaur	0	0	0	0
4	*Ms. Charu Aggarwal	0	0	0	0

\*Ms Charu Aggarwal Resigned during the year on 24th June, 2019

## V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

In Rs.				
	Secured Loans excluding deposits	Unsecured Loans Indebtedness	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	53519887	0	0	53519887
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11121	0	0	11121
<b>Total (i+ii+iii)</b>	<b>53531008</b>	<b>0</b>	<b>0</b>	<b>53531008</b>
<b>Change In Indebtedness during the financial year</b>				
* Addition	809921	0	0	809921
* Reduction	11572897	0	0	11572897
<b>Net Change</b>	<b>-10762976</b>	<b>0</b>	<b>0</b>	<b>-10762976</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	42740981	0	0	42740981
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	27051	0	0	27051
<b>Total (i+ii+iii)</b>	<b>42768032</b>	<b>0</b>	<b>0</b>	<b>42768032</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager : For the Year 2019 - 20

In Rs.

S No.	Particulars of Remuneration	Name of Whole Time Director	Total
1	Gross salary	Devinder Sharma	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	6,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	- as % of profit	--	--
	- others, specify	--	--
5	Others, please specify	--	--
	<b>Total (A)</b>		
	Ceiling as per the Act	--	--

**B. Remuneration to other directors**

SNo.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify Total (1)	NIL	
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2)		
	Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SNo.	Particulars of Remuneration	Key Managerial Personnel			Total
		CFO Sh. Sunil Kumar	CS Avneet kaur	CS *Charu Aggarwal	
1	Gross salary (for the month of Feb and March-20) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	93194	55000	148194
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit	--	--	--	--
	Others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	--	93194	55000	148194

\*Resigned during the year on 24th June, 2019

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment		NIL			
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment		NIL			
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment		NIL			
Compounding					

## ANNEXURE E-1

S. No	Name of Director	Ratio of remuneration to the median remuneration of the employees of the company
1	Sh. Devinder Sharma	1.58
2	Sh. Harvinder Singh Chopra	Nil
3	Sh. Jai Parkash Kaushik	Nil
4	Ms. Madhu Sharma	Nil

## ANNEXURE E-2

S. No	Name of Director/KMP	Percentage increase in the Remuneration of each KMP
1	Sh. Sunil Kumar	NIL
2	Sh. Devinder Sharma	NIL
3	Ms. Avneet kaur	0.51

## ANNEXURE E-3

Employee name, designation & age	Educational qualification	Remuneration	Date of Joining & Experience	Previous employment and designation	Relation with any other Director/Manager
Devinder Sharma, Whole Time Director, 52	Graduate	6,00,000	02/08/2010	-	Madhu Sharma (Wife)

## Annexure E-4

**Remuneration policy for Directors, Key managerial Personnel and other employees****I. Introduction**

This policy applies to the Board of Directors, Key managerial Personnel and Senior Management personnel of Piccadilly Sugar & Allied Industries Limited. "The Company".

This policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel and Senior Management personnel as provided provisions of Section 179(3) of Companies Act 2013 including rules thereof and Regulation 19 read along with Schedule II of the SEBI listing Regulations.

**II Definitions**

- "Board" means Board of Directors of the company.
- "Committee" means Nomination and Remuneration Committee of the company as constituted or reconstituted by the Board from time to time.
- "Key managerial Personnel" (KMP) means:
  - Chief Executive officer or Managing Director or the Manager
  - Whole time Director
  - Chief Financial officer
  - Company Secretary and
  - Such other officers as may be prescribed under the Act from time to time.
- "Senior management Personnel" (SMP) means personnel of the company who are members of the core management team, excluding Board of Directors and are one level below the Executive Directors including "Functional heads"

**III Appointment and Removal of Director, KMP & SMP****A. Directors**

- The committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at a senior Management Level and accordingly recommend to the Board his/her appointment.
  - The age of the person to be appointed as a Non executive Director shall not be less than 21 years and not more than 75 years. The Committee at its discretion may recommend to the Board for the continuation of Director for a further term of appointment who has completed 75 years. The age of the person to be appointed as an Executive Director shall not be less than 21 years and not more than 75 years.
  - The appointment, tenure of Director/Independent Director, removal, disqualification of any Director, KMP or at a senior Management Level shall be as per provisions and procedure laid down under the rules made thereunder the Companies Act 2013, Listing regulations or any other enactment for the time being in force.
- All actions of the committee shall be made as recommendation to the Board of Directors of the company.

**IV Board Diversity**

The Board shall have an optimum composition of Directors by comprising expert from different fields viz finance, law, management, sales, marketing, engineering, research, technical operations or any other areas related to the company business.

The board shall ensure that there is a appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively.

**V Remuneration of Director, KMP and SMP**

The Board of Directors of the company shall decide the remuneration of Executive /Non- Executive Directors on the basis of recommendation of the Committee subject to overall limits provided under the Companies Act 2013 and rules made there under, including any amendments, modifications and re-enactments thereto and in compliance with Listing regulations or any

other enactment for the time being in force.

The remuneration of Directors shall be approved by the shareholders of the company as & when required.

**I. Executive Directors.**

The Board of Director upon the recommendation of committee may appoint any Executive Directors, finalize/ vary terms & conditions, tenure subject to overall limits as prescribed under the act.

**a. Fixed salary**

Each Executive Director shall be paid fixed salary consisting of basic salary and such other allowances and perquisites as may be recommended by the committee and decided by the Board and performance evaluation of each Executive Director from time to time, subject to overall limits as prescribed under the Act.

Option1. The salary may be revised annually. Or

Option2. The salary shall remain fixed for the tenure of Executive Directors

**b. Commission**

The Board may approve payment of commission subject to limits provided under the Act. The eligibility and amount of commission to be paid to each Director shall be recommended by the committee on the basis of performance evaluation of the Director undertaken by the committee and the Board.

**c. Non monetary benefits**

Executive Directors may be entitled to club membership, company vehicle with Driver, petrol reimbursement, vehicle maintenance, telephone expenses, fax, internet at residence, payment of mobile phone bills, fully furnished accommodation, house rent allowance in lieu thereof, reimbursement of gas, electricity bills, reimbursement of medical expenses

**d. Separation/retirement benefits**

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

(a) Contribution to Provident Fund, superannuation fund or annuity fund 1961 or any amendment thereof, to the extent these are either singly or put together are not taxable under the income tax Act

(b) Gratuity payable at a rate not exceeding one fifteen days for each completed year service and

(c) Encashment of Leave at the end of tenure.

In case of Loss or inadequacy of profits, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

**II. NON-EXECUTIVE DIRECTORS:**

The Company shall issue a letter of appointment to every Non-Executive independent Director.

The components of payment of remuneration to Non-Executive Directors shall include:

**a. Sitting fees:**

Sitting fees may be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act.

Committee shall include Audit Committee, Nomination and Remuneration Committee Stakeholders Relationship Committee, Corporate Social Responsibility Committee or such Committees as may be constituted by the Board from time to time.

**b. Commission:**

The Board may approve payment of commission subject to the limits provided in the Companies Act. The eligibility and the amount of commission to be paid to each Director shall be recommended by the Committee on the basis of annual performance evaluation of the Director.

**c. Professional fees:**

Non Independent Directors may be paid fees for services of professional nature, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession. Such professional fees shall not be considered as remuneration for the purpose of Act.

**B) Key Managerial Personnel and Senior Management Personnel**

The Company shall issue an appointment letter to every KMP and SMP.

The remuneration components payable to KMP/SMP may be:

**Fixed Salary:**

Each KMP/SMP shall Be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational parameters and experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein.

The same shall be reviewed annually based on the Company's annual appraisal policy.

**b. Variable pay:**

A portion of the overall salary may be paid as variable pay to every KMP/SMP. This shall be as per the Performance Linked Pay Scheme of the Company, which is designed to bring about increase in overall organizational effectiveness through alignment of Company, Functional and Individual objectives.

**c. Perquisites/Other Benefits:**

Perquisite / Other Benefits are benchmarked with industry practices from time to time keeping an overall salary structure in mind. These may, include petrol reimbursement, vehicle maintenance, telephone, reimbursement of mobile phone bills, leave travel assistance and reimbursement of medical expenditure for self and family and such other benefits as per Company Policy.

KMP/SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance and such other benefits as per Company policy.



d. Annual Pay Revision /Promotion

Evaluation of KMP/SMP shall be based on appraisal against stated Objectives/goals of the individual which in turn shall be aligned to the Functional and Enterprise Score Card. Key Result Areas (KRAs) are set at the beginning of the year in consultation with the Executive Director.

Pay revisions / promotions will be achievement oriented and will also have reference to industry benchmarks, where appropriate.

e. Separation/Retirement Benefits :

Separation /retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

C) DIRECTORS AND OFFICERS LIABILITY INSURANCE:

The Company will take Directors and Officers Liability Insurance or such insurance of like nature for indemnifying any of the Director, KMP and SMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company.

The premium paid on such insurance shall not be treated as part of remuneration payable to Managing Director, Whole time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary, Provided that if any such person is proved to be guilty, the premium paid shall be treated as part of the remuneration.

D) Stock Options:

The Committee may recommend issue of stock options to Directors (other than Independent Directors and Promoter Directors), KMP/SMP, which may be granted by the Board subject to the compliance of the provisions of applicable laws.

VI. Criteria for evaluation of Board

The evaluation of Board shall be carried out annually as per the provisions of the Companies Act, 2013 rules thereof and the Listing Regulations. Performance evaluation of each Director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

Criteria for performance evaluation shall include aspects such as attendance for the meetings, participation and independence, during the meetings, Interaction with Management, role and accountability, knowledge and proficiency and any other factor as may be decided by the Nomination and Remuneration Committee.

Further, performance evaluation of an Executive Director will also be based on business achievements of the Company.

VII. Amendment

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of the Companies Act, 2013, including rules thereof and the Listing Regulations.

### Management Discussion and Analysis Report

The sugar industry in India is the second largest agro-based industry in the country. There are about 25 to 30 million farmers who grow sugarcane across the country on over 5 million hectare of land. The livelihood of many farmers and their families are directly dependent on the sugar industry, which makes the industry a vital lifeline in rural India.

Agriculture is one of the important reform agenda of the Government. Increasing production of food grains and doubling the income of farmers are two main focus areas of the Government.

#### Sugar Availability position in the Country & Sugar Exports.

In 2017-18, the sugar mills produced about 324 lakh tons of sugar, and in 2018-19, the sugar production was at 331 lakh tons. These two years were challenging for the sugar mills, as the gap between consumption demand and sugar stocks availability in the country, widened, thereby adversely impacting the domestic sugar prices and financial condition of the sugar mills.

In the first advance estimate for the current season, Indian Sugar Mills Associations (ISMA) said that the country can produce around 268.5 lakh tons of sugar. As mills are expected to divert about 8.5 lakh tons of sugar in the current season, for production of ethanol for the blending programme, the sugar production is estimated at around 260 lakh tons. This gives the total sugar availability in the country in 2019-20 season at 405 lakh tons (opening sugar stock of 145 lakh tons + expected sugar production of 260 lakh tons.)

In the current season, mills are expected to export around 50-60 lakh tons of sugar. The total sugar off take in the current season is expected to be 310 lakh tons (Internal Consumption of 260 lakh tons + sugar exports of 50 lakh tons). The closing sugar stock at the end of September 2020 is expected to be around 90-95 lakh tons, which is much lower than current season's opening balance of 145 lakh tons. But since the normative requirement at the beginning of a sugar season is 50 lakh tons, mills will carry about 45 lakh tons as surplus sugar stocks in 2020-21 season. If, however, the buffer stock of 40 lakh tons created by the Government upto August 2020, gets extended by one year to August 2021, the available sugar balance with sugar mills for sale in the market will be only 50-55 lakh tons. That will give a big boost to market sentiments.

#### **Distillery**

##### **Haryana(Bawal Distillery)**

The Excise & Taxation Department of Haryana in its Excise Policy for the year 2019- 2020 has fixed the sale price of country Liquor (Ex Distillery issue price-basic price) Rs.291 for quarts, Rs.312 for Pints and Rs. 350 for Nips per case.

##### **Punjab(Patran Distillery)**

Rates of TML in Punjab are as below:

50 Degree	Rs. (Per Case)	65 Degree	Rs. (Per Case)
QUARTS	279.02	QUARTS	334.09
PINTS	302.07	PINTS	357.14
NIPS	371.31	NIPS	425.58

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

Sale of 5.00 lacs cases of Punjab Medium Liquor at Patran, Punjab.

Sale of 6.00 lac cases at Bawal-Haryana

Ethanol As per tenders

#### **Ethanol**

Government of India's ethanol blending program in the country has jumped substantially in the last 5 years from just about 1% to 5% in the current year. Government steps include the fixed pricing policy for ethanol, multiple ethanol prices depending on the feedstock used and the subsidized loan scheme for ethanol production capacities

#### **Opportunities' & threats**

In the last few months, the world has seen the worst crisis in recent memory unfolding and taking all of us by surprise. The spread of Covid-19 virus in almost all developed and emerging economies of the world, has thrown life out of gear and severely impacted global economy. As the world was grappling with ways to contain the spread of the virus, many countries decided to impose lockdown to break the chain of the virus spread.

India reported its first Covid-19 case in late January, 2020. But as the virus cases started spreading quickly in latter part of March, 2020, the Government decided to impose a nation-wide lockdown on 24th March, 2020, for an initial period of 21 days and extended thereafter in phases. The lockdown was meant to totally stop movement of people outside their homes, as a preventive measure to check more people from getting infected. It also meant stopping of almost all economic activities across the country, except the essential ones.

#### **Risk and Concern**

The steep escalation in the prices of sugarcane & raw materials will adversely affect profitability of sugar mill & other products of the company.

Competition from the other distilleries in the state of Haryana may affect the sale of Country Liquor.

#### **Internal Control System & their Adequacy**

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

**Material Development in HRD/IR**

The company has appointed regular staff of 61 persons in various departments along with contractual & seasonal staff for the efficient working of all the units of the company.

**Other Key Indicators**

Ratios	2019-20 (%)	2018-19 (%)	Increase/Decrease (%)	Comments
Debtors Turnover(no of days)	12.12	13.38	-9.43	-
Inventory Turnover(no of days)	7.88	7.60	3.64	-
Interest coverage ratio	-4.52	-0.05	-9546.81	Due to decrease in Profit before Interest and Tax
Current ratio	0.33	0.37	-10.25	-
Debt Equity ratio	0.26	0.34	-22.62	-
Operating Profit Margin (%)	-6.99	-1.04	-572.58	Due to decrease in Operating Profit
Net Profit Margin (%)	0.04	0.84	-94.88	Due to decrease in Net Profit
Change in Net worth Ratio (%)	0.12	2.21	-94.41	Change in Net Worth due to decrease in net profit

**CORPORATE GOVERNANCE REPORT**

Pursuant to regulation of 34(3) SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015, 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 2020 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 social corporate responsibility would help the company achieve its goal of maximizing value of its stakeholders.

**2. Composition of Board of Directors**

The Board consists of five Directors. The Directors on our board are highly qualified and experienced individuals who are active participants in the decision-making process and provide guidance and objective judgment to the company. The names of the directors are as following:

**a. Composition of the Board**

Name of Directors	Category	Attendance Particulars		No of other Directorship	Membership of other Board (Listed)	Committee position In other companies (Audit & Stakeholder Committee)		No of shares held on 31/03/20
		Board meetings	Last AGM held on 30/09/19			Member	Chairman	
Sh. Devinder Sharma Din No : 03264719	Wholetime Director/ Executive Director	9	Yes	3	-	-	-	-
Ms Madhu Sharma Din no. 07149078	Non independent /Non Executive woman Director	9	Yes	-	-	-	-	-
Sh. Harvinder Singh Chopra Din no 00129891	Non Executive/ Independent Director	9	Yes	6	Piccadilly Agro Industries Limited	3	-	-
Sh. Jai Parkash Kaushik Din no 02354480	Non Executive Independent Director	9	Yes	1	Piccadilly Agro Industries Limited	2	-	-
*Sh. Raju Sharma Din No. 03022229	Non Executive/ Independent Director	1	Yes	-	-	-	-	-

\*Sh. Raju Sharma has resigned on 1/7/2019

Pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) Regulations 2018 that no listed company shall appoint a person or continue Directorship of any person as non-executive Director who has attained the age seventy five years unless Special Resolution is passed to that effect.

**b. No. of Board Meeting**

The Board looks at long term strategic planning, annual budget and policy formulation. The Board also has strong operational oversight and reviews business plans, key risk and opportunities in the business context. The Board meets at least four times every calendar year and the minimum time gap between any two meetings is not more than 120 days. During the financial year 2019-20 Nine (9) Board meetings were held on 29th May, 2019, 10th July, 2019, 14th August, 2019, 11th October, 2019 14th November 2019, 18th December 2019, 20th January 2020 11th February 2020 and 20th March 2020.

**c. Board effectiveness Evaluation:**

Pursuant to the provisions of regulation 17(10) of the SEBI Listing regulations and provisions of the Act, Board evaluation involving evaluation of Board of Directors, its committees and individual Directors, including the role of the Board Chairman, was considered during the year. For details pertaining to the same kindly refer the Boards report.

**d. Familiarization Programs:**

Familiarization Programs for independent Directors in respect of their roles, rights, responsibilities in the company, nature of the industry & business model was imparted.

**e. Confirmation**

On the basis of declaration received from the Independent Directors, the Board confirms that in their opinion the Independent Directors of the Company fulfill the conditions specified in the SEBI Listing Regulations 2015 and are independent of the management.

**f. Information supplied to the Board**

1. Annual operating plans and budgets, capital budgets, updates.
2. Quarterly results of the Company.
3. Minutes of meetings of Board committees and unlisted subsidiary company.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company. The Board is presented with detailed notes along with the agenda papers.

**3. Chart on the Core skill/expertise/competence of the Directors**

Name of Director	Category	Core skill/expertise/competence
Sh. Devinder Sharma Din No :03264719	Wholetime Director/ Executive Director	Sh. Devinder Sharma is a graduate in Arts is having more than 31 years experience and has been associated with Hotel, textile & engineering industry. He has got rich experience in project implementation, marketing & sales, administration etc. He is involved in Strategic planning, operational management.
Sh. Harvinder Singh Chopra Din no:00129891	Non Executive/ Independent Director	Sh. Harvinder Singh Chopra is a qualified Chartered Accountant and is having more than 35 years experience in Finance, Accounts, Project implementation, administration, designing, construction, expansion, Commercial Banking, Direct & Indirect taxation etc. Expertise in overall management.
Sh. Jai Parkash Kaushik Din No 02354480	Non Executive/ Independent Director	Sh. Jai Parkash Kaushik is retired IAS officer of the government of India and is Well experienced and possesses expertise in administration, business, & entrepreneurship qualities. He has got special talent for Risk management.
*Sh. Raju Sharma Din No. 03022229	Non Executive/ Independent Director	Sh. Raju Sharma having more than 32 years of experience in managing different business. Specializes sales & management team, marketing techniques. He has got acumen in risk management.
Smt. Madhu Sharma Din no 07149078	Non Independent/ Non Executive woman Director	Smt. Madhu Sharma has more than 21 years experience with leadership qualities, expertise in computers, Human Relation Development techniques, devising motivational policies for employees, controlling all production activities.

\*Sh. Raju Sharma Resigned on 01/07/2019

**4. Board Committees Meetings and Procedures**

**1. Audit Committee**

The role and terms of reference of Audit Committee shall cover areas mentioned under SEBI Listing Regulations/ and Section 177 of the Companies Act, 2013 and rules related thereto/other SEBI Laws/Regulations, as applicable from time to time besides other matters as may be delegated by the Board of Directors from time to time. The Audit Committee comprises of three Directors, One Executive director & two non-executive directors. The Audit committee met four times during the year and attendance of members at the meetings was as under:

Name of Member	Status	No. of Meetings held	attended
Sh. Jai Parkash Kaushik	Chairman(Non-Executive Independent Director)	4	4
Sh. Harvinder Singh Chopra	Member, (Non-Executive Independent Director)	4	4
Sh. Devinder Sharma	Member, (Whole-Time Director/Executive Director)	4	4

Audit Committee meetings were held on 28th May, 2019, 13th August, 2019, 13th November, 2019 and 10th February, 2020  
Chief Financial Officer and Statutory Auditors are invitees. The Group Secretary is the Secretary of the Committee.

#### Powers of the Audit Committee

- To Investigate any activity within terms of reference
- To seek information from any employee
- To obtain outside Legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Terms of Reference

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

- Company's financial reporting process and the disclosure of its Financial information to ensure that the Financial statements is correct, sufficient & credible
- Recommending the Board, the appointment, Reappointment and, if required or removal of Statutory Auditors, including cost auditors and fixation of Audit Fees and other terms of appointment.
- The Audit Committee should have discussion with the auditors periodically about internal control system, 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/Companies Act 2013 or referred to it by the Board and for this purpose, shall have full access to the information contained in the records of the company and external professional advice, if necessary.
- To 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.
- Reviewing with the management, annual financial statements and Auditors report thereon before submission to Board for approval with particular reference to Matters required to be included in the Directors responsibility statement to be included in the Director report in terms of Companies Act 2013
- Changes if any, in accounting policies and practices and reason for the same.
- Major accounting entries involving estimates based on the exercise of judgment by the management.
- Compliance with listing and other legal requirements relating to financial statements.
- Qualifications in draft audit report
- To review quarterly financial statements before submission to board for approval
- To review the functioning of Whistle Blower mechanism

#### II. Nomination and Remuneration Committee

The board has constituted a Nomination & remuneration Committee as per the requirements of Companies Act 2013 and formulates the terms of reference in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations 2015.

Name of Member	Status	No of Meetings	Attended
Sh. Jai Prakash Kaushik (Non-Executive-Independent Director)	Chairman	2	2
Smt. Madhu Sharma (Non-Executive- Non Independent Director)	Member	2	2
Sh. Harvinder Singh Chopra (Non-Executive-Independent Director)	Member	2	2

#### The role of the Committee shall, inter-alia, include the following:

- Laying down the criteria, to identify the persons who are qualified to become Directors and who can be appointed in the senior management.
- Recommending to the Board, appointment and removal of Directors and senior management.
- Carrying out evolution of every Directors performance.
- Formulating criteria for determining qualification, positive attributes and independence of directors.
- Recommending to Board, a policy relating to remuneration of Directors, Key managerial personnel and other employees.
- Devising a policy on Board diversity.
- Details of Directors remuneration paid for the year 2019-2020  
Whole Time Director-Rs.50,000/- per month.
- No sitting fees have been paid to any Director for attending the Board meeting or Committee meeting.
- During the year 2 meetings were held on 01st July, 2019, 11th December, 2019.

#### III Stakeholders Relationship Committee

The Company has a Board Committee namely 'Stakeholders Relationship Committee' as required under the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to shareholders including the redressal of shareholders complaints, share transfers/ transmission/ issue of duplicate shares etc. The Stakeholders Relationship Committee consists of following Directors:

Name of Member	Status	No of Meetings held	Attended
Sh. Harvinder Singh Chopra (Non Executive Director/Independent director)	Chairman	4	4
Smt. Madhu Sharma (Non Executive/Non Independent Director)	Member	4	4
Sh. Devinder Sharma (Executive Director)	Member	4	4

**Terms of reference**

- To monitor share transfer process
- To oversee the performance of company's Registrar & Transfer Agents.
- Recommend methods to upgrade the standard of services to investors
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable
- Monitor implementation of the code of conduct for prohibition of insider Trading
- To look into the redressing of shareholders and investors complaints like transfer of shares, non-receipt of shares, non-receipt of Balance sheet, non-receipt of dividend etc.
- To do all other acts or deeds as may be necessary or incidental thereto. The main object of the committee is to strengthen the investor relations

During the year 4 meetings were held on 05th June, 2019, 16th September, 2019, 07th November, 2019 and 20th March, 2020.

During the year 35 Complaints were received from the shareholders and all stands resolved. There were no pending complaints at the closure of the financial year.

In order to expedite the process of share transfer & demat of shares, Board has appointed Ms. Avneet kaur, Company Secretary as Compliance officer of the company

Abhipra Capital Limited, Registrar & Share transfer agent of the company to look into the work of Share Transfer, Share Demat work, & liaison with National Securities & Depository Limited (NSDL) & Central Depository Services (India) Ltd (CDSL).

**IV. Corporate Social Responsibility Committee**

In compliance with the requirements of section 135 read with schedule VII of the Companies Act 2013, the Board had constituted Corporate Social Responsibility Committee comprising Sh. Harvinder Singh Chopra Director as Chairman & Sh. Devinder Sharma Whole time Director as Member & Sh Jai Parkash Kaushik as member. During the year no meeting was held by the Company.

**5. General Body Meeting**

(i) Details of the last three Annual General Meetings were held as under:

Year	Meeting	Location	Date	Time	Special Resolution Passed
2016-17	Annual General Meeting	Piccadily Sugar & Allied Industries Limited, Jakhhal Road, Patran Distt. Patiala, Punjab.	Friday 29/09/2017	11:00 A.M.	1. Determine the fee for delivery of documents as requested by shareholder.
2017-18	Annual General Meeting	Piccadily Sugar & Allied Industries Limited, Jakhhal Road, Patran Distt. Patiala, Punjab.	Saturday 29/09/2018	11:00 AM	1. Appointment of Sh. Raju Sharma as Independent Director.
2018-19	Annual General Meeting	Piccadily Sugar & Allied Industries Limited, Jakhhal Road, Patran Distt. Patiala, Punjab.	Monday 30/09/2019	11:00 AM	1. Re-appointment of Sh. Jai Parkash kaushik Independent Director For second term. 2. Re-appointment of Sh. Harvinder Singh Chopra as Independent Director for second term. 3. Re-appointment of Sh. Devinder Sharma Whole Time Director for one year.

**(ii) Resolution passed through Postal Ballot**

During the financial year ended March 31, 2020 no special resolution was passed through Postal Ballot process.

(iii) There is no item in the Notice for the forthcoming Annual General Meeting that is proposed to be passed through Postal Ballot.

**(B) Book Closure Date**

Saturday, 12th September 2020 to Wednesday 23rd September 2020 (both days inclusive) for purpose of Annual General Meeting.

**(C) Means of Communication**

i) All price-sensitive information & matters that are material to shareholders are disclosed to the BSE limited, where the securities of the company are listed. All submissions to the BSE limited are made through the respective Electronic Filing systems.

ii) The company intimates un-audited quarterly, half yearly & audited quarterly & annual financial results to the BSE limited immediately after these are approved & taken on record by the Board. These financial results are normally published in the Business Standard (English) and Desh Sewak (Punjabi).

The quarterly results, shareholding pattern, quarterly/half yearly/annual compliances & all other material events or information as detailed in regulation 30 of the Listing regulations are filed electronically with BSE Limited through BSE on line portal. These communications are also posted on the Companies' website: [www.psailpatran.com](http://www.psailpatran.com)

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

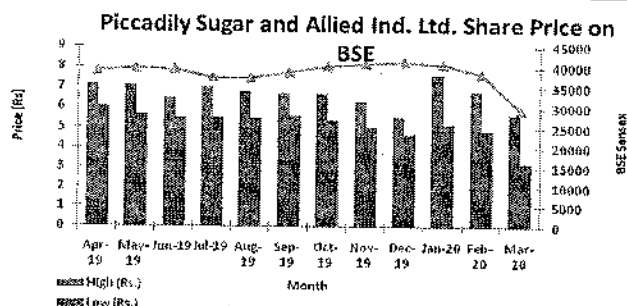
The shares of the company continue to be listed on BSE Limited. (BSE) & Stock code of the company is 507498, ISIN No. INE544C01023.

Note: Company has already made the payment of Annual listing Fees for the year 2020-2021

**7. Dividend payment: No dividend has been declared by the company for the year 2019-20.****8. 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 BSE Limited during the year ended 31st March 2020 are as under:

Month	High (Rs.)	Low (Rs)	Total no shares traded
April,2019	7.13	6.07	14984
May,2019	7.09	5.68	39264
June,2019	6.50	5.52	19692
July,2019	7.00	5.51	12853
August,2019	6.80	5.52	22325
September,2019	6.74	5.61	19193
October,2019	6.69	5.41	7809
November,2019	6.30	5.10	14712
December,2019	5.55	4.70	18702
January,2020	7.65	5.20	95123
February,2020	6.80	4.90	15721
March,2020	5.68	3.26	86709



#### Distribution of Shareholding as at 31st March 2020

Shares holding of nominal value of Rs.10/- each	Share holders		Number of shares	Amount (in Rs)	Total (in %)
	Number	(in %)			
Upto 2500	43895	96.15	3095786	30957860	13.31
2501-5000	934	2.05	389913	3899130	1.68
5001-10000	439	0.96	344640	3446400	1.48
10001-20000	192	0.42	282976	2829760	1.22
20001-30000	76	0.17	192794	1927940	0.83
30001-40000	25	0.05	89364	893640	0.38
40001-50000	20	0.04	92742	927420	0.40
50001-100000	36	0.08	291805	2918050	1.26
100001 & above	34	0.08	18474507	184745070	79.44
<b>Total</b>	<b>45651</b>	<b>100</b>	<b>23254527</b>	<b>232545270</b>	<b>100</b>

#### Share Holding Pattern at 31st March 2020

Particulars	Number of Equity Shares	Percentage
Promoters	17435554	74.98
Bodies Corporate	16447	0.07
Individuals	5185442	22.30
NRI	546588	2.35
Clearing Members	2450	0.01
HUF	68046	0.29
<b>Total</b>	<b>23254527</b>	<b>100</b>

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

10. Demat of Shares as on 31/03/2020

The detail of demat of shares is as under:

Particulars	Number of equity Shares	Percentage
NSDL	16060248	69.06
CDSL	4735187	20.36
PHYSICAL	2459092	10.58
<b>TOTAL</b>	<b>23254527</b>	<b>100.00</b>

Company has already made the Annual custodial charges of both NSDL & CDSL

#### 11. DISCLOSURES

a) All related party transactions that entered into during the financial year 2019-20 were on arm's length basis, in the ordinary course of business & were in compliance with the applicable provisions of the Act & the listing regulations.

There were no materially significant related party transactions made by the company with promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the company at large. Suitable disclosure as required by the accounting Standards (IND AS-24) has been made in the financial statements, as required under SEBI (LODR). Detailed related party disclosures as per accounting standards, Please refer Note 38 of the Standalone financial Statements.

- b) Statutory compliance, structures & Penalties  
The Company has complied with the requirement of the Stock Exchanges, SEBI & other statutory authorities on the matters related to Capital markets during the last three years. No Structures/penalties have been imposed on the company by these authorities.
- c) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A)  
Not applicable.
- d) A certificate from a Company Secretary in practice that None of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any other such Statutory authority. The company has taken required certificate from Mr. Kanwajit Singh, Practicing Company Secretary.
- e) The company adopted Indian Accounting Standards (Ind-AS) from 01 April 2017 with the transition date 01 April 2016 and accordingly the financial results of the company for the three quarters/annual have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-As)

12. **WEBSITE:** The company's website [www.psalpatran.com](http://www.psalpatran.com) which contains all the Familiarization program of independent Directors, related party transactions, policy relating to material subsidiaries & other policies are mentioned at website.

13. **(i) Registrar for Demat & Transfer of Shares**

Abhipra Capital Ltd.,  
Ground Floor, Abhipra Complex, Dikhush Industrial Area,  
A-387, GT Karnal Road, Azadpur, Delhi-110033.

(ii) The Share transmission system: Shares in physical forms are processed by the RTA within 15 days from the date of receipt, if the documents are complete in all respects. The Whole Time Director, or Company Secretary or Group Secretary has been severally empowered to approve transmission.

Requests for dematerialization of shares are processed & confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

A summary of transfer/transmission of shares etc, so approved by the Group Secretary is placed before the Stakeholders Relationship committee..

iii) **Secretarial Audit**

a) As per regulation 40(9) of the Listing regulations, a certificate from the practicing Company Secretary has been submitted to the BSE Limited within stipulated on half yearly basis confirming the due compliance.

b) Mr. Kanwajit Singh, Practicing Company Secretary has conducted the Secretarial Audit of the company. The Audit report confirms that the company has complied with the applicable provisions of the act and the rules made there under, its Memorandum & Articles of Association, Listing regulations and the applicable SEBI Regulations.

14. **Investors' correspondence may be addressed to:**

Ms. Avneet Kaur, Company Secretary, House No. 304, Sector 9D, Chandigarh-160009, Phone No. : 0172-4660993, E-mail: [piccadilygroup34@rediffmail.com](mailto:piccadilygroup34@rediffmail.com)

15. **Address for Correspondence**

Piccadily Sugar & Allied Industries Limited  
House No. 304, Sector 9-D, Chandigarh 160009.

16. **Plant Location**

i) Piccadily Sugar & Allied Industries Limited  
Jakhhal Road, Patran, Distt: Patiala, Punjab-147001

ii) Piccadily Sugar & Allied Industries Limited  
Plot No. 358, Sector 3, IMT Phase II,  
Bawal, Rewari Haryana-122050

17. **Annual General Meeting Date, Time & Venue**

Date: 23rd September 2020 (Wednesday)

Time: 11.00 A.M.

Financial year: 2019-20

Venue: Jakhhal Road, Patran, Distt. Patiala - 147001 (through Audio Visual Mode)

18. **Reconciliation of Share Capital**

Pursuant to Regulation 76 of the SEBI (Depositories and participants) Regulations 1996, quarterly audit of the company's share capital is carried out by M/s Jain & Associates, Chartered Accountants, Chandigarh for the purpose of reconciliation of the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the issued & Listed capital of the company. The Audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL & CDSL)

19. **General**

Company has complied with the corporate Governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of regulation 46(2) of listing regulations

20. **Total fees for all Services paid by the listed and its subsidiaries**

The detail of payment of total fees to the Statutory is under:

Statutory Audit	100000
Tax Audit	25000
<b>Total</b>	<b>125000</b>

\*GST Extra

21. **Prevention of Sexual Harassment at Workplace**

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all the employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organization to protect the integrity and dignity of the employees and also to avoid conflicts and disruptions in the work environment due to such cases. The company has complied with provisions under the Sexual Harassment Act, 2013. During the year, no complaint pertaining to sexual harassment was received by the Company.



**22. Insider trading**

There have been no instances of insider trading by any of the employees of the company at any stage or any Exchange.

**23. Certificate on Compliance of Code of Conduct**

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management Personnel as approved by the Board for the Financial Year ended 31st March, 2020.

Place: Chandigarh  
Date: 18/06/2020

Sd/-  
(Devinder Sharma)  
Whole time Director  
DIN No. 03264719

**24. Compliance Certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

We, Devinder Sharma, Whole Time Director and Sunil kumar, Chief Financial Officer do hereby certify that in respect of the annual accounts and cash flow statement for the financial year ending on March 31st, 2020.

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
- There has not been any significant changes in internal control over financial reporting during the year under reference;
  - There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - There has not been any instances of significant fraud of which we had become aware and the involvement therein, any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

Place: Chandigarh  
Date: 18/06/2020

Sd/-  
Devinder Sharma,  
Whole Time Director  
(DIN No.03264719)

Sd/-  
Sunil kumar  
Chief Financial Officer

**25. Vigil Mechanism/Whistle Blower Policy and other Policies:**

Refer to Weblink psailpatran.com

**26. Recommendation of Audit Committee:**

All the recommendation mailed by the Audit Committee are adopted by Board of Directors of the Company.

**27. Certificate of Non-Disqualification of Director-(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of  
Piccadilly Sugar and Allied Industries Limited  
Jakhai Road Patran  
Distt: Patiala, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Piccadilly Sugar and Allied Industries Limited having CIN: L15424PB1993PLC013137 and having registered office at Jakhai Road Patran, Distt: Patiala, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Harvinder Singh Chopra	00129891	25.10.1993
2.	Mr. Jai Parkash Kaushik	02354480	12.11.2011
3.	Mr. Devinder Sharma	03264719	02.08.2010
4.	Ms. Madhu Sharma	07149078	31.03.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 10.07.2020  
Place: Chandigarh

Kanwaljit Singh  
M No. 5901  
C P No. 5870

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Piccadilly Sugar & Allied Industries Limited

1. This certificate is issued in accordance with the terms of our engagement with Piccadilly Sugar & Allied Industries Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**MANAGEMENTS' RESPONSIBILITY**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**AUDITOR'S RESPONSIBILITY**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**OPINION**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We 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.

Date: 18/06/2020  
Place: Chandigarh

**For AGGARWAL SAHIL & ASSOCIATES.**  
Chartered Accountants  
Firm Registration No. 026978N

S/D  
**SAHIL AGGARWAL**  
Partner  
Membership No. 523581  
UDIN : 20523581AAAAAX2595

**INDEPENDENT AUDITOR'S REPORT**  
To the Members of  
Piccadilly Sugar & Allied Industries Ltd  
Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of Piccadilly Sugar & Allied Industries Ltd ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

We draw attention to Note 32 of the accompanying standalone financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr.No.	Key Audit Matter	Auditor Reports
1.	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures:               <ol style="list-style-type: none"> <li>a) Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>b) Compared these performance obligations with that identified and recorded by the Group.</li> <li>c) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ol> </li> </ul>

	<p>d) Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>e) Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</p> <p>Obtained Confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p>
<p><b>2. Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

#### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information that we are required to report.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(b) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(c) In our opinion, the aforesaid standalone Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(d) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act.

(e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Reporting "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements Refer Note 29 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts and equity shares, required to be transferred, to the Investor Education and Protection Fund by the Company.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For AGGARWAL SAHIL & ASSOCIATES  
Chartered Accountants  
(Regd No.:026978N)

Sd/-  
Sahil Aggarwal  
Partner

(Membership No.: 523581)

UDIN: 20523581AAAAAX2595

Date: June 18, 2020

Place: Chandigarh

#### Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Piccadily Sugar & Allied Industries Limited of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the internal financial controls over financial reporting of PICCADILY SUGAR & ALLIED INDUSTRIES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March, 2020, based on the internal financial controls with reference to standalone financial statement criteria established by the company considering the essential components of internal control stated in Guidance Note on audit of internal financial controls over Financial Reporting issued by the institute of Chartered Accountants of India (the "Guidance Notes").

#### Management's Responsibility for the Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For AGGARWAL SAHIL & ASSOCIATES  
Chartered Accountants  
(Regd No.:026978N)

Sd/-  
Sahil Aggarwal  
Partner

Date: June 18, 2020  
Place: Chandigarh

(Membership No.: 523581)  
UDIN: 20523581AAAAAX2595

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Piccadilly Sugar & Allied Industries Limited of even date)

- i. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b) According to information and explanations given by the management, the company has a program of physical verification of property, plant and equipment to cover all the items in a phased manner over a period of three years. In accordance with this program, certain property, plant and equipment were physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.



- c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii. As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- iii. According to information and explanations given to us the Company has not granted loans secured or unsecured during the year to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and hence reporting under Accordingly, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013, for the products of the company and according to the information and explanations given to us.
- vii. According to information and explanations given to us in respect of Statutory Dues;
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) There were no undisputed amounts payable in respect of provident fund, income-tax, Goods and Services Tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding on account of income-tax, Goods and Services Tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans availed by the company during the year have been applied for the purpose for which it has been availed.
- x. According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided managerial remuneration within limits under section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us the Company has not issued shares under preferential allotment during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For AGGARWAL SAHIL & ASSOCIATES  
Chartered Accountants  
(Regd No.:026978N)  
Sd/-

Sahil Aggarwal  
Partner

(Membership No.: 523581)

UDIN: 20523581AAAAAX2595

Date: June 18, 2020  
Place: Chandigarh



**BALANCE SHEET AS ON 31st March 2020**

S No.	Particulars	Note	STANDALONE AS AT 31.03.2020 (Amount in Rs)	STANDALONE AS AT 31.03.2019 (Amount in Rs)
<b>A)</b>	<b>ASSETS</b>			
1	Non-Current assets			
	Gross Block		815,256,715	857,391,459
	Less : Depreciation		428,653,718	435,716,149
(a)	Property Plant & Equipment	1	386,602,997	421,675,310
(b)	Capital work-in-progress		772,361	772,361
(c)	Biological Assets		1,290,572	1,273,080
(d)	Financial assets			
(i)	Investments	2	100,010	-
(ii)	Other financial assets	3	13,310,535	14,462,498
(e)	Deferred tax assets (net)	4	6,487,326	8,683,280
(f)	Other non current assets	5	2,145,115	2,196,984
	<b>Total non-current assets</b>		<b>410,708,916</b>	<b>449,063,513</b>
	Current assets			
(a)	Inventories	6	41,941,523	33,231,174
(b)	Financial assets			
	Trade Receivables	7	15,727,121	56,261,879
	Cash & cash equivalents	8	3,199,010	12,807,647
	Other financial assets	9	921,535	102,935
(c)	Current Tax Assets (net)	10	78,621	-
(d)	Other current assets	11	43,390,535	37,391,241
	<b>Total current assets</b>		<b>105,258,346</b>	<b>139,794,877</b>
	<b>Total assets</b>		<b>515,967,262</b>	<b>588,858,390</b>
<b>B)</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
(a)	Equity Share Capital	12	232,209,520	232,209,520
(b)	Other Equity	13	(79,316,945)	(79,505,326)
	<b>Total equity</b>		<b>152,892,575</b>	<b>152,704,194</b>
	Liabilities			
	Non- current liabilities			
(a)	<b>Financial liabilities</b>			
(i)	Borrowings	14	39,646,078	51,172,081
(b)	Provisions	15	2,684,266	2,658,905
	<b>Total non-current liabilities</b>		<b>42,330,344</b>	<b>53,830,986</b>
	Current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings			
(ii)	Trade Payables	16	196,017,902	237,958,180
(iii)	Other financial liabilities	17	92,774,852	124,055,136
(b)	Provisions	18	556,248	529,201
(c)	Current Tax Liabilities	19	-	593,251
(d)	Other current liabilities	20	31,395,341	19,187,443
	<b>Total current liabilities</b>		<b>320,744,343</b>	<b>382,323,210</b>
	<b>Total equity and liabilities</b>		<b>515,967,262</b>	<b>588,858,390</b>

Notes on Financial Statements '1-42'

**AUDITORS REPORT**

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

FRN: 026978N

Sd/-

Sahil Aggarwal

(Partner)

M. No.: 523581

Date: 18.06.2020

Place: Chandigarh

For and on behalf of Board

Sd/-

Madhu Sharma

(Director)

DIN No.: 7149078

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Avneet Kaur

Company Secretary

M. No. 60841

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2020**

S No.	Particulars	Note	STANDALONE AS AT 31.03.2020	STANDALONE AS AT 31.03.2019
	Revenue from operations	21	436,136,693	390,986,685
	Other income	22	13,225,343	6,158,449
	<b>Total Revenue (I + II)</b>		<b>449,362,036</b>	<b>397,145,134</b>
	Expenses:			
	Cost of materials consumed	23	179,985,417	126,864,006
	Purchase and Related Cost of Stock in Trade		-	-
	Change in F.G, WIP, and Stock-in-Trade	24	(8,976,668)	2,693,943
	Excise duty on sale of goods		47,232,951	60,867,269
	Employee benefit expense	25	28,190,716	14,676,725
	Finance costs	26	6,008,396	5,938,768
	Depreciation and amortization expense	27	36,326,779	33,111,157
	Other expenses	28	187,638,767	158,887,538
	<b>Total expenses</b>		<b>476,406,358</b>	<b>403,039,405</b>
	Profit before exceptional items and tax		(27,044,322)	(5,894,271)
	Exceptional items			
	Profit on Sale of Fixed Assets		29,428,657	10,829,200
	Profit before tax (V - VI)		2,384,336	4,934,929
	Tax expense:			
	(1) Current tax		-	703,054
	(2) Deferred tax		2,195,954	932,605
	Income tax of last years		-	-
	<b>Profit after tax</b>		<b>188,381</b>	<b>3,299,271</b>
	Other comprehensive income			
	(i) Items that will not be re-classified to profit or loss:			
	-Remeasurements of defined benefit obligation (net)		-	-
	-Income tax relating to items that will not be reclassified to profit or loss		-	-
	(ii) Items that may be re-classified to profit or loss:			
	-Income tax relating to items that may be reclassified to profit or loss		-	-
	Total other comprehensive income (net of tax)		-	-
	<b>Total comprehensive income</b>		<b>188,381</b>	<b>3,299,271</b>
	Earnings per equity share :			
	- Basic		0.01	0.14
	- Diluted		0.01	0.14
	Nominal Value of each share		10	10

Notes on Financial Statements '1-42'

**AUDITORS REPORT**

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N

Sd/-

Sahil Aggarwal  
(Partner)  
M. No. : 523581

For and on behalf of Board

Sd/-  
Madhu Sharma  
(Director)  
DIN No.:7149078

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Date: 18.06.2020  
Place: Chandigarh

Sd/-  
Sunit Kumar  
(Chief Financial Officer)

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

**STATEMENT OF STANDLONE CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	(Rs. In Rupees)	
	For the year ended 31.03.2020 AUDITED	For the year ended 31.03.2019 AUDITED
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
PROFIT AFTER TAX	188,381	3,299,271
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	-	-
INCOME TAX CHARGED IN PROFIT AND LOSS A/C	2,195,954	1,635,659
DEPRECIATION AND AMORTIZATION	36,326,779	33,111,157
FINANCE COSTS	6,008,396	5,938,768
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(29,428,657)	(10,829,200)
INTEREST INCOME RECEIVED	(829,325)	(426,005)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>14,461,528</b>	<b>32,729,649</b>
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>		
TRADE RECEIVABLES	40,534,758	(54,072,463)
OTHER RECEIVABLES	(5,582,880)	10,329,569
INVENTORY	(8,710,349)	(1,939,691)
PROVISIONS	25,361	12,663
TRADE AND OTHER PAYABLES	(60,985,617)	79,748,869
BIOLOGICAL ASSETS	(17,492)	(1,273,080)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(20,274,690)</b>	<b>65,535,515</b>
INCOME TAX (NET)	703,054	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>(20,977,744)</b>	<b>65,535,515</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
NET PURCHASE OF FIXED ASSETS	(3,956,640)	(86,034,290)
PROCEEDS FROM SALE OF FIXED ASSETS	32,130,830	13,043,958
INTEREST INCOME RECEIVED	829,325	426,005
PURCHASE OF INVESTMENTS	(100,010)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>28,903,505</b>	<b>(72,564,327)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
PROCEEDS FROM LONG-TERM BORROWINGS	(11,526,003)	10,018,889
FINANCE COST	(6,008,395)	(5,938,768)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(17,534,398)</b>	<b>4,080,121</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(9,608,637)</b>	<b>(2,948,690)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>12,807,647</b>	<b>15,756,337</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3,199,010</b>	<b>12,807,647</b>

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard-7 on Statement of Cash Flow.
- 2) Additions of fixed assets include movement of Capital work-in-progress during the year.
- 3) Proceeds/(repayment) of Short-term borrowings have been shown on net basis.
- 4) Figure in brackets represents cash outflow from respective activities.

**AUDITORS REPORT**

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N  
Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

Date: 18.06.2020  
Place: Chandigarh

For and on behalf of Board

Sd/-  
Madhu Sharma  
(Director)  
DIN No.:7149078

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

## Statement of Changes in Equity for the year ended March 31st, 2020

	Equity Share Capital	Other Equity		Total Other Equity	Total equity attributable to the equity holders of the company
		Reservers and Surplus			
		Capital Subsidy	Retained Earnings		
As at 1st April 2018	232,209,520	-	(85,804,598)	(82,804,598)	149,404,922
Profit for the period	-	-	3,299,271	3,299,271	3,299,271
Other Comprehensive Income	-	-	-	-	-
As At 31st March 2019	232,209,520	-	(82,505,328)	(79,505,328)	152,704,192
Profit for the period	-	-	188,381	188,381	188,381
Other Comprehensive Income	-	-	-	-	-
At 31st March 2020	232,209,520	-	(82,316,946)	(79,316,946)	152,892,574

Amt. in Rs.

## AUDITORS REPORT

As per our separate report of even date  
For AGGARWAL SAHIL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 026978N

Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

For and on behalf of Board

Sd/-  
Madhu Sharma  
(Director)  
DIN No.: 7149078

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

Date: 18.06.2020  
Place: Chandigarh

### Note-1 Property, Plant & Equipment as on 31.03.2020

	Amt. in Rs.									
	Land	Building Machinery	Plant & Fixture	Furniture & Equipment	Office Equipments	Agriculture	Vehicle	Tractor	Computer	Total
<b>Gross carrying Amount</b>										
Balance as at April 1, 2018	75,759,383	159,285,546	533,511,451	2,284,685	3,258,491	1,138,004	10,983,309	459,974	2,005,279	788,686,122
Additions	-	1,346,248	78,761,179	139,512	320,207	-	8,124,580	-	41,400	88,733,125
Disposals	-	-	16,244,000	-	-	-	3,783,788	-	-	20,027,788
Balance as at March, 31, 2019	75,759,383	160,631,794	596,028,630	242,4197	357,698	1138004	15324101	459974	2046679	857,391,459
Additions	-	130,154	3,775,916	-	50,570	-	1,322,221	-	-	395,6640
Disposals	-	-	44,769,162	-	-	-	46091383	-	-	46091383
Balance as at March 31, 2020	75,759,383	160,761,948	555,035,384	242,4197	362,9268	1138004	14001880	459974	2046679	815,256,716
<b>Accumulated Depreciation</b>										
Balance as at April 1, 2018	-	58,944,037	347,122,365	1,932,064	2,968,171	920,008	6,257,256	436,975	1,837,146	4,204,180,23
Depreciation charged for the year	-	8,969,079	22,633,499	65,528	78,103	31,031	1,300,183	-	34,734	33,111,57
Disposals	-	-	15,431,800	-	-	-	2,381,230	-	-	17613030
Balance as at March, 31, 2019	0	67,912,117	354,324,064	1,997,592	30,462,74	95,1039	5,176,209	436,975	1,871,880	4,357,161,50
Depreciation charged for the year	-	7,694,428	26,945,107	63,671	91,583	41,374	1,457,915	-	32,701	36,326,779
Disposals	-	-	42,133,102	-	-	-	1,256,109	-	-	43,389,211
Balance as at March 31, 2020	0	75,606,545	339,136,069	2,061,263	31,37,857	99,2413	537,8016	436,975	1,904,581	4,286,53,719
<b>Net Carrying Amount</b>										
As at March 31, 2020	75,759,383	85,155,403	215,899,315	362,934	49,1410	14,5591	862,3864	22,999	14,2098	386,602,997
As at March 31, 2019	75,759,383	92,71,6876	241,704,565	426,805	53,2424	1,86,965	10,147,892	22,999	17,4799	4,21,67,5,309
As at April 1, 2018	75,759,383	10,034,1509	1,86,39,086	35,2621	2,90,320	2,17,986	4,72,60,53	22,999	1,68,133	3,66,2,6,80,99
<b>Capital Work In Progress</b>										
As at March 31, 2020	-	-	-	-	-	-	-	-	-	7,72,361
As at March 31, 2019	-	-	-	-	-	-	-	-	-	7,72,361
As at April 1, 2018	-	-	-	-	-	-	-	-	-	3,47,11,97

Details of under capital work-in-progress as on 31.03.2020 is as under:

<b>Opening Balance of Capital Work in Progress as at 1st April 2018</b>	<b>347,119,700</b>
(+) Additions	19,45,243
(-) Transfers	4,64,479
(-) Disposals	-
Closing Balance of Capital Work in Progress as at 31st March 2019	77,23,61
(+) Additions	-
(-) Transfers	-
(-) Disposals	-
Closing Balance of Capital Work in Progress as at 31st March 2020	77,2,36,70

NOTE 2	Particulars	31.03.2020	31.03.2019
	<b>INVESTMENTS</b>		
	<b>Investment in Equity Instruments of Subsidiary - At Cost</b>		
	Six Trees Drinks Pvt. Ltd. (10000 equity shares of Rs 10/- each)	100,000	
	<b>Investment in Equity Instruments (Others) - At FVTPL</b>		
	Piccadilly Agro Industries Ltd. (4 equity shares)	10	
	<b>TOTAL</b>	<b>100,010</b>	<b>-</b>
<b>NOTE 3</b>	<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		
	PSEB. Security Deposit (with Electricity PSPCL)	6,566,472	5,904,268
	FDRs maturing after 12 Months	6,744,063	8,558,230
	<b>TOTAL</b>	<b>13,310,535</b>	<b>14,462,498</b>
	* Fixed Deposit with the Bank Rs. NIL (Rs. 3.80 lacs), are under lien with Sales Tax Department		
<b>NOTE 4</b>	<b>DEFERRED TAX ASSETS (NET)</b>		
A.	Deferred Tax Assets:		
	On Account of Disallowance under section 43B of Income Tax Act	815,573	828,907
	On Account of Carried Forward Losses	51,586,278	53,584,109
	<b>Total:</b>	<b>52,401,850</b>	<b>54,413,016</b>
B.	Deferred Tax Liability:		
	Depreciation	45,914,524	45,729,736
	Net Deferred Tax Assets (A-B)	6,487,326	8,683,280
	Last Year Balance in Deferred Tax Assets	8,683,280	9,615,885
	<b>Charged Through P&amp;L Account</b>	<b>2,195,954</b>	<b>932,605</b>
<b>NOTE 5</b>	<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		
	Capital advances	2,145,115	2,196,984
	<b>TOTAL</b>	<b>2,145,115</b>	<b>2,196,984</b>
<b>NOTE 6</b>	<b>INVENTORIES</b>		
	(As per inventories taken, valued & certified by the management)		
	Raw Materials - Molasses and ENA		3,664,000
	Finished Goods	18,181,583	9,204,915
	Stores Chemicals and Packing Material	23,759,940	20,362,259
	<b>TOTAL</b>	<b>41,941,523</b>	<b>33,231,174</b>
	* refer note on significant accounting policies for the valuation of inventories		
<b>NOTE 7</b>	<b>TRADE RECEIVABLES</b>		
	Considered Good- Unsecured Trade Receivables	15,727,121	56,261,879
	<b>TOTAL</b>	<b>15,727,121</b>	<b>56,261,879</b>
<b>NOTE 8</b>	<b>CASH &amp; CASH EQUIVALENTS</b>		
a)	Cash in Hand	37,303	99,546
b)	Balance with Schedule Banks in Current Accounts in Fixed Deposits	3,161,707	12,708,101

- Maturing within 12 months  
c) Interest accrued on FDR

<b>TOTAL</b>	<b>3,199,010</b>	<b>12,807,647</b>
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**NOTE 9 OTHER CURRENT FINANCIAL ASSETS**

- Other debts considered good

	921,535	102,935
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<b>TOTAL</b>	<b>921,535</b>	<b>102,935</b>
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**NOTE 10 CURRENT TAX ASSETS**

- Tax Deducted at source  
Less : Income Tax Provision for the Year

	78,621	-
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<b>TOTAL</b>	<b>78,621</b>	<b>-</b>
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**NOTE 11 OTHER CURRENT ASSETS**

- Advances recoverable in cash or kind or for value to be received  
Unsecured - Considered Good

	1,410,567	1,134,905
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- Prepaid expenses  
Balances with Statutory Authorities  
Goods in Transit

	20,038,000	19,325,601
	21,941,968	16,697,390
	-	233,344

<b>TOTAL</b>	<b>43,390,535</b>	<b>37,391,241</b>
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**NOTE 12 EQUITY SHARE CAPITAL**

1. A) AUTHORIZED  
30,000,000 Equity shares of Rs. 10/- each
- B) ISSUED SUBSCRIBED & PAID UP  
23,254,527 Equity Shares of Rs. 10/- each  
fully called up and paid up.
- LESS: Unpaid Calls  
67150 Equity Shares of Rs.5 each Unpaid

	300,000,000	300,000,000
--	-------------	-------------

	232,545,270	232,545,270
--	-------------	-------------

	(335,750)	(335,750)
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<b>TOTAL</b>	<b>232,209,520</b>	<b>232,209,520</b>
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- 2) Reconciliation of number of shares and amount outstanding at the beginning  
and at the end of the reporting period:

- Subscribed and fully paid up equity Shares  
As at April 1st, 2018  
As at March 31st, 2019  
As at March 31st, 2020

	No. of Shares	No. of Shares
As at April 1st, 2018	23,187,377	23,187,377
As at March 31st, 2019	23,187,377	23,187,377
As at March 31st, 2020	23,187,377	23,187,377

- Subscribed and Partly paid up equity Shares  
As at April 1st, 2018  
As at March 31st, 2019  
As at March 31st, 2020

	No. of Shares	No. of Shares
As at April 1st, 2018	67,150	67,150
As at March 31st, 2019	67,150	67,150
As at March 31st, 2020	67,150	67,150

**3) RIGHT OF SHAREHOLDERS**

- A) Each Shareholder is entitled to one vote per share.  
B) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.  
C) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.  
D) There is no change in the Number of Share outstanding at the beginning and at the end of the Financial year.

**4) DETAIL SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

1. Mr. Siddhartha Vashishta

	No. of Shares held	No. of Shares held
1. Mr. Siddhartha Vashishta	3,475,263	3,475,263

2. Soon-N-Sure Holdings LTD	5,569,702	5,569,702
3. Piccadilly Agro Ind. LTD	8,341,936	8,341,936

**NOTE 13 OTHER EQUITY**

Capital subsidy	3,000,000	3,000,000
Profit & Loss Account		
As per last Balance Sheet	(82,505,326)	(85,804,597)
As per profit & Loss Account	188,381	3,299,271
	(82,316,945)	(82,505,326)
<b>Grand Total</b>	<b>(79,316,945)</b>	<b>(79,505,326)</b>

**NOTE 14 LONG TERM BORROWINGS (AT AMORTIZED COST)**

<b>SECURED</b>		
Loans and Advances from Banks		
HDFC BANK		
(Secured against hypothecation of vehicles under Hire purchase agreement)	1,407,052	4,985,720
<b>J &amp; K BANK TERM LOAN</b>		
(Term Loan of Rs. 490 Lacs, Principal to be repaid in 74 monthly instalments, secured primarily by Hypothecation of Machineries, Equipments, Furniture and Fixture and all other moveable fixed assets and Mortgage of Land at Jakhai Road as collateral)	38,239,026	46,186,361
	39,646,078	51,172,081

**NOTE 15 LONG TERM PROVISIONS**

Provision For Employees Benefit		
- Gratuity	2,684,266	2,668,905
<b>TOTAL</b>	<b>2,684,266</b>	<b>2,658,905</b>

**NOTE 16 TRADE PAYABLES**

1. Sundry Creditors		
A) Total Outstanding dues of Micro and Small Scale Industrial Enterprises	-	4,443,086
B) Total Outstanding dues of creditors other than Micro and Small Scale Industrial Enterprises	196,017,902	233,515,094
<b>TOTAL</b>	<b>196,017,902</b>	<b>237,958,180</b>

\*dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

\*Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 has been provided in Note 41

**NOTE 17 OTHER CURRENT FINANCIAL LIABILITIES**

Creditors for capital expenditure	85,562,237	116,901,408
Expenses Payable	4,117,712	4,805,922
Current Maturities of long term debts.	3,094,903	2,347,806
	92,774,852	124,055,136

**NOTE 18 SHORT TERM PROVISION**

1 Bonus Payable	556,248	529,201
	<b>556,248</b>	<b>529,201</b>

**NOTE 19 CURRENT TAX LIABILITIES**

Income Tax Provision For Current Year	-	703,054
Less: Advance Tax paid during the year	-	109,803
	-	593,251



<b>NOTE 20</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory Levies	30,643,360	18,020,976
	Advance received from customers	751,981	1,166,467
		<u>31,395,341</u>	<u>19,187,443</u>
<b>NOTE 21</b>	<b>DETAIL OF REVENUE FROM OPERATIONS</b>		
	Sale of Product		
	Gross Sales	436,136,693	390,986,685
		<u>436,136,693</u>	<u>390,986,685</u>
<b>NOTE 22</b>	<b>OTHER INCOME</b>		
	Interest income	829,325	426,005
	Other non-operative Income	8,076,018	3,377,044
	Truck Hire Charges	4,320,000	2,340,000
	Sale of Glass Bottles	-	15,400
		<u>13,225,343</u>	<u>6,158,449</u>
<b>NOTE 23</b>	<b>COST OF RAW MATERIAL CONSUMED</b>		
	Opening Stock of Raw Materials	3,664,000	5,155,311
	Purchases during the year	176,321,417	125,372,695
		<u>179,985,417</u>	<u>130,528,006</u>
	Less Closing Stock	-	3,664,000
		<u>179,985,417</u>	<u>126,864,006</u>
<b>NOTE 24</b>	<b>CHANGES IN FG, WIP, STOCK IN TRADE</b>		
	Opening Stock		
	FG. Stock	9,204,915	11,898,858
		<u>9,204,915</u>	<u>11,898,858</u>
	Closing Stock		
	FG. Stock	18,181,583	9,204,915
		<u>18,181,583</u>	<u>9,204,915</u>
	<b>TOTAL 'A'</b>	<b>9,204,915</b>	<b>11,898,858</b>
	<b>TOTAL 'B'</b>	<b>18,181,583</b>	<b>9,204,915</b>
	<b>TOTAL (A-B)</b>	<b>(8,976,668)</b>	<b>2,693,943</b>
<b>NOTE 25</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Contribution to Provident Fund	58,209	51,968
	Staff & Labour Welfare	1,281,715	1,197,657
	Salaries, Wages & Bonus	26,846,431	13,414,437
	Gratuity	25,361	12,663
		<u>28,190,716</u>	<u>14,676,725</u>
<b>NOTE 26</b>	<b>FINANCE COST</b>		
	Interest Expense		
	Interest cost on financial liabilities measured at amortized cost	4,898,661	5,534,618
	Other Borrowing Cost		
	Bank Charges	536,835	303,864
	Interest - Others	672,900	100,285
		<u>6,008,396</u>	<u>5,938,768</u>
<b>NOTE 27</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
	Depreciation of property, plant and equipment	36,326,779	33,111,157

	36,326,779	33,111,157
<b>NOTE 28 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Electrical Repair	1,200,032	2,641,557
Chemicals	4,825,134	4,463,136
Packing Material	78,923,406	83,764,129
Env. & ETP Expenses	8,947,901	3,720,746
Power & Fuel	31,395,089	16,962,195
Machinery Repair	3,236,883	10,264,811
	<b>Total A</b>	<b>128,528,446</b>
<b>Selling Expenses</b>		
Advertisement	333,345	310,503
Freight/Carriage Outwards	1,679,401	1,152,533
L-13/L-1 Operating Expenses	3,235,358	3,063,530
Loading Charges	841,077	420,221
	<b>Total B</b>	<b>6,089,181</b>
<b>Administrative &amp; Other Expenses</b>		
Water Expenses	175,239	637,812
Insurance	290,069	168,619
Professional/Legal Fees	2,683,828	1,391,516
Fee & Taxes	41,495,877	21,476,792
Printing & Stationery	482,759	200,814
Audit Fee	100,000	100,000
Tax Audit Fee	34,000	29,500
Postage, Telephone & Internet	556,224	515,139
Travelling & Conveyance	2,046,994	1,144,012
Rent	236,000	464,500
News Paper & Periodicals	3,630	4,520
Running & Maintenance of Vehicles	1,782,668	1,925,912
Repair & Maintenance	-	-
Computer	22,048	46,180
Building	355,222	863,655
Other	200,329	642,076
Donation	29,300	65,700
Farm expenses	1,385,699	1,526,572
Director Remuneration	600,000	600,000
Balances W/o	541,254	320,858
	<b>Total C</b>	<b>53,021,140</b>
	<b>Grand Total (A+B+C)</b>	<b>187,638,767</b>
	<b>158,887,538</b>	

**NOTE 29 CONTINGENT LIABILITIES**

a)	Additional demand raised by Sales tax authorities pending in appeals	Unascertained	Unascertained
b)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	Unascertained	Unascertained
c)	Contingent Liability in respect of Interest on cane cess, if any.	Unascertained	Unascertained
d)	Contingent Liability in respect of Unassessed cases of Income Tax, Sales Tax, Cane Cess, Excise duty, etc.	Unascertained	Unascertained

**NOTE 30 REMUNERATION PAID TO DIRECTORS**

	31.03.2020	31.03.2019
	Rs. in Lacs	Rs. in Lacs
The remuneration paid to directors is as follows :		
Whole time director	6.00	6.00
The Remuneration to Directors is paid in accordance with Part II of Schedule V of Companies Act, 2013.		

**NOTE 31 DISCLOSURE AS PER IND AS 108 SEGMENT REPORTING**

The company operates in single segment, thus reporting requirements of Ind AS 108 is not applicable to the company.

**NOTE 32 CORONAVIRUS (COVID-19) IMPACT ON FINANCIAL REPORTING ACCOUNTING YEAR ENDING MARCH 31, 2020**

**Impact of COVID-19-**

While the Company believes strongly that it has a rich portfolio of goods to partner with customers, the impact on future revenue streams could come from:

- a) the inability of our customers to continue their businesses due to financial resource constraints or their goods no-longer being availed by their customers
- b) prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- c) customers not in a position to accept delivery due to restrictions in movement of goods
- d) customers postponing their discretionary spend due to change in priorities

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations if any.

The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions considering the current crisis to ensure that revenue recognition in such cases reflect realisable values.

**NOTE 33 PAYABLES & RECEIVABLES**

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

**NOTE 34 ADVANCES RECOVERABLE**

In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for known liabilities is adequate and not in excess of amount reasonably necessary.

**NOTE 35 DISCLOSURE AS PER INDAS - 36 IMPAIRMENT OF ASSETS**

In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

**NOTE 36 DISCLOSURE AS PER INDAS - 33 EARNING PER SHARE**

Profits for the year attributable to equity holders of the Company (Rs.)	188,381	3,299,271
Weighted average number of equity shares (Nos.)	23,220,952	23,220,952
Face Value	10	10
Basic and Diluted Earning Per Share	0.01	0.14

**NOTE 37 Income Tax Expense**

	In Lacs	In Lacs
A Income Tax Expense		
Current Tax		
Current Tax on Profits for the Year	-	7.03
Adjustments for current tax of prior year	-	-
Total Current Tax Expense	-	7.03
Deferred Tax		
Deferred Tax Charge/(Income)	21.96	9.33
<b>Total Tax Expense</b>	<b>21.96</b>	<b>16.36</b>

**B Reconciliation of tax expense and the accounting profit**

Profit Before Tax	23.84	49.35
Income Tax (Calculated 25.169% for FY 2019-20 and 26% for FY 2018-19)	6.00	12.71
Tax Effect of:		
- Tax effect due to non-taxable income for Income tax purposes	(5.80)	(3.33)

- Brought Forward Tax Losses		
- Expenses not allowed for tax purpose	3.56	0.17
- Others	18.19	6.81
Income Tax Expense	21.96	16.36

NOTE 38 DISCLOSURES PER INDAS-24 RELATED PARTY DISCLOSURE 31.03.2020 31.03.2019  
(Rs. in Lakhs) (Rs. in Lakhs)

A. List of Related Parties and Relationships:

Related Party

- i. Piccadilly Agro Industries Limited
- ii. Harvinder & Associates
- iii. Piccadilly Hotels Private Limited

Key Managerial Persons

- i. Devinder Sharma
- ii. Avneet Kaur
- iii. Sunil Kumar

B. Related Party Transactions:

Nature of Transaction	Related Party	2019-20	2018-19
i. Purchase of Goods	Piccadilly Agro Industries Limited	1,164.17	525.45
ii. Sale of Machinery	Piccadilly Agro Industries Limited	-	116.16
iii. Sale of Goods	Piccadilly Agro Industries Limited	321.13	6.18
iv. Lease Rental Income	Piccadilly Agro Industries Limited	-	-
v. Professional Charges	Harvinder & Associates	1.80	1.80
vi. Purchase of Machinery	Piccadilly Agro Industries Limited	-	-
vii. Remuneration to Key Managerial Persons			
Devinder Sharma (Director)		6.00	6.00
Avneet Kaur (Company Secretary)		0.93	-
Sunil Kumar (Chief Financial Officer)		-	-
Charu Aggarwal (Company Secretary)		0.55	-
C. Balance outstanding with related parties			
Piccadilly Agro Industries Ltd.		1,774.30	2,283.44
Harvinder & Associates		0.14	0.14
Piccadilly Hotels Private Limited		-	-

NOTE 39 FOREIGN EXCHANGE TRANSACTION

(a) Value of imports calculated on CIF basis by the company during the financial year in respect of:

1. Raw Materials	NIL	NIL
2. Components and Spare Parts	NIL	NIL
3. Capital Goods	NIL	NIL

(b) Expenditure in Foreign Travelling

NIL NIL

(c) Earning in Foreign Currency

NIL NIL

NOTE 40 DISCLOSURES PER INDAS-41 AGRICULTURE

PARTICULARS

Opening balance	1,273,080	-
Additions due to Recognition	2,123,982	1,273,080
Changes in fair value less Cost to Sell	-	-
Decrease due to harvested	2,106,490	-
Closing Balance	1,290,572	1,273,080

**NOTE 41 MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020

(a)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	-	4,443,086
	Interest	-	-
(b)	Principal amount paid (includes unpaid) beyond the appointed date	-	-
(c)	Interest due and payable for the year	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

**NOTE 42 REGROUPING OF FIGURES**

The previous year figures have been recast/ regrouped whenever considered necessary to facilitate comparison with revised Schedule III, Division (ii).

**AUDITORS REPORT**

As per our separate report of even date  
**For AGGARWAL SAHIL & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 FRN: 026978N

For and on behalf of Board

Sd/-  
 Sahil Aggarwal  
 (Partner)  
 M. No. : 523581

Sd/-  
 Madhu Sharma  
 (Director)  
 DIN No.: 07149078

Sd/-  
 Devinder Sharma  
 (Whole Time Director)  
 DIN No. 03264719

Date: 18.06.2020  
 Place: Chandigarh

Sd/-  
 Sunil Kumar  
 (Chief Financial Officer)

Sd/-  
 Avneet Kaur  
 Company Secretary  
 M. No. 60841

## Note to the Standalone Financial Statements

### 1. Corporate Information

Piccadilly Sugar & Allied Industries Limited ('the Company') is a public limited company incorporated in India. The Company is incorporated with an aim to provide boost to state industry by establishing an eco friendly sugar mill in the year 1994 and distillery in 2004 at village Hamjheri, Jakhai Road, Patran, Distt. Patiala in the State of Punjab. The financial statements have been approved by Board of Directors in their board meeting dated June 18, 2020.

It manufactures Rectified Spirit, Extra Natural Alcohol (ENA) from Molasses/ Rice /Wheat, Ethanol, IMFL, PML, Country Liquor.

### 2. Statement of Compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

### 3. Basis of Preparation

These standalone financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The statement of cash flow has been prepared under indirect method. These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

### 4. Significant Accounting Policies

#### a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on effective portion of cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition or construction of assets up to the date of commissioning of assets.

The Company is following straight line method of depreciation in respect of buildings, plant and equipment and other assets.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of the Companies Act 2013 except for certain items of Plant and Equipment.

Asset	Useful life
FACTORY BUILDING	30 Years
ADMINISTRATIVE BUILDING	30 years
PLANT & MACHINERY	15 years
FURNITURE & FIXTURE	10 Years
COMPUTERS	3 Years
OFFICE EQUIPMENTS	5 Years
VEHICLES	8-10 Years

#### (ii) Estimated residual value:

The Estimated residual value of assets other than Land is taken as 5% of its original cost.

Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

#### b) Inventories

Inventories are valued as follows: Raw materials, stores and spares, Material in transit and packing materials Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO Basis. Finished goods Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Work-in-process Valued at lower of cost and net realisable value up to estimated stage of process. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. By-products By-products are valued at Net realisable value.

#### c) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of goods is recognised when the significant risks and

rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns. Effective from April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 retrospectively from the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant. Revenue includes excise duty however, sales tax/ value added tax (VAT)/Goods and Services Tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Income against claims of the company, viz., export incentives, insurance claims, etc., is recognised on accrual/right to receive basis.

**d) Other revenue streams**

**Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**e) Employee benefits**

**(i) Defined contribution plans**

Company's contribution paid/payable during the year to provident fund, superannuation fund and employees' state insurance corporation are recognized in the statement of profit and loss.

**(ii) Defined benefit plans**

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets, where applicable. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.

**(iii) Compensated absences**

Provision for earned leave and medical leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.

**f) Investments**

The company has availed the option provided by Ind AS 27 to measure its investment in equity instruments of Subsidiaries and Associates at Cost.

Investments other than investment in equity instruments of subsidiaries and associates are measured at Fair Value through Profit and Loss Account.

**g) Financial instruments - Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Subsequent measurement:**

**A. Non-derivative financial instruments**

**(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets carried at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

**(iv) Financial liabilities**

Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**h) Impairment****i) Financial assets**

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

**ii) Non-financial assets: Tangible and intangible assets**

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired

**l) Income taxes**

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**l) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As per Ind AS 116 each lease component within the contract is accounted as a lease separately from non-lease components of the contract and the consideration in the contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. A right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date is recognised. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate cannot be readily determined, the incremental borrowing rate is used.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The amount of the re-measurement of lease liability due to modification is recognised as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

**Company as a lessee :**

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019).



For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

#### k) Provisions

Provisions for claims including litigations are recognized when the Company has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

#### 5. Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

i) **Useful lives and residual value of property, plant and equipment:** Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.

ii) **Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduces to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

#### iii) Revenue:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

iv) **Provision for gratuity and compensated absences:** The provision for gratuity and compensated absences are based on actuarial valuation using the projected unit credit method. The Company uses actuarial assumptions to determine the obligation for employee benefit at each reporting period. These assumptions include the discount rate, salary escalation and employee turnover rate.

#### AUDITORS REPORT

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N

For and on behalf of Board

Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

Sd/-  
Madhu Sharma  
(Director)  
DIN No.: 07149078

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Date: 18.06.2020  
Place: Chandigarh

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of Piccadilly Sugar & Allied Industries Ltd**  
**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated financial statements of M/s Piccadilly Sugar & Allied Industries Limited (hereinafter referred to as "the Group"), its subsidiary (the Group, and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit & Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2019, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S.No	Key Audit Matter	Auditor's Response
	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>a) Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>b) Compared these performance obligations with that identified and recorded by the Group.</li> <li>c) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>d) Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>e) Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</li> </ul> </li> </ul> <p>Obtained Confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p>

<b>2.</b>	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>
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#### **Emphasis of Matters**

We draw attention to Note 32 of the accompanying consolidated financial statements, which describes the management's evaluation of impact of uncertainties related to Covid-19 and its consequential effects on the operations of the company. Our Opinion is not modified in respect of this matter.

#### **Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon**

The Group's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Group's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated Financial Performance, Consolidated Total Comprehensive income, Consolidated Changes in Equity and Consolidated Cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, its subsidiaries and its associates have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

The financial statements/financial information of Six Trees Drinks Pvt Ltd (100% Subsidiary of the Group) have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

##### 1. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and 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, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors of the Group as on March 31, 2019 taken on record by the Board of Directors of the Group and of its subsidiary, none of the directors of the Group

Companies is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Group and its subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts and equity shares, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For AGGARWAL SAHIL & ASSOCIATES**

Chartered Accountants  
(Regd No.:026978N)

Sd/-

Sahil Aggarwal  
Partner

(Membership No.: 523581)

UDIN : 20523581AAAAAX2595

Date: June 18, 2020

Place: Chandigarh

#### **Annexure "A" to the Audit Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Piccadily Sugar & Allied Industries Limited of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of PICCADILY SUGAR & ALLIED INDUSTRIES LIMITED (hereinafter referred to as "Group"), and its subsidiary company, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for the Internal Financial Controls**

The Board of Directors of the Group, its subsidiaries and its associate companies, which are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group, its subsidiaries and its associates, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group, its subsidiary and its associate Companies.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Group, its subsidiaries and its associate companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For AGGARWAL SAHIL & ASSOCIATES**  
Chartered Accountants  
(Regd No.:026978N)

Sd/-  
Sahil Aggarwal  
Partner

(Membership No.: 523581)  
UDIN : 20523581AAAAAX2595

Date: June 18, 2020  
Place: Chandigarh

**CONSOLIDATED BALANCE SHEET AS ON 31st March 2020**

S No.	Particulars	Note	CONSOLIDATED AS ON 31.03.2020 (Amount in Rs)	CONSOLIDATED AS AT 31.03.2019 (Amount in Rs)
<b>A)</b>	<b>ASSETS</b>			
1	Non-Current assets			
(a)	Property Plant & Equipment	1	386,602,997	421,675,310
(b)	Capital work-in-progress		772,361	772,361
(c)	Biological Assets		1,290,572	1,273,080
(d)	Investment Property		-	-
(e)	<b>Financial assets</b>			
(i)	Investments	2	10	-
(ii)	Other financial assets	3	13,310,535	14,462,498
(f)	Deferred tax assets (net)	4	8,486,064	8,683,280
(g)	Other non current assets	5	2,154,128	2,196,984
	<b>Total non-current assets</b>		<b>410,616,667</b>	<b>449,063,513</b>
	<b>Current assets</b>			
(a)	Inventories	6	41,941,523	33,231,174
(b)	<b>Financial assets</b>			
	Trade Receivables	7	15,727,121	56,261,879
	Cash & cash equivalents	8	3,299,010	12,807,647
	Loans		-	-
	Other financial assets	9	921,535	102,935
(c)	Current Tax Assets (net)	10	78,621	-
(d)	Other current assets	11	43,390,535	37,391,241
(e)	Inter unit balances		0	0
	<b>Total current assets</b>		<b>105,358,346</b>	<b>139,794,877</b>
	<b>Total assets</b>		<b>515,975,013</b>	<b>588,858,390</b>
<b>B)</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
(a)	Equity Share Capital	12	232,209,520	232,209,520
(b)	Other Equity	13	(79,325,461)	(79,505,326)
	<b>Total equity</b>		<b>152,884,059</b>	<b>152,704,194</b>
	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
(a)	<b>Financial liabilities</b>			
(i)	Borrowings	14	39,646,078	51,172,081
(b)	Provisions	15	2,684,266	2,658,905
(c)	Deferred tax liabilities (Net)		-	-
(d)	Other non current liabilities		-	-
	<b>Total non-current liabilities</b>		<b>42,330,344</b>	<b>53,830,986</b>
	<b>Current Liabilities</b>			
(a)	<b>Financial liabilities</b>			
(i)	Borrowings		-	-
(ii)	Trade Payables	16	196,017,902	237,958,180
(iii)	Other financial liabilities	17	92,791,118	124,055,136
(b)	Provisions	18	556,248	529,201
(c)	Current Tax Liabilities	19	-	593,251
(d)	Other current liabilities	20	31,395,341	19,187,443
	<b>Total current liabilities</b>		<b>320,760,609</b>	<b>382,323,210</b>
	<b>Total equity and liabilities</b>		<b>515,975,013</b>	<b>588,858,390</b>

Notes on Financial Statements '1-42'

**AUDITORS REPORT**

For and on behalf of Board

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N

Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

Date: 18.06.2020  
Place: Chandigarh

Sd/-  
Madhu Sharma  
(Director)  
DIN No..07149078

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2020**

Particulars	Note	CONSOLIDATED AS ON 31.03.2020 (Amount in Rs)	CONSOLIDATED AS AT 31.03.2019 (Amount in Rs)
Revenue from operations	21	436,136,693	390,986,685
Other Income	22	13,225,343	6,158,449
<b>Total Revenue (I + II)</b>		<b>449,362,036</b>	<b>397,145,134</b>
Expenses:			
Cost of materials consumed	23	179,985,417	126,864,006
Purchase and Related Cost of Stock in Trade			
Change in F.G, WIP, and Stock-in-Trade	24	(8,976,668)	2,693,943
Excise duty on sale of goods		47,232,951	60,867,269
Employee benefit expense	25	28,190,716	14,676,725
Finance costs	26	6,008,396	5,938,768
Depreciation and amortization expense	27	36,326,779	33,111,157
Other expenses	28	187,646,022	158,887,538
<b>Total expenses</b>		<b>476,413,613</b>	<b>403,039,405</b>
Profit before exceptional items and tax		(27,051,577)	(5,894,271)
Exceptional items			
Profit on Sale of Fixed Assets		29,428,657	10,829,200
Previous year Expenses			-
Profit before tax (V - VI)		2,377,080	4,934,929
Tax expense:			
(1) Current tax		-	703,054
(2) Deferred tax		2,197,216	932,605
Income tax of last years		-	-
Profit after tax		179,865	3,299,271
Other comprehensive income			
(i) Items that will not be re-classified to profit or loss:			
- Remeasurements of defined benefit obligation (net)			-
- Income tax relating to items that will not be reclassified to profit or loss			-
(ii) Items that may be re-classified to profit or loss:			
- Income tax relating to items that may be reclassified to profit or loss			-
Total other comprehensive income (net of tax)			-
<b>Total comprehensive income</b>		<b>179,865</b>	<b>3,299,271</b>
Earnings per equity share-basic /diluted:			
-Before exceptional item		0.01	0.14
-After exceptional item		0.01	0.14
Nominal Value of each share		10	10

Notes on Financial Statements '1-42'

**AUDITORS REPORT**

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

FRN: 026978N

Sd/-

Sahil Aggarwal  
(Partner)

M. No. : 523581

Date: 18.06.2020

Place: Chandigarh

For and on behalf of Board

Sd/-

Madhu Sharma

(Director)

DIN No.: 07149078

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Avneet Kaur

Company Secretary

M. No. 60841



**STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	(Rs. In Rupees)	
	For the year ended 31.03.2020 AUDITED	For the year ended 31.03.2019 AUDITED
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>PROFIT AFTER TAX</b>	<b>179,865</b>	<b>3,299,271</b>
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
INCOME TAX CHARGED IN PROFIT AND LOSS A/C	2,197,216	1,635,659
DEPRECIATION AND AMORTIZATION	36,326,780	33,111,157
FINANCE COSTS	6,008,396	5,938,768
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(29,428,657)	(10,829,200)
INTEREST INCOME RECEIVED	(829,325)	(426,005)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>14,454,274</b>	<b>32,729,649</b>
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
TRADE RECEIVABLES	40,534,758	(54,072,463)
OTHER RECEIVABLES	(5,591,893)	10,329,569
INVENTORY	(8,710,349)	(1,939,691)
PROVISIONS	25,361	12,663
TRADE AND OTHER PAYABLES	(60,969,351)	79,748,869
BIOLOGICAL ASSETS	(17,492)	(1,273,080)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(20,274,690)</b>	<b>65,535,515</b>
INCOME TAX (NET)	703,053	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>(20,977,744)</b>	<b>65,535,515</b>
CASH FLOW FROM INVESTING ACTIVITIES:		
NET PURCHASE OF FIXED ASSETS	(3,956,640)	(86,034,290)
PROCEEDS FROM SALE OF FIXED ASSETS	32,130,830	13,043,958
INTEREST INCOME RECEIVED	829,325	426,005
PURCHASE OF INVESTMENTS	(10)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>29,003,506</b>	<b>(72,564,327)</b>
CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LONG-TERM BORROWINGS	(11,526,003)	10,018,889
FINANCE COST	(6,008,396)	(5,938,768)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(17,534,399)</b>	<b>4,080,121</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(9,508,637)</b>	<b>(2,948,690)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>12,807,647</b>	<b>15,756,337</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3,299,010</b>	<b>12,807,647</b>

**AUDITORS' REPORT** Items '1-42'

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N

Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

Date: 18.06.2020  
Place: Chandigarh

For and on behalf of Board

Sd/-  
Madhu Sharma  
(Director)  
DIN No.: 07149078

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31ST, 2020**

	Equity Share Capital	Other Equity		Total Other Equity	Total equity attributable to the equity holders of the company
		Reservers and Surplus			
		Capital Subsidy	Retained Earnings		
As at 1st April 2018	232,209,520	3,000,000	(85,804,598)	(82,804,598)	149,404,922
Profit for the period	-	-	3,299,271	3,299,271	3,299,271
Other Comprehensive Income	-	-	-	-	-
As At 31st March 2019	232,209,520	3,000,000	(82,505,328)	(79,505,328)	152,704,192
Profit for the period	-	-	179,865	179,865	179,865
Other Comprehensive Income	-	-	-	-	-
At 31st March 2020	232,209,520	3,000,000	(82,325,463)	(79,325,463)	152,884,057

Amt. in Rs.

Notes on Financial Statements '142'

**AUDITORS REPORT**

As per our separate report of even date

**For AGGARWAL SAHIL & ASSOCIATES****CHARTERED ACCOUNTANTS**

FRN: 026978N

Sd/-

Sahil Aggarwal

(Partner)

M. No. : 523581

Date: 18.06.2020

Place: Chandigarh

For and on behalf of Board

Sd/-

Madhu Sharma

(Director)

DIN No.: 7149078

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Avneet Kaur

Company Secretary

M. No. 60841

Note-1 Consolidated Property, Plant & Equipment as on 31.03.2020											Amt. in Rs.
	Land	Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Agriculture Equipments	Vehicle	Tractor	Computer	Total	
Gross carrying Amount											
Balance as at April 1, 2018	75,759,383	159,285,546	533,511,451	2,284,685	3,258,491	1,139,004	10,983,309	459,974	2,065,279	788,686,122	
Additions	-	1,346,248	78,761,179	139,512	320,207	-	8,124,580	-	41,400	88,733,125	
Disposals	-	-	16,244,000	-	-	-	3,783,788	-	-	20,027,788	
Balance as at March 31, 2019	75,759,383	160,631,794	595,028,630	242,4197	357,8698	1138004	15324101	459974	2046679	857391459	
Additions	-	130,154	3,775,916	-	50,570	-	1,322,221	-	-	3956640	
Disposals	-	-	44,788,162	-	-	-	-	-	-	46091383	
Balance as at March 31, 2020	75,759,383	160,761,948	555,035,384	242,4197	362,9268	1138004	14001880	459974	2046679	815256716	
Accumulated Depreciation											
Balance as at April 1, 2018	-	58,944,037	347,122,365	1,932,064	2,968,171	920,008	6,257,256	436,975	1,837,146	420418023	
Depreciation charged for the year	-	8,968,079	22,633,499	65,528	78,103	31,031	1,300,183	-	34,734	33111157	
Disposals	-	-	15,431,800	-	-	-	2,381,230	-	-	17813030	
Balance as at March 31, 2019	0	67,912,117	35,432,084	1,997,582	3,046,274	95,1039	5,176,209	436,975	187,1880	435716150	
Depreciation charged for the year	-	7,694,428	26,945,107	63,671	91,583	41,374	1,457,915	-	32,701	36,326,779	
Disposals	-	-	42,133,102	-	-	-	1,256,109	-	-	43,389,211	
Balance as at March 31, 2020	0	75,605,545	339,136,089	2,061,263	3,137,857	99,2413	5378016	436,975	1904581	428553719	
Net Carrying Amount											
As at March 31, 2020	75,759,383	85,155,603	215,899,315	362,934	491,410	145,591	862,3864	22,999	142,098	386602997	
As at March 31, 2019	75,759,383	927,19676	241,704,565	426,605	532,424	186,965	10147992	22,999	174,799	421,675,309	
As at April 1, 2018	75,759,383	1,003,41509	186,389,086	352,621	290,320	217,996	472,6053	22,999	168,133	368,268,099	
Capital Work in Progress											
As at March 31, 2020										772,361	
As at March 31, 2019										772,361	
As at April 1, 2018										347,1197	

Details of under capital work-in-progress as on 31.03.2020 is as under:

Opening Balance of Capital Work in Progress as at 1st April 2018	347,1197
(+) Additions	194,5243
(-) Transfers	4,644,079
(-) Disposals	-
Closing Balance of Capital Work in Progress as at 31st March 2019	772,361
(+) Additions	-
(-) Transfers	-
(-) Disposals	-
Closing Balance of Capital Work in Progress as at 31st March 2020	772,361

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2020**

		(Amount in Rs)	
NOTE 2	INVESTMENTS	CONSOLIDATED AS ON 31.03.2020	CONSOLIDATED AS AS AT 31.03.2019
	Investments in Equity Instruments (Others) - At FVTPL Piccadilly Agro Industries Ltd. (4 equity shares)	10	-
	<b>TOTAL</b>	<b>10</b>	<b>-</b>
<b>NOTE 3</b>	<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		
	PSEB. Security Deposit (with Electricity PSPCL)	6,566,472	5,904,268
	FDRs maturing after 12 Months	6,744,063	8,558,230
	<b>TOTAL</b>	<b>13,310,535</b>	<b>14,462,498</b>
* Fixed Deposit with the Bank Rs. NIL (Rs. 3.80 lacs), are under lien with Sales Tax Department			
<b>NOTE 4</b>	<b>DEFERRED TAX ASSETS (NET)</b>		
A.	Deferred Tax Assets:		
	On Account of Disallowance under section 43B of Income Tax Act	815,573	828,907
	On Account of Carried Forward Losses	51,586,278	53,584,109
	<b>Total:</b>	<b>52,401,850</b>	<b>54,413,016</b>
B.	Deferred Tax Liability:		
	Unamortised Expenses		
	Depreciation	45,915,786	45,729,736
	Net Deferred Tax Assets (A-B)	6,486,064	8,683,280
	Last Year Balance in Deferred Tax Assets	8,683,280	9,615,885
	Charged Through P&L Account	2,197,216	932,605
<b>NOTE 5</b>	<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		
	Capital advances	2,146,115	2,196,984
	Preliminary Expenses	9,013	-
	<b>TOTAL</b>	<b>2,154,128</b>	<b>2,196,984</b>
<b>NOTE 6</b>	<b>INVENTORIES</b>		
	(As per inventories taken, valued & certified by the management)		
	Raw Materials - Molasses and ENA		3,664,000
	Finished Goods	18,181,583	9,204,915
	Stores Chemicals and Packing Material	23,759,940	20,362,259
	<b>TOTAL</b>	<b>41,941,523</b>	<b>33,231,174</b>
* refer note on significant accounting policies for the valuation of inventories			
<b>NOTE 7</b>	<b>TRADE RECEIVABLES</b>		
	Considered Good - Unsecured Trade Receivables	15,727,121	56,261,879
	<b>TOTAL</b>	<b>15,727,121</b>	<b>56,261,879</b>
<b>NOTE 8</b>	<b>CASH &amp; CASH EQUIVALENTS</b>		
a)	Cash in Hand	37,303	99,546
b)	Balance with Schedule Banks in Current Accounts in Fixed Deposits	3,261,707	12,708,101
	Maturing within 12 months		-
c)	Interest accrued on FDR		-
	<b>TOTAL</b>	<b>3,299,010</b>	<b>12,807,647</b>
<b>NOTE 9</b>	<b>OTHER CURRENT FINANCIAL ASSETS</b>		
	Other debts considered good	921,535	102,935
	<b>TOTAL</b>	<b>921,535</b>	<b>102,935</b>

**NOTE 10 CURRENT TAXASSETS**

Tax Deducted at source	78,621	-
Less: Provision for Income Tax		
<b>TOTAL</b>	<b>78,621</b>	<b>-</b>

**NOTE 11 OTHER CURRENT ASSETS**

Advances recoverable in cash or kind or for value to be received		
Unsecured - Considered Good		
Prepaid expenses	1,410,567	1,134,905
Balances with Statutory Authorities	20,038,000	19,325,601
Goods in Transit	21,941,968	16,697,390
		233,344
<b>TOTAL</b>	<b>43,390,535</b>	<b>37,391,241</b>

**NOTE 12 EQUITY SHARE CAPITAL**

1. A) AUTHORISED		
30,000,000 Equity shares of Rs. 10/-each	300,000,000	300,000,000
10000 Equity shares of Rs. 10/-each		
B) ISSUED SUBSCRIBED & PAID UP		
23,254,527 Equity Shares of Rs. 10/- each fully called up and paid up.	232,545,270	232,545,270
LESS: Unpaid Calls	(335,750)	(335,750)
67150 Equity Shares of Rs.5 each Unpaid	232,209,520	232,209,520

## 2) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

<b>Subscribed and fully paid up equity Shares</b>	<b>No. of Shares</b>
As at April 1st, 2018	23,187,377
As at March 31st, 2019	23,187,377
As at March 31st, 2020	23,187,377
<b>Subscribed and Partly paid up equity Shares</b>	<b>No. of Shares</b>
As at April 1st, 2018	67,150
As at March 31st, 2019	67,150
As at March 31st, 2020	67,150

3) **RIGHT OF SHAREHOLDERS**

- A) Each Shareholder is entitled to one vote per share.  
 B) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.  
 C) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.  
 D) There is no change in the Number of Share outstanding at the beginning and at the end of the Financial year.

4) **DETAIL SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

	<b>No. of Shares held</b>
1. Mr. Siddhartha Vashishta	3,475,263
2. Soon-N-Sure Holdings Ltd	5,569,702
3. Piccadily Agro Ind. Ltd	8,341,936

**NOTE 13 OTHER EQUITY**

Capital subsidy	3,000,000	3,000,000
Profit & Loss Account		
As per last Balance Sheet	(82,505,326)	(85,804,597)
As per profit & Loss Account	179,865	3,299,271
	(82,325,461)	(82,505,326)
<b>Grand Total</b>	<b>(79,325,461)</b>	<b>(79,505,326)</b>

**NOTE 14 LONG TERM BORROWINGS (AT AMORTIZED COST)****SECURED**

Loans and Advances from Banks

HDFC BANK

(Secured against hypothecation of vehicles under Hire purchase agreement)

1,407,052

4,985,720

J &amp; K BANK TERM LOAN

(Term Loan of Rs. 490 Lacs, Principal to be repaid in 74 monthly instalments, secured primarily by Hypothecation of Machineries, Equipments, Furniture and Fixture and all other moveable fixed assets and Mortgage of Land at Jakhal Road as collateral)

38,239,026

46,186,361

**39,646,078****51,172,081****NOTE 15 LONG TERM PROVISIONS**

Provision For Employees Benefit

-Gratuity

2,684,266

2,658,905

**TOTAL****2,684,266****2,658,905****NOTE 16 TRADE PAYABLES**

1. Sundry Creditors

A) Total Outstanding dues of Micro and Small Scale Industrial Enterprises

10,471,571

4,443,086

B) Total Outstanding dues of creditors other than Micro and Small Scale Industrial Enterprises

185,546,331

233,515,094

**TOTAL****196,017,902****237,958,180**

\*dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

\*Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 has been provided in Note 41

**NOTE 17 OTHER CURRENT FINANCIAL LIABILITIES**

Creditors for capital expenditure

85,562,237

116,901,408

Expenses Payable

4,133,978

4,805,922

Current Maturities of long term debts.

3,094,903

2,347,806

**92,791,118****124,055,136****NOTE 18 SHORT TERM PROVISION**

1 Bonus Payable

556,248

529,201

**556,248****529,201****NOTE 19 CURRENT TAX LIABILITIES**

Income Tax Provision For Current Year

-

703,054

Less : Advance Tax paid during the year

-

109,803

**\*****593,251****NOTE 20 OTHER CURRENT LIABILITIES**

Statutory Levies

30,643,360

18,020,976

Advance received from customers

751,981

1,166,467

**31,395,341****19,187,443****NOTE 21 DETAIL OF REVENUE FROM OPERATIONS**

Sale of Product

Gross Sales

436,136,693

390,986,685

**436,136,693****390,986,685**

**NOTE 22 OTHER INCOME**

Interest Income	829,325	426,005
Other non-operative Income	8,076,018	3,377,044
Truck Hire Charges	4,320,000	2,340,000
Sales of Glass Bollites		15,400
	<u>13,225,343</u>	<u>6,158,449</u>

**NOTE 23 COST OF RAW MATERIAL CONSUMED**

Opening Stock of Raw Materials	3,664,000	5,155,311
Purchases during the year	176,321,417	125,372,695
	179,985,417	130,528,006
Less Closing Stock		3,664,000
	<u>179,985,417</u>	<u>126,864,006</u>

**NOTE 24 CHANGES IN FG, WIP, STOCK IN TRADE**

<b>Opening Stock</b>		
FG. Stock	9,204,915	11,898,858
	<u>9,204,915</u>	<u>11,898,858</u>
<b>Closing Stock</b>		
FG. Stock	18,181,583	9,204,915
	<u>18,181,583</u>	<u>9,204,915</u>
<b>TOTAL (A-B)</b>	<u>(8,976,668)</u>	<u>2,693,943</u>

**NOTE 25 EMPLOYEE BENEFIT EXPENSES**

Contribution to Provident Fund	58,209	51,968
Staff & Labour Welfare	1,261,715	1,197,657
Salaries, Wages & Bonus	26,845,431	13,414,437
Gratuity	25,361	12,663
	<u>28,190,716</u>	<u>14,676,725</u>

**NOTE 26 FINANCE COST**

Interest Expense		
Interest cost on financial liabilities measured at amortized cost	4,898,661	5,634,618
Other Borrowing Cost		
Bank Charges	536,835	303,864
Interest - Others	572,900	100,285
	<u>6,008,396</u>	<u>5,938,768</u>

**NOTE 27 DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation of property, plant and equipment	36,326,779	33,111,157
	<u>36,326,779</u>	<u>33,111,157</u>

**NOTE 28 OTHER EXPENSES**

Manufacturing Expenses		
Electrical Repair	1,200,032	2,641,557
Chemicals	4,825,134	4,463,136
Packing Material	78,923,406	83,764,129
Env. & ETP Expenses	8,947,901	3,720,746
Power & Fuel	31,395,089	16,962,195
Machinery Repair	3,236,883	10,264,811
	<u>128,528,446</u>	<u>121,816,575</u>
<b>Total A</b>	<u>128,528,446</u>	<u>121,816,575</u>
Selling Expenses		
Advertisement	333,345	310,503
Freight/Carriage Outwards	1,679,401	1,152,533
L-13/L-1 Operating Expenses	3,235,358	3,063,530
Loading Charges	841,077	420,221
	<u>6,089,181</u>	<u>4,946,787</u>
<b>Total B</b>	<u>6,089,181</u>	<u>4,946,787</u>

## Administrative &amp; Other Expenses

Water Expenses		
Insurance	175,239	637,812
Professional / Legal Fees	290,069	168,619
Fee & Taxes	2,683,828	1,391,516
Printing & Stationery	41,495,877	21,476,792
Audit Fee	482,759	200,814
Tax Audit Fee	105,000	100,000
Postage, Telephone & Internet	34,000	29,500
Travelling & Conveyance	556,224	515,139
Rent	2,046,994	1,144,012
News Paper & Periodicals	236,000	464,500
Running & Maintenance of Vehicles	3,630	4,520
Repair & Maintenance	1,782,668	1,925,912
Computer		
Building	22,048	46,180
	355,222	863,655
Other		
Donation	200,329	642,076
Farm expenses	29,300	65,700
Preliminary Expenses written of	1,385,699	1,526,572
Director Remuneration		2,253
Balances W/o	600,000	600,000
	541,256	320,858
<b>Total C</b>	<b>53,028,395</b>	<b>32,124,177</b>
<b>Grand Total (A+B+C)</b>	<b>187,646,022</b>	<b>158,887,538</b>

**NOTE 29 CONTINGENT LIABILITIES**

a) Additional demand raised by Sales tax authorities pending in appeals	Unascertained	Unascertained
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	Unascertained	Unascertained
c) Contingent Liability in respect of Interest on cane cess, if any.	Unascertained	Unascertained
d) Contingent Liability in respect of Unassessed cases of Income Tax, Sales Tax, Cane Cess, Excise duty etc.	Unascertained	Unascertained

**NOTE 30 REMUNERATION PAID TO DIRECTORS**

	Rs. in Lacs	Rs. in Lacs
The remuneration paid to directors is as follows :		
Whole time director	6.00	6.00
The Remuneration to Directors is paid in accordance with Part II of Schedule V of Companies Act, 2013.		

**NOTE 31 DISCLOSURE AS PER INDAS-108 SEGMENT REPORTING**

The company operates in single segment, thus reporting requirements of Ind AS 108 is not applicable to the company.

**NOTE 32 CORONAVIRUS (COVID-19) IMPACT ON FINANCIAL REPORTING ACCOUNTING YEAR ENDING MARCH 31, 2020**

## Impact of Covid-19-

While the Company believes strongly that it has a rich portfolio of goods to partner with customers, the impact on future revenue streams could come from :

- the inability of our customers to continue their businesses due to financial resource constraints or their goods no-longer being availed by their customers
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customers not in a position to accept delivery due to restrictions in movement of goods
- customers postponing their discretionary spend due to change in priorities

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations if any. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions considering the current crisis to ensure that revenue recognition in such cases reflect realisable values.

**NOTE 33 PAYABLES & RECEIVABLES**

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



**NOTE 34 ADVANCES RECOVERABLE**

In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for known liabilities is adequate and not in excess of amount reasonably necessary.

**NOTE 35 DISCLOSURE AS PER INDAS - 36 IMPAIRMENT OF ASSETS**

In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

**NOTE 36 DISCLOSURE AS PER INDAS - 33 EARNING PER SHARE**

Profits for the year attributable to equity holders of the Company (Rs.)	179,865	3,299,271
Weighted average number of equity shares (Nos.)	23,220,952	23,220,952
Face Value	10	10
Basic and Diluted Earning Per Share	0.01	0.14

**NOTE 37 Income Tax Expense**

	In Lacs	In Lacs
<b>A Income Tax Expense</b>		
<b>Current Tax</b>		
Current Tax on Profits for the Year	-	7.03
Adjustments for current tax of prior year	-	-
<b>Total Current Tax Expense</b>	-	7.03
<b>Deferred Tax</b>		
Deferred Tax Charge/(Income)	21.97	9.33
	<b>21.97</b>	<b>16.36</b>
<b>B Reconciliation of tax expense and the accounting profit</b>		
<b>Profit Before Tax</b>		
Income Tax (Calculated at 25.169% for FY 2019-20 and 26% for FY 2018-19)	23.77	49.35
Tax Effect of:		
- Tax effect due to non-taxable income for Income tax purposes	(5.80)	(3.33)
- Brought Forward Tax Losses	-	-
- Expenses not allowed for tax purpose	3.57	0.17
- Others	18.19	6.81
<b>Income Tax Expense</b>	<b>21.97</b>	<b>16.36</b>

**NOTE 38 DISCLOSURE AS PER INDAS-24 RELATED PARTY DISCLOSURE****A. List of Related Parties and Relationships:**

- Related Party
- Piccadilly Agro Industries Limited
  - Harvinder & Associates
  - Piccadilly Hotels Private Limited

**B. Related Party Transactions:**

Nature of Transaction	Related Party	2019-20	2018-19
i. Purchase of Goods	Piccadilly Agro Industries Limited	1,158.49	525.45
ii. Sale of Machinery	Piccadilly Agro Industries Limited	321.13	116.16
iii. Sale of Goods	Piccadilly Agro Industries Limited	-	6.18
iv. Lease Rental Income	Piccadilly Agro Industries Limited	-	-
v. Professional Charges	Harvinder & Associates	1.80	1.80
vi. Purchase of Machinery	Piccadilly Agro Industries Limited	-	5.68
vii. Remuneration to Key Managerial Persons			
Devinder Sharma (Director)		6.00	6.00
Avneet Kaur (Company Secretary)		0.93	-
Sunil Kumar (Chief Financial Officer)		-	-
Charu Aggarwal (Company Secretary)		0.55	-
<b>C. Balance outstanding with related parties</b>			
Piccadilly Agro Industries Ltd.		1,774.30	2,283.44
Harvinder & Associates		0.14	0.14

Piccadilly Hotels Private Limited

**NOTE 39 FOREIGN EXCHANGE TRANSACTION**

(a) Value of imports calculated on CIF basis by the company during the financial year in respect of:		
1. Raw Materials	NIL	NIL
2. Components and Spare Parts	NIL	NIL
3. Capital Goods	NIL	NIL
(b) Expenditure in Foreign Travelling	NIL	NIL
(c) Earning in Foreign Currency	NIL	NIL

**NOTE 40 DISCLOSURE AS PER INDAS-41 AGRICULTURE PARTICULARS**

Opening balance	1,273,080	-
Additions due to Recognition	2,123,982	1,273,080
Changes in fair value less Cost to Sell	-	-
Decrease due to harvested	2,106,490	-
Closing Balance	<u>1,290,572</u>	<u>1,273,080</u>

**NOTE 41 MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020

(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	<u>10,471,571</u>	<u>4,443,086</u>
Interest	-	-
(b) Principal amount paid (includes unpaid) beyond the appointed date		
(c) Interest due and payable for the year		-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year.		-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.		-

**NOTE 42 REGROUPING OF FIGURES**

The previous year figures have been recast/ regrouped whenever considered necessary to facilitate comparison with revised Schedule III, Division (ii).

Notes on Financial Statements '1-42'

**AUDITORS REPORT**

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N

Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

Date: 18.06.2020  
Place: Chandigarh

For and on behalf of Board

Sd/-  
Madhu Sharma  
(Director)  
DIN No.:07149078

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT****1. Corporate Information**

Piccadilly Sugar & Allied Industries Limited (the company and its subsidiaries and associates together as referred to 'the Group') is a public limited company incorporated and domiciled in India. The address of the Corporate office is Kothi No. 304, Sector 9-D Chandigarh, 160009. The Board of Directors approved the Consolidated Financial Statements for the year ended March 31, 2020 and authorised for issue on June 18, 2020.

**2. Statement of Compliance**

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

**3. Basis of Preparation**

These Consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The statement of cash flow has been prepared under indirect method. These Consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

**4. Basis of Consolidation**

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

**5. Significant Accounting Policies****a) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on effective portion of cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition or construction of assets up to the date of commissioning of assets.

The Company is following straight line method of depreciation in respect of buildings, plant and equipment and other assets.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of the Companies Act 2013 except for certain items of Plant and Equipment.

**i) Estimated Useful Lives:**

Asset	Useful life
FACTORY BUILDING	30 Years
PLANT & MACHINERY	15 years
FURNITURE & FIXTURE	10 Years
COMPUTERS	3 Years
OFFICE EQUIPMENTS	5 Years
VEHICLES	8-10 Years

**(ii) Estimated residual value:**

The Estimated residual value of assets other than Land is taken as 5% of its original cost.

Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

**b) Inventories**

Inventories are valued as follows: Raw materials, stores and spares, Material in transit and packing materials Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO Basis. Finished goods Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Work-in-process Valued at lower of cost and net realisable value up to estimated stage of process. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. By-products are valued at Net realisable value.

**c) Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns. Effective from April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 retrospectively from the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant. Revenue includes excise duty however, sales tax/ value added tax (VAT)/Goods and Services Tax(GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Income against claims of the company, viz., export incentives, insurance claims, etc., is recognised on accrual/right to receive basis.

**d) Other revenue streams****Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**e) Employee benefits****(i) Defined contribution plans**

Company's contribution paid/payable during the year to provident fund, superannuation fund and employees' state insurance corporation are recognized in the statement of profit and loss.

**(ii) Defined benefit plans**

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets, where applicable. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.

**(iii) Compensated absences**

Provision for earned leave and medical leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.

**f) Investments**

Investments other than investment in equity instruments of subsidiaries and associates are measured at Fair Value through Profit and Loss Account.

**g) Financial instruments - Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

Subsequent measurement:

**A. Non-derivative financial instruments****(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets carried at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

**(iv) Financial liabilities**

Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables

maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### h) Impairment

##### i) Financial assets

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

##### ii) Non-financial assets: Tangible and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company reviews/assess at each reporting date if there is any indication that an asset may be impaired.

##### i) Income taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### j) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As per Ind AS 116 each lease component within the contract is accounted as a lease separately from non-lease components of the contract and the consideration in the contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. A right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date is recognised. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The amount of the re-measurement of lease liability due to modification is recognised as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

#### Company as a lessee :

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease

standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019).

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

#### k) Provisions

Provisions for claims including litigations are recognized when the Company has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

#### 5. Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

i) Useful lives and residual value of property, plant and equipment: Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.

ii) Deferred tax assets: The Company reviews the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduces to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

iii) Revenue:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

iv) Provision for gratuity and compensated absences: The provision for gratuity and compensated absences are based on actuarial valuation using the projected unit credit method. The Company uses actuarial assumptions to determine the obligation for employee benefit at each reporting period. These assumptions include the discount rate, salary escalation and employee turnover rate.

Notes on Financial Statements '1-42'

#### AUDITORS REPORT

As per our separate report of even date  
For **AGGARWAL SAHIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 026978N

Sd/-  
Sahil Aggarwal  
(Partner)  
M. No. : 523581

Date: 18.06.2020  
Place: Chandigarh

For and on behalf of Board

Sd/-  
Madhu Sharma  
(Director)  
DIN No.: 07149078

Sd/-  
Sunil Kumar  
(Chief Financial Officer)

Sd/-  
Devinder Sharma  
(Whole Time Director)  
DIN No. 03264719

Sd/-  
Avneet Kaur  
Company Secretary  
M. No. 60841