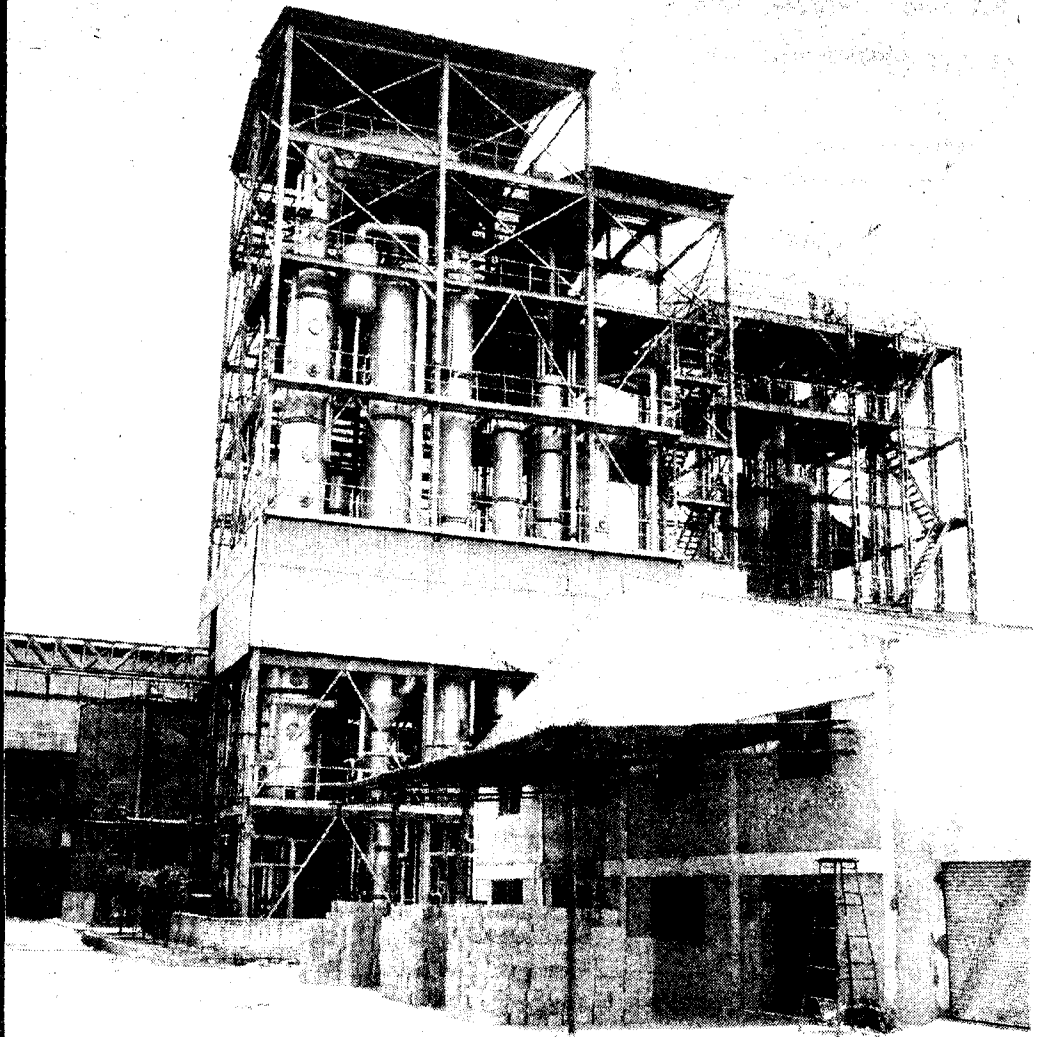


18th Annual Report 2010-2011



Piccadily Sugar & Allied Industries Limited

BOARD OF DIRECTORS

Sh Kartikeya Sharma, Director
 Sh. Harvinder Chopra, Director (Finance)
 Sh.H.P.S. Mann, Director (Cane)
 Sh. Ashok Sharma, Nominee Director
 Sh. Devinder Sharma, Wholetime Director

AUDITORS

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

AUDIT COMMITTEE

1. Sh. Devinder Sharma, Wholetime Director
2. Sh. Harvinder Chopra, Director (Finance)
3. Sh. H.P.S. Mann, Director (Cane)

REGISTERED OFFICE & FACTORIES

Jakhal Road, Patran,
 Distt. Patiala, Punjab

CORPORATE OFFICE

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

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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Share holders of the company will be held on, Friday, 30th September, 2011 at 10.30 A.M. at Registered office of the company i.e. Jakhal Road , Patran, Distt Patiala, Punjab to transact the following business:-

As Ordinary Business

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss account of the company for the year ended on that date and the Auditor's and Director's report thereon.
- 2) To appoint a Director in place of Sh. Kartikeya Sharma, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Sh. Harvinder Chopra who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that Sh. Devinder Sharma who was appointed as an Additional Director with effect from 2/8/2010 u/s 260 of the Companies Act, 1956 and who holds office, up to the date of this Annual General Meeting and who is eligible for re-appointment and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of the Directors be and is hereby appointed as Director of the company liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

" Resolved that pursuant sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 and subject to such consents /approvals as may be required, Sh Devinder Sharma be and is hereby appointed as Whole time Director of the company with effect from 2/8/2010 on the terms and conditions as may be decided by the Board of Directors from time to time.."

By order of the Board
Sd/-

Nikhilesh Verma

(Company Secretary)

Place: New Delhi

Dated 10.8.2011

Notes:-

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy forms duly signed and completed must be received at the Registered office of the company not less than 48 hours before the time and date fixed for the meeting.**
2. The Register of Members and Share Transfer books of the company will remain closed from 23rd September 2011 to 30th September 2011.
3. Shareholders are requested to advise the company immediately of any changes in their address.
4. Members are requested to bring at the meeting their copies of the Annual Report.
5. Members desiring of any information as regards to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change of address to the Company/Registrar and Share Transfer Agent.

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

Item no. 5 & 6

Sh. Devinder Sharma, aged 44 years, is a graduate, has been appointed as Additional Director by the Board of Directors in its meeting held on 02/8/2010. He has got nearly two decades experience in the various capacities and has got the capability for building and maintaining man power management & exposure to trading activities.

He has been associated with Hotel, Textile & Engineering Industry.

The appointment of Sh. Devinder Sharma will be beneficial and in the interest of the company.

IMPORTANT COMMUNICATION TO MEMBERS

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

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have the pleasure in presenting their 18th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2011

FINANCIAL RESULTS:(Rs. In
lacs)

Particulars	31st March '11	31st March '10
Total Income	2631.84	2989.95
Increase/(decrease) of Stock in trade	26.63	37.95
Profit before Interest & Depreciation	562.88	578.49
Less : Interest	27.73	68.68
Depreciation	252.81	241.86
Profit / (Loss) before Tax	282.34	268.15
Net Profit / (Loss)	282.34	268.15

Review of the operations of Sugar Mill

The sugar mill did not commence the crushing operations during the season 2010-2011 due to non availability of sugar cane & adverse conditions prevailing in the market.

The sugar mill has recorded a turnover of Rs.26.54 Lacs

Review of the operations of Distillery

The unit has produced 9,39,540 cases of Punjab Medium Liquor and produced / purchased Rectified Spirit & Extra Neutral Alcohol 2719447 (Bulk Liters), Denature Spirit 107676 (Bulk Liters) till 31st March 2011

The unit has recorded a turnover of Rs.2566.05 Lacs.

Rehabilitation Scheme

Hon'ble Board for Industrial & Financial Reconstruction (BIFR) has passed the necessary orders on 3/12/2010 for discharge of the company from the BIFR as the net worth of the company has become positive as on 30/09/2010 & the company is ceased to be a sick industrial undertaking within the meaning of clause "O" of sub section 1 of the section 3 of the Sick Industrial Companies (Special Provisions) Act 1985. The Bench, accordingly discharged the company from the purview of SICA/ Board for Industrial & Financial reconstruction (BIFR).

Indian Sugar Industry

The past two sugar seasons i.e. 2008-2009 and 2009-2010 have been very difficult years for Indian Sugar industry with regard to the availability of sugar cane and production of sugar.

Sugar output of India, the world's second largest producer could rise by about 10% to 26.5 million tones in 2011-2012. (Source ISMA Publication)

Directors

Sh. Kartikeya Sharma and Sh. Harvinder Chopra, Directors of the Company retire by rotation and are eligible for the re-appointment.

During the year The Hon'ble Board for Industrial & Financial Reconstruction, New Delhi has withdrawn its special director Sh. N.P. Gupta & Sh. Chander Sekhar Singh, Whole Time Director has resigned from the Board of Directors of the Company.

The Board has also appointed Sh. Devinder Sharma as Whole time Director of the Company.

Dividend

Due to accumulated losses, your directors express their inability to recommend dividend for the year ended 31st March 2011.

Auditors

M/s. Jain & Associates, Chartered Accountants Chandigarh, the Statutory Auditors of the Company, retiring at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received letter from Statutory Auditors M/s. Jain & Associates, Chartered Accountants to the effect that their re-appointment, if made would be within the prescribed limits under section 224(1B) of the Companies Act 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said act.

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

Cost Auditors

The Central Government has approved the appointment of Sh. Sanjeev K. Bansal, Cost Accountant for the financial year 2010-2011 to conduct cost audit for its Sugar unit.

Corporate Governance

Pursuant to clause 49 of the listing Agreement with the Bombay Stock exchange Limited (BSE), Management discussion and Analysis, Corporate Governance Report and Auditors certificate regarding compliance of conditions of corporate governance are made part of the Annual Report.

Personnel

The particulars of employees as per Section 217 (2A) of Companies Act 1956 read with the Company's (particulars of employees) Rules 1975 is Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 217(1)(e) of the Companies Act 1956 read with Companies (disclosure of particulars in the report of Board of Directors) Rule 1988, the information relating to the conservation of the energy, technology absorption and foreign exchange earning and outgo, is annexed and forms part of the report.

Director's responsibility statement

Pursuant to the provisions of Section 217(2AA) of Companies Act 1956, the Directors give hereunder the Directors Responsibility Statement on the accounts of the Company:

1. All the applicable accounting standards have been followed in the preparation of the accompanying account.
2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year 31st March 2011 and the Profit & Loss of the company for the said period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
4. The Directors have prepared the Annual Account on going concern basis.

Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the financial institutions, banks, suppliers, customers, farmers and all other concerned with the company during the year under review.

For Piccadily Sugar & Allied Industries Limited

Place : New Delhi
Date : 10.08.2011

Sd/-
(Devinder Sharma)
Wholetime Director

Sd/-
(HPS Mann)
Director (Cane).

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR 2010-2011

Information as per section 217(1) (e) read with Companies (Disclosure of particulars in the report of Board of Director's) Rules 1988 and forming part of the Directors Report for the year ended 31st March 2011

1. CONSERVATION OF ENERGY

- a) As regards energy conservation your company is giving high priority to conservation of energy since very beginning, with the result the figures of steam consumption and power consumption per ton achieving quite appreciable. Some of the significant measures taken are:-
- 1) In order to increase profitability and minimize energy consumption installed D.C motors which are highly energy efficient in place of conventional steam turbine for driving the mills and boilers are maintained. High pressure boilers, double effect pre- evaporator system along with vapor heater and plate type heat exchangers were also maintained.
 - 2) On Account of above measures and their efficient working the considerable saving of bagasse and energy saving have been achieved during the financial year.
- b) The data achieved with regards to conservation of energy is furnished below:-
All the necessary steps have been taken by the company to conserve the energy at all the levels by optimum utilization.

1	ELECTRICITY	2010-11	2009-10
A	Purchased		
	Unit	KWH	KWH
	Total Units	724777	547733
	Total Amount(Rs.)	36022142	2700322
	Rate per unit(Rs.)	4.93	4.93
B.	OWN GENERATION		
	i) Through Diesel Generator		
	Unit	KWH	KWH
	Total Unit	476017	213592
	Units per Liter of Diesel Oil	3.99	4.04
	Cost Per Unit (Rs.)	8.86	8.07
	ii) Through stream Turbine/Generator		
	Unit	KWH	KWH
	Total Units	000	000
	Units per Ton of fuel(Bagasse)	Steam produced by use of own bagasse	Steam produced by use of own bagasse
2.	Coal/Furnace Oil	N.A	N.A
3.	Other	N.A	N.A
4.	Consumption of Per Unit of Production		
	Sugar (Qtls)	0.00	0.00
	Electricity (Units)	0.00	0.00
	Distillery (cases)	939540	1010797
	Rectified Spirit / ENA in BL	1855447	1338187
	Electricity(Units) in cases	1.28	0.75
	Other(Specify) Rectified Spirit /ENA (in BL)	0.65	0.57

B. Technology Absorption

- i) Research and Development
No research and development work has been carried out by the company therefore; there is no expenditure under this head.
- ii) Technology Adaptation & Innovation.
The company is also well-proved indigenous technology for Sugar. & Distillery.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning:
Foreign Exchange Outgo:

Nil
Nil

For Piccadily Sugar & Allied Industries Limited

Sd/-
(Devinder Sharma)
Wholetime Director

Sd/-
(HPS Mann)
Director (Cane).

Place : New Delhi
Date : 10.08.2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

Future prospects

India's sugar cane acreage is likely to rise in 2011-12 as farmers still finding the crop remunerative over competing crops, raising hopes the worlds biggest sugar consumer will have surplus for the second straight year beginning October 2011. Sugar output of India, the world's second largest producer could rise by about 10% to 26.5 million tones in 2011-2012. (Source ISMA Publication)

Exports of Sugar

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

Distillery

The distillery unit with a capacity of 40 KLPD in the sugar mill campus was established in the year 2004. It manufactures not only rectified spirit (RS) but ENA, Punjab Medium Liquor (PML), Denatured Sprit (DS) using spoiled wheat, rice grain fines, molasses as well as required quantity of secondary juice available from sugar cane crushing during the season operation and use own molasses during off season/season operation.

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

Out Look / Projection:

The company's projection on crushing of Sugarcane for the current year 2011-2012 is on the basis of availability of sugar-cane.

The company will supply the entire quota of Punjab Medium liquor allotted to its Distillery and is making all efforts for the lifting of open quota by providing incentives to the distributors.

Risk and Concern

The urban people in India are now becoming Health conscious and firmly believe that consuming of sugar in any form has adverse effect on human health. As a result of this people have restricted the consumption of sugar. Studies by various health organizations have found no evidence where the sugar has been related to diabetics or any other illness. However the consumption of sugar in India continue to rise in the last decade.

internal Control System & their adequacy

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

Material Development in HRD/IR

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

CORPORATE GOVERNANCE REPORT

In compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange, the company has been incorporating for the past few years, a separate section on Corporate Governance in its Annual report. The shareholders and investors would have found the information informative and useful.

Company's policies on the Corporate Governance and due compliance report on specific areas where ever applicable for the financial year ended 31st March 2011 are given here under divided into following areas:

1. Company's philosophy on Corporate Governance

The company adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. It is believed that adherence to business ethics and commitment to Corporate social responsibility would help the company achieve its goal of maximizing value of its stakeholders.

2. Board of Directors

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

Name of Directors	Nature
1 Sh Kartikeya Sharma	Promoter Director
2 Sh. Devinder Sharma	Independent Director
3 Sh. Harvinder Chopra	Independent Director
4 Sh.H.P.S. Mann	Independent Director
5 Sh. Ashok Sharma	Nominee Director

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

Name of Directors	Attendance Particulars		No. of other Directorship	Member of Committee
	Board Meeting	Last AGM		
Sh. Harvinder Chopra	6	Yes	7	1
Sh. H.P.S. Mann	6	Yes	-	4
Sh. Ashok Sharma	-	No	-	1
Sh. Devinder Sharma	6	Yes	-	3
Sh. Kartikeya Sharma	-	-	22	-

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

3 Audit Committee

The Board of the company has constituted an Audit Committee of three directors, Sh. Harvinder Chopra, Sh. Devinder Sharma & Sh. H.P.S. Mann. The constitution of Audit Committee meets with the requirements of Section 292 A of the Companies Act, 1956.

Terms of Reference

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

- ▶ The members of the Audit Committee shall elect the Chairman from amongst themselves.
- ▶ The Annual report of the company shall disclose the composition of the Audit Committee.
- ▶ Every Audit Committee shall act in accordance with terms of reference to be specified in writing by the Board.
- ▶ The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of Audit including the observations of the auditors and review the half yearly and annual financial statement before submission to the Board and also ensure compliance of internal control systems.
- ▶ The Audit Committee should have authority to investigate into any matter in relation to the items specified in section 292 A of the Companies Act 1956 or referred to it by the Board and for this purpose, shall have full access to the information contained in the records of the company and external professional advice, if necessary.
- ▶ The Chairman of the Audit Committee shall attend the Annual-General meeting of the company to provide any clarification on matters relating to audit.
- ▶ To seek information from any employee.

- ▶ To investigate any activity within its terms of reference.
- ▶ To obtain outside legal or professional advice.
- ▶ To secure attendance of outsiders with relevant expertise, if it considers necessary.
- ▶ Discussion with the internal auditors any significant findings and follow up thereon.
- ▶ The Chairman of the Audit Committee shall attend the Annual General Meeting of the company to provide any clarification on matters relating to audit sought by the members of the company.

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

3. (A) General Body Meeting

Location and time for last 3 Annual General Meetings:

Year	Meeting	Location	Date	Time
2008	AGM	Piccadily Sugar & Allied Industries Limited Jakhhal Road, Patran, Distt.Patiala Punjab.	Saturday 27/09/2008	4.00 P.M.
2009	AGM	Piccadily Sugar & Allied Industries Limited Jakhhal Road, Patran, Distt.Patiala Punjab.	Saturday 26/09/2009	10.30 A.M.
2010	AGM	Piccadily Sugar & Allied Industries Limited Jakhhal Road, Patran, Distt.Patiala Punjab.	Thrusday 23/09/2010	10.30A.M.

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

(B) **Book Closure Date:-** 23rd September to 30th September 2011.

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

4. Means of Communication

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

5. Listing of Stock Exchange & Stock Code

The shares of the company continue to be listed on Bombay Stock Exchange Limited, (BSE) & Stock code of the company is 507498

Note: Company has already made the payment of Annual listing Fees for the year 2011-2012

6. Stock Market Data

The details of monthly highest and lowest closing quotations of the equity shares of the company and number of shares traded during the each calendar month at Bombay Stock Exchange limited during the year ended 31st March 2011 are as under :

Month	High (Rs.)	Low (Rs)	Total no shares traded
April 2010	7.45	6.33	79528
May 2010	8	6.07	127276
June 2010	7.5	6.1	138643
July-November 2010 *(Due to reduction of Capital)	*	-	-
January 2011	15	9.1	116739
February 2011	11	8.38	29346
March 2011	9.78	7.65	69378

7. Share Transfer System

Shares after transfer are dispatched within the time subject to the documents being valid and complete in all respect through share transfer committee. During the year 13 Share Transfer Committee Meeting were held .

8 Distribution of Shareholding as at 31st March 2011

Shares holding of nominal value of Rs.10/- each	Share holders Number	Number (in %)	Amount of shares	Total (in Rs)	(in %)
Upto 2500	48655	96.42	3489895	34898950	15.01
2501-5000	1072	2.12	449572	4495720	1.93
5001-10000	422	0.84	325089	3250890	1.40
10001-20000	173	0.34	242559	2425590	1.04
20001-30000	54	0.11	133824	1338240	0.58
30001-40000	19	0.04	66671	666710	0.29
40001-50000	19	0.04	87042	870420	0.37
50001-100000	27	0.05	197698	1976980	0.85
100001 & above	22	0.04	18262177	182621770	78.53

Share Holding Pattern as at 31st March 2011

	Number of Shares	Percentage
Promoters	17590554	75.64
Bodies Corporate	670787	2.89
Individuals	4307638	18.52
NRI	651996	2.81
Clearing Members	800	0.00
HUF	32752	0.14
Total	23254527	100.00

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

10. Demat of Shares as on 31/03/2011

The detail of demat of shares is as under:

	Number of equity Shares	Percentage
NSDL	9351366	40.21
CDSL	3477164	14.95
PHYSICAL	10425997	44.84
TOTAL	23254527	100.00

11. DISCLOSURES

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

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

b) Details of non-compliance by the company, penalties and stricture imposed on the company by Stock Exchange or SEBI or any statutory Authority, on any matter related to capital markets, during the last three years.

No penalties, strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

12 **WEBSITE:** The company's website www.psailpatran.com has been made operational and contains all the necessary information as required by clause 54 of the Listing Agreement with The Bombay Stock Exchange Limited

13 **Registrar for Demat & Transfer of Shares**

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

- 14 **Address for Correspondence**
Piccadily Sugar & Allied Industries Limited
Jakhal Road, Patran, District. Patiala, Punjab.
- 15 **Plant Location**
Piccadily Sugar & Allied Industries Limited
Jakhal Road, Patran, District. Patiala, Punjab.
- 16 **Annual General Meeting Date, Time & Venue**
Date : 30th September 2011 (Friday)
Time : 10.30 A.M.
Venue : Jakhal Road, Patran, District. Patiala, Punjab.

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Piccadily Sugar & Allied Industries Ltd. for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, Mumbai.

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

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

On the basis of representation received from company, we state that during the year ended 31st March, 2011 no investor grievances were pending for a period exceeding one month except where dispute or for want of completion of legal formalities. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi
Dated : 10.8.2011

For Jain & Associates
Chartered Accountants
Sd/-
Neeraj Jain
PARTNER

AUDITOR'S REPORT

**The Members of,
Piccadily Sugar & Allied Industries Limited,**

We have audited the attached Balance Sheet of M/s Piccadily Sugar & Allied Industries Limited as at 31st March 2011 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by Companies (Auditors' Report) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of accounts as required by law, so far as appear from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with accounting standards specified by The Institute of Chartered Accountants of India referred to in Section 211(3C) of Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors as on 31.3.2011 & taken on record by the Board of Directors, we report that none of the Directors is disqualified for being appointed as a Director in terms of Clause (g) of sub-section (1) of Sec 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view.
 - i) In the case the Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
 - ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date.
 - iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

**NEERAJ JAIN
(PARTNER)**

M.NO.89477

Firm Registration No. 01361N

PLACE: Bhadson (Karnal)

DATE: 30.05.2011

ANNEXURE TO THE AUDITORS' REPORT

- I. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets once in a year. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.
 - c) During the year, Company has not disposed of any substantial / major part of fixed assets.
- II. In respect of its inventories:
 - a) The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- III.
 - a) According to the information and explanations given to us, and our verification we observed that the company during the year has not granted any loans to any party covered in the register maintained under section 301 of the Companies Act 1956.
 - b) According to the information and explanations given to us, and our verification we observed that the company during the year has not taken any loans from any party covered in the register maintained under section 301 of the Companies Act 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- V. In respect of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956.
To the best of our knowledge and belief and according to the information and explanation given to us, the company has not entered into any transactions that needed to be entered into the register maintained u/s 301 of the Companies Act, 1956.
- VI. In our opinion, the Company has not accepted deposit under the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India
- VII. In our opinion, the Company has internal audit system which commensurate with the size and nature of its business.
- VIII. The Company is required to maintain cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the company and according to the information and explanation given to us, the company has maintained proper records as prescribed by the central government.
- IX. According to the information and explanations given to us in respect of Statutory and other dues:
 - a) The company is regular in depositing undisputed statutory and other dues, including provident fund, Income Tax, Sales Tax, Service Tax, Excise Duty and any other statutory dues with the appropriate authorities during the year.
 - b) As per the information and explanation given to us, no disputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty were outstanding as on 31.03.2011 except in respect of Sales Tax demand of Rs 37.39 lacs in sugar unit and Rs. 30.08 lacs in Distillery unit against which appeal is pending before sales tax authorities.
- X. The company has accumulated losses of Rs.1375.13 lacs and its paid up capital is Rs. 2322.10 lacs. The company has not incurred cash losses in the year under report and also has not incurred cash losses in the year immediately proceeding the current financial year.

- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that there is no secured/unsecured loan from any Bank/ Financial institution. The Hon'able BIFR has discharged the company from the preview of SICA/ BIFR as the net worth of the company has become positive as on 30.09.2010 and remained positive thereafter. The order were issued by the BIFR on 03.12.2010 regarding discharge of company from BIFR.
- XII. According to the information and explanations, given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company does not fall within the category of Chit fund/Nidhi/Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
- XIV. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements are not applicable.
- XV. The company has not given guarantee for loans taken by others from banks or financial institutions.
- XVI. To the best of our knowledge and belief and according to the information and explanation given to us no term loans have been availed by the company.
- XVII. According to the Cash flow statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956, during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issues during the year.
- XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

NEERAJ JAIN

(PARTNER)

M NO. 89477

Firm Registration No. 01361N

PLACE: BHADSON (KARNAL)

DATE: 30.05.2011

BALANCE SHEET AS ON 31.3.2011

Particulars	SCHEDULE	(Amount in Rs.)	
		Current Year 2010-11	Previous Year 2009-10
I. SOURCES OF FUNDS		31.03.2011	31.03.2010
1. SHARE CAPITAL	A	232209520.00	294419030.00
2. SHARE APPLICATION MONEY		0.00	38000000.00
3. RESERVES & SURPLUS			
a) Capital Subsidy		3000000.00	3000000.00
4. LOAN FUNDS			
a) Secured Loans	B	<u>25000000.00</u>	<u>25000000.00</u>
GRAND TOTAL		<u>260209520.00</u>	<u>360419030.00</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	C		
a) Gross Block		583676229.52	566337224.52
b) Less: Depreciation		293453835.31	268173167.22
c) Net Block		290222394.21	298164057.30
d) Capital Work-in-Progress		<u>96517977.98</u>	<u>60876950.00</u>
TOTAL		<u>386740372.19</u>	<u>359041007.30</u>
2. CURRENT ASSETS, LOANS AND ADVANCES	D		
a) Inventories		29472311.91	24634034.53
b) Sundry Debtors		1060475.12	1060475.12
c) Cash & Bank Balances		5902271.75	2698781.72
d) Loans and Advances		<u>22724417.74</u>	<u>18858931.22</u>
		<u>59159476.52</u>	<u>47252222.59</u>
Less :			
CURRENT LIABILITIES & PROVISIONS	E		
CURRENT LIABILITIES		320671134.05	331401873.03
PROVISIONS		<u>2532189.00</u>	<u>2429012.00</u>
NET CURRENT ASSETS		<u>(264043846.53)</u>	<u>(286578662.44)</u>
PROFIT & LOSS ACCOUNT	F	<u>(137512994.33)</u>	<u>(287956685.14)</u>
GRAND TOTAL	TOTAL	<u>260209520.00</u>	<u>360419030.00</u>
Accounting Policies, Notes forming part of Accounts and General Business Abstract	G		

In terms of our separate report of even date

Sd/-
DEVINDER SHARMA
(WHOLE TIME DIRECTOR)

Sd/-
H.P.S. MANN
(DIRECTOR CANE)

Sd/-
Nikhilesh Verma
(Company Secretary)

for JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : Bhadson (Karnal)
DATED : 30-05-2011

Sd/-
NEERAJ JAIN
(PARTNER)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2011

Particulars	SCHEDULE	(Amount in Rs.)	
		Current Year 2010-11	Previous Year 2009-10
INCOME		31.03.2011	31.03.2010
SALES	1	259258864.00	367256600.00
LESS :- EXCISE DUTY		(111600.00)	(71350131.00)
SALES NET OF EXCISE DUTY		259147264.00	295906469.00
OTHER MISCELLANEOUS INCOME		4036389.50	3088536.32
CLOSING STOCK :			
FINISHED GOODS		17346725.98	14683769.98
		280530379.48	313678775.30
EXPENDITURE			
OPENING STOCK :			
FINISHED GOODS		14683769.98	10888878.31
COST OF RAW MATERIAL CONSUMED	2	77430073.32	125476205.89
MANUFACTURING EXPENSES	3	94921258.29	81997357.39
EMPLOYMENT COSTS	4	10495760.00	13125641.00
ADMINISTRATIVE EXPENSES	5	10593570.50	7194455.50
FINANCIAL EXPENSES	6	2773209.49	6867791.68
SELLING & DISTRIBUTION EXPENSES	7	16117889.00	17147612.00
DEPRECIATION	C	25280668.09	24186207.20
		252296198.67	286884148.97
		28234180.81	26794626.33
Previous Year Income		0.00	20333.00
Income Tax		0.00	0.00
Balance Transferred to Balance sheet		28234180.81	26814959.33
Basic & Diluted Earning per Share(in Rs.)		1.21	0.91
Nominal Value per Shares (in Rs.)		10	10

In terms of our separate report of even date

Sd/-
DEVINDER SHARMA
(WHOLE TIME DIRECTOR)

Sd/-
H.P.S. MANN
(DIRECTOR CANE)

Sd/-
Nikhilesh Verma
(Company Secretary)

for JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : Bhadson (Karnal)
DATED : 30-05-2011

Sd/-
NEERAJ JAIN
(PARTNER)

PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.**SCHEDULE 'A' FORMING PART OF BALANCE SHEET AS ON 31.03.2011**

Particulars	(Amount in Rs.)	
	Current Year 2010-11	Previous Year 2009-10
SHARE CAPITAL		
a) Authorised		
3,00,00,000 Equity Shares of Rs.10/- each	300000000.00	300000000.00
b) Issued,Subscribed & Paid up		
23254527 Equity Shares of Rs.10/-each	232545270.00	295090530.00
Less unpaid calls	335750.00	671500.00
(After reduction as per BFIR order dated 01.04.2010)	<u>232209520.00</u>	<u>294419030.00</u>

SCHEDULE 'B' FORMING PART OF BALANCE SHEET AS ON 31.03.2011**SECURED LOANS**

Loans & advances from Others

TERM LOANS

25000000.00

25000000.00

25000000.0025000000.00

1. Term loan of Rs.250.00 Lac from others for Distillery unit is Secured against Plant & Machinery.

SCHEDULE C FORMING PART OF BALANCE SHEET AS ON 31.03.2011

FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS			BLOCK AT COST		DEPRECIATION			NET		BLOCK
	AS on 01.04.2010	Addition during the year	Less : Sale/Tfr.	Total Cost 31.03.2011	Depreciation UPTO 31.03.10	Depreciation during the year	Dep. W/back	Total Depreciation	W.D.V AS ON 31.03.2011	W.D.V as on 31.03.2010	
1. Land	18990100.18	0.00	0.00	18990100.18	0.00	0.00	0.00	0.00	18990100.18	18990100.18	
2. Buildings	115567040.58	1549399.00	0.00	117116439.58	24747484.20	1885956.91	0.00	26633441.11	90482998.47	90819556.38	
3. Plant & Machinery	308116322.48	0.00	0.00	308116322.48	215426655.20	16282997.09	0.00	231709652.29	76406670.19	92689667.28	
4. Plant & Machinery (GBDP)	109638974.96	14101150.00	0.00	123740124.96	18529661.96	6204652.84	0.00	24734314.80	99005810.16	91109313.00	
5. Furniture & Fixtures	1803901.08	33940.00	0.00	1837841.08	1365029.73	107917.40	0.00	1472947.13	364893.95	438871.35	
6. Office Equipment	2971482.98	29800.00	0.00	3001282.98	1595995.30	142037.21	0.00	1738032.51	1263250.47	1375487.68	
7. Agrl. Equipments	1111004.15	0.00	0.00	1111004.15	542612.25	52772.70	0.00	595384.95	515619.20	568391.90	
8. Vehicles	5865100.56	1595716.00	0.00	7460816.56	4469684.76	309466.89	0.00	4779151.65	2681664.91	1395415.81	
9. Tractor	459974.00	0.00	0.00	459974.00	459974.00	0.00	0.00	459974.00	0.00	0.00	
10. Computer	1813323.55	29000.00	0.00	1842323.55	1036069.82	294867.05	0.00	1330936.87	511386.68	777253.72	
TOTAL	566337224.52	17339005.00	0.00	583676229.52	268173167.22	25280668.09	0.00	293453835.31	290222394.21	298164057.30	
PREVIOUS YEAR	551913307.52	14423917.00	0.00	566337224.52	243986960.02	24186207.20	0.00	268173167.22	298164057.30	307926347.50	
CAPITAL WORK IN PROGRESS											
11. Advances for Capital Assets	11731397.00	0.00	6702242.00	5029155.00	0.00	0.00	0.00	0.00	5029155.00	11731397.00	
12. Building under Construction	0.00	1549399.00	1549399.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
13. Plant & machinery(turbine)	5814071.00	42840.00	5856911.00	0.00	0.00	0.00	0.00	0.00	0.00	5814071.00	
14. Brewery Project Under Construction	772361.00	0.00	0.00	772361.00	0.00	0.00	0.00	0.00	772361.00	772361.00	
15. Bio-Gas Digester	38343673.00	5557623.00	0.00	43901296.00	0.00	0.00	0.00	0.00	43901296.00	38343673.00	
16. ENA storage barrels	2551412.00	0.00	2551412.00	0.00	0.00	0.00	0.00	0.00	0.00	2551412.00	
17. Juice Pipe Line	0.00	300756.00	300756.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18. Evaporator Plant	1664036.00	22099974.00	0.00	23764010.00	0.00	0.00	0.00	0.00	23764010.00	1664036.00	
19. Plant & Machinery- DG Set	0.00	2457105.00	2457105.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20. Plant & Machinery GBDP	0.00	2794986.00	2794986.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21. Plant & machinery(Pet Bottle)	0.00	16140641.00	0.00	16140641.00	0.00	0.00	0.00	0.00	16140641.00	0.00	
22. Pet Bottle Plant Under Construction	0.00	3596096.98	0.00	3596096.98	0.00	0.00	0.00	0.00	3596096.98	0.00	
24. Pre Operative Exp. (Rewari Distillery)	0.00	45817.00	0.00	45817.00	0.00	0.00	0.00	0.00	45817.00	0.00	
23. Decanter Plant Under Construcion	0.00	3268601.00	0.00	3268601.00	0.00	0.00	0.00	0.00	3268601.00	0.00	
TOTAL	60876950.00	57853838.98	22212811.00	96517977.98	0.00	0.00	0.00	0.00	96517977.98	60876950.00	
PREVIOUS YEAR	53750663.00	21550204.00	14423917.00	60876950.00	0.00	0.00	0.00	0.00	60876950.00	53750663.00	

PICCADILY Sugar & Allied Industries Ltd.

piccadily

SCHEDULE D FORMING PART OF BALANCE SHEET AS ON 31.03.2011

Particulars	(Amount in Rs.)	
	Current Year 2010-11	Previous Year 2009-10
CURRENT ASSETS LOANS AND ADVANCES	31.03.2011	31.03.2010
A. CURRENT ASSETS		
a) INVENTORIES:		
STOCK IN TRADE (As per inventories taken valued & certified by the management)		
i) STORES & SPARES	9899823.94	8574094.24
ii) RAW MATERIAL	2225761.99	1376170.31
iii) FINISHED GOODS	17346725.98	14683769.98
Total 'a'	29472311.91	24634034.53
b. SUNDRY DEBTORS (UNSECURED BUT CONSIDERED GOOD)		
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING 6 MONTHS	1060475.12	1060475.12
OTHER DEBTS	0.00	0.00
TOTAL 'b'	1060475.12	1060475.12
c. CASH & BANK BALANCES		
i) CASH IN HAND	1097584.00	581412.00
BALANCES WITH SCHEDULED BANK IN:-		
i) CURRENT ACCOUNTS	4134630.75	1482660.72
ii) FIXED DEPOSIT	479680.00	479680.00
iii) INTEREST ACCRUED ON FDR	190377.00	155029.00
Total 'c'	5902271.75	2699781.72
d. LOANS & ADVANCES (unsecured - considered good)		
Advances recoverable in cash or in kind or for value to be received.	16422789.74	12557303.22
Security Deposits	6301628.00	6301628.00
TOTAL 'd'	22724417.74	18858931.22
Total ('a'+ 'b'+ 'c'+ 'd')	59159476.52	47252222.59

SCHEDULE 'E' FORMING PART OF BALANCE SHEET AS ON 31.03.2011**CURRENT LIABILITIES AND PROVISIONS****A. CURRENT LIABILITIES**

1. Sundry Creditors for		
Due to micro and small Entrepreneurs	0.00	0.00
Others	288014119.35	292216849.83
2. Expenses Payable	3712061.00	3731751.00
3. Statutory Liabilities	14709691.62	14959735.12
4. Other Liabilities	7840105.08	10391804.08
5. Interest Accrued But Not Due	6395157.00	10101733.00
Total	320671134.05	331401873.03

B. PROVISIONS

Provision for Gratuity	2532189.00	2429012.00
Total	323203323.05	333830885.03

SCHEDULE 'F' FORMING PART OF BALANCE SHEET AS ON 31.03.2011

Particulars	(Amount in Rs.)	
	Current Year 2010-11	Previous Year 2009-10
MISCELLANEOUS EXPENDITURE	31.03.2011	31.03.2010
(to the extent not written off or adjusted)		
PROFIT & LOSS ACCOUNTS		
Profit / (Loss) as per last balance sheet	(287956685.14)	(314771644.47)
Net Profit / (loss) transfer profit & loss A/c	28234180.81	26814959.33
Less: Reduction of Share as per BFIR order 01/04/2010	122209510.00	0.00
	<u>(137512994.33)</u>	<u>(287956685.14)</u>

SCHEDULE 1 FORMING PART OF BALANCE SHEET AS ON 31.03.2011**SALES & OTHER INCOME**

PML SALE	246212925.00	328647090.00
DENATURED SPIRIT SALE	304428.00	122315.00
BAGGASSE/AGRICULTURE RESUDES SALE	0.00	550234.00
BIO COMPOST FERTILIZER SALE	6707934.00	8384941.00
RICE GRAIN (NAKU)	0.00	29552020.00
SUGAR SALE	2653577.00	0.00
RECTIFIED SPIRIT/ ENA SALE	3380000.00	0.00
TOTAL (A)	259258864.00	367256600.00
MISC INCOME	4036389.50	3088536.32
TOTAL (B)	<u>4036389.50</u>	<u>3088536.32</u>
TOTAL (A+B)	<u>263295253.50</u>	<u>370345136.32</u>

SCHEDULE 2 FORMING PART OF BALANCE SHEET AS ON 31.03.2010**COST OF RAW MATERIAL/PURCHASES**

OPENING STOCK	1376170.31	9216652.20
COST OF RAW MATERIAL/PURCHASES	78279665.00	117635724.00
	79655835.31	126852376.20
LESS: CLOSING STOCK	(2225761.99)	(1376170.31)
TOTAL	<u>77430073.32</u>	<u>125476205.89</u>

SCHEDULE 3 FORMING PART OF BALANCE SHEET AS ON 31.03.2011**MANUFACTURING EXPENSES**

CHEMICALS	6086498.25	4045569.24
PACKING MATERIALS	63099729.96	62010248.33
MACHINERY REPAIR	811200.00	716183.94
ELECTRICAL REPAIR	240301.00	248148.46
LEASE RENT	122400.00	567869.00
ENVIRONMENT & ETP EXPENSES	3199183.00	3261792.00
POWER & FUEL	2112777.08	11012854.42
EXCISE DUTY	234169.00	134692.00
TOTAL	<u>94921258.29</u>	<u>81997357.39</u>

SCHEDULE 4 FORMING PART OF BALANCE SHEET AS ON 31.03.2011

Particulars	(Amount in Rs.)	
	Current Year 2010-11	Previous Year 2009-10
EMPLOYEMENT COST	31.03.2011	31.03.2010
SALARY, WAGES & BONUS	9898904.00	12414367.00
PROVIDENT FUND	136352.00	164394.00
STAFF WELFARE	323888.00	322801.00
GRATUITY PROVISIONS	136616.00	224079.00
TOTAL	10495760.00	13125641.00

SCHEDULE 5 FORMING PART OF BALANCE SHEET AS ON 31.03.2011**ADMINISTRATIVE & OTHER EXPENSES**

ADVERTISEMENT AND PUBLICITY	172207.00	135369.00
LEASE RENT/ HIRE CHARGES	0.00	1513.85
AUDIT FEE	100000.00	100000.00
TAX AUDIT FEES	25000.00	25000.00
DIRECTOR REMUNERATION	210000.00	868333.00
TRAVELLING & CONVEYANCE	536702.00	669048.00
FEES & TAXES	2255450.00	1518927.00
INSURANCE	14278.00	86000.00
POSTAGE AND TELEPHONES	1630333.50	634775.00
PRINTING AND STATIONERY	491139.00	253875.00
PROFESSIONAL CHARGES	1262506.00	1214445.00
OFFICE RENT	1740000.00	1080000.00
SERVICE TAX	286504.00	0.00
RUNNING AND MAINTENANCE OF VEHICLES	452405.00	358475.00
STAFF WELFARE	6745.00	0.00
FARM EXPENSES	565918.00	0.00
REPAIR AND MAINTENANCE		
BUILDING	144383.00	123041.00
OTHER	0.00	2665.00
SUNDRY BALANCE W/OFF	0.00	115788.65
DONATIONS	700000.00	7200.00
TOTAL	10593570.50	7194455.50

SCHEDULE 6 FORMING PART OF BALANCE SHEET AS ON 31.03.2011

<u>INTEREST</u>	2689991.00	6774166.21
BANK CHARGES	83218.49	93625.47
TOTAL	2773209.49	6867791.68

SCHEDULE 7 FORMING PART OF BALANCE SHEET AS ON 31.03.2011**SELLING & DISTRIBUTION EXPENSES**

LOADING CHARGES	697005.00	750954.00
COMMISSION ON SALES	8183574.00	9152082.00
FREIGHT OUTWARDS	7237310.00	7244576.00
TOTAL	16117889.00	17147612.00

SCHEDULE-G ACCOUNTING POLICIES AND NOTES ON ACCOUNTS AND BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. ACCOUNTING POLICIES

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

B NOTES ON ACCOUNTS

- 1 Contingent Liabilities:
- | | (Rs in Lacs)
Current Year | (Rs in Lacs)
Previous Year |
|--|------------------------------|-------------------------------|
| a) Additional demand raised by Sales tax authorities pending in appeals. | 67.47 | 67.47 |
| b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances). | 190.13 | 291.98 |
| 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, Excise duty. | Unascertained | Unascertained |
- 2 Sundry debtors, loans and advances and Sundry Creditors are subject to confirmation, reconciliation and adjustment and the amount is unascertained.
- 3 The remuneration paid to directors is as follows :
- | | Current Year (in Rs.) | Previous Year (in Rs.) |
|---------------------|-----------------------|------------------------|
| Whole time director | 210000.00 | 868333.00 |
- Computation of net profit in accordance with section 349 of the Companies Act, 1956.
- | | 2010-11
(Rs in Lacs) | 2009-10
(Rs in Lacs) |
|--|-------------------------|-------------------------|
| Profit for the year before taxation as per P & L Account | 282.34 | 268.15 |
| ADD : Directors' Remuneration | 2.10 | 8.68 |
| Less : Profit on sale of fixed assets | Nil | Nil |
| Profit u/s 198 of the Companies Act, 1956 | 284.44 | 276.83 |
- The remuneration to Directors being paid accordance with schedule XIII and section 198, 309 & 310 of the Companies Act 1956.

- 4 Financial expenses include interest on term loan 26.88 lacs (Previous year Rs.47.92 lacs) and on cash credit account with bank Rs. Nil (Previous year Rs. 18.78 lacs).
- 5 Miscellaneous income of Rs. 40.36 lacs (Previous year Rs 30.89 lacs) includes Rs. 0.40 lacs as interest (Previous year Rs 0.49 lacs), Rs 0.04 lacs sundry balances written off (Previous year Rs 0.03 lacs) , Rs 27.39-lacs as wastage recovered from L-13 Agents (Previous year Rs 18.35 Lacs), Rs Nil as refund from Hospital Charitable Trust (Previous year Rs. 10.00 Lacs), Rs Nil refund from sales tax authority (previous year Rs. 0.93 lacs), Rs 0.83 lacs as excise duty (Previous year Rs 1.09 lacs) and Rs. 11.70 lacs as Agriculture produce & other/misc. Sales (previous year Rs. Nil)
- 6 No provision of Income Tax has been made to keeping in view the carry forward losses and non applicability of section 115 JB of the Income Tax Act.
- 7 In pursuance of the orders of the Board for Industrial & Reconsturction (BIFR) New Delhi dt 01/04/2010 it has been directed to reduce the paid up capital by 50%. Accordingly, new shares in the ratio of one share for every two shares held by a shareholder have already been issued and the new capital has been listed with BSE. The BIFR has discharged the company from the perview of SICA/ BIFR as the net worth of the company has become positive as on 30/09/2010. The order were issued by the BIFR on 03/12/2010 regarding discharge of company from BIFR.
- 8 The break up of Deferred Tax is as under :-

	31.03.2011 (Rs. In Lacs)	31.03.2010 (Rs. In Lacs)
Deferred Tax Assets		
1. On account of carry Forward tax losses & Unabsorbed depreciation	678.45	1032.35
2. Expenses allowable on payment basis (u/s 43 B)	38.85	38.21
Total (A) : -	717.30	1070.56
Deferred Tax Liability		
Timing difference on account of depreciation	458.75	458.95
Total (B) : -	458.75	458.95
NET DEFERRED TAX ASSETS Total (A-B) : -	258.55	611.61

The company has not recognized deferred tax assets as there is reasonable certainty considering the quantum of losses available to the company to be carried forward to subsequent Assessment year, the same may not be fully adjusted against future profit in view of Provision of Sec 72(3) of Income Tax Act 1961.

- 9 The company has calculated earning per share in accordance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India, as per details given below:

PARTICULARS	Current Year	Previous Year
PROFIT/(LOSS) DURING THE YEAR (In Rs.)	28234180.81	26814959.32
NO OF SHARES	23254527	29509053
FACE VALUE	10	10
Basic & Diluted Earning per Share(in Rs.)	1.21	0.91

- 10 In accordance with Accounting Standard 18, " Related Party Disclosures" The Company has complied the following information.

a) List of related parties and their relationship

Related parties: i) Piccadily Agro Industries Limited (PAIL)

ii) Piccadily Hotels Pvt. Limited (PHPL)

Key Director - Sh Kartikeya Sharma

b) Related Party Transactions:

	(Rs. In Lacs)	(Rs. In Lacs)
Nature of Transaction	PAIL	PHPL
Purchases	61.06	-
Sales	46.67	-
Interest Payable (Total=26.88-2.69 TDS)	24.19	-

	Share Capital	600.00	-	
	Rent Payable	-	17.40	
11	Segment Reporting : - As per the Accounting standard No. 17 issued by the Institute of Chartered Accountants of India, New Delhi, segment reporting is applicable to the company as the company has two profit centers i.e. Sugar Unit & Distillery Unit. The main financials of the reporting is given as under: -			
		SUGAR UNIT	DISTILLERY UNIT	TOTAL
	a) Segment Revenue			(Rs. in Lacs)
	Sales & Other Income	36.72	2595.11	2631.83
	Inter Segment Revenue	0.00	0.00	0.00
	TOTAL	36.72	2595.11	2631.83
	b) Segment Results			
	Profit /Loss before Interest, Depreciation & Taxation	(40.58)	603.46	562.88
	Depreciation	163.19	89.62	252.81
	Profit /Loss After Depreciation	(203.77)	513.84	310.07
	Interest Expenses	0.21	27.52	27.73
	Provision for Taxation	0.00	0.00	0.00
	Net Profit/Loss	(203.98)	486.32	282.34
	Other information			
	Segment Assets	1582.80	2876.20	4459.00
	Segment Liabilities	2248.28	983.75	3232.03
	Capital Expenditure Depreciation debited to P&L A/c	163.19	89.62	252.81

Notes :-

- a) The reportable business Segments are "Sugar" and Distillery.
 - b) The type of products in each business segments are as under:
 1. Sugar : Sugar, Molasses and Bagasse.
 2. Distillery: - Punjab Medium Liquor (PML), Rectified Spirit (RS), ENA and De-natured spirit.
 - c) Interdivisional transfers have been valued at prevailing market price.
 - d) Accumulated losses of Rs. 1375.13 lacs have been excluded from Segments Assets shown above.
 - e) There is no unallocated amount of revenue /expenses.
12. The information as required by para 3,4C and 4D of part II of Schedule VI of the Companies Act, 1956:-

A.	PARTICULARS OF LICENCED/INSTALLED	CAPACITY/PRODUCTION/PURCHASE		
		UNIT	CURRENT YEAR	PREVIOUS YEAR
	LICENCED CAPACITY			
	INSTALLED CAPACITY			
	SUGAR UNIT	TCD	2500	2500
	DISTILLERY UNIT	KLPD	40	40
	PRODUCTION :-			
	MOLASSES PURCHASED	QTLS IN LACS	0.63	0.31
	PUNJAB MEDIUM LIQUOR	CASES IN LACS	9.40	10.11
	DE- NATURED SPIRIT	BULK LITRES IN LACS	1.08	0.44
	RECTIFIED SPIRIT/ ENA	BULK LITRES IN LACS	18.55	13.36
	ENA PURCHASED	BL LACS	8.64	15.64
	GRAIN PURCHASED	QTLS IN LACS	0.17	0.46

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

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

	UNIT	Qtls (in Lacs)	Value (Rs. in Lacs)
Molasses	Quintals	0.59	317.76
	(in Lacs)	(0.39)	(292.61)
Rice-Grain (Naku)	Quintals	0.19	171.56
	(in Lacs)	(0.15)	(115.16)
EN/RS	BL	25.83	774.30
	(in Lacs)	(15.64)	(551.47)

C PARTICULARS OF SALES

(Figure of Qty and value in lacs)

	Unit	Qty	Value
1 Sugar	Bags	0.009	26.54
		(0)	(0)
2 PML	IN CASES	9.13	2462.13
		(10.22)	(3286.47)
3 DE-NATURED Spirit	IN BULK LITRES	0.12	3.04
		(0.05)	(1.22)
4 Rectified Spirit	IN BULK LITRES	1.00	33.80
		(0)	(0)
5 Bio-compost Fertilizer	IN BAGS	0.74	67.08
		(0.93)	(83.85)
6 Rice-Grain (Naku)	QTLS	0.00	0.00
		(0.35)	(295.52)
7 Others	-	-	(5.50)

D OPENING AND CLOSING STOCK OF FINISHED GOODS

(Figure of Qty and value in lacs)

OPENING STOCK	Unit	Qty	Value
1 SUGAR	BAGS	0.009	15.78
		(0.009)	(15.78)
2 PML	CASES IN BOXES *	0.092	13.95
		(0.19)	(28.95)
3 DE-NATURED SPIRIT	B.L. IN LACS	0.72	17.69
		(0.35)	(8.96)
4 RECTIFIED SPIRIT/ ENA	B.L. IN LACS	1.82	82.29
		(1.41)	(55.20)

* each case of 9 Ltrs.

CLOSING STOCK	Unit	Qty	Value
1. Sugar	Bags	0.000	0.00
		(0.009)	(15.78)
2. PML	BOXES IN LACS	0.393	69.02
		(0.092)	(13.95)
3. DE NATURED SPIRIT	B.L IN LACS	1.64	39.50
		(0.72)	(17.69)
4. RECTIFIED SPIRIT/ ENA	B.L IN LACS	1.31	53.42
		(1.82)	(82.29)

5. Rice-Grain (Naku)	Qtls	0.000	0.00
		(0.015)	(13.00)
6. Bio-Compost fertilizer	Bags	0.30	15.14
		(0.57)	(17.08)

Figures in brackets represents previous year figures.

(Rs in Lacs)

E	Earnings in Foreign Exchange	Rs. Nil.	(Rs. Nil)
F.	Value of imports of CIF basis	Rs. Nil.	(Rs. Nil)
G.	Expenditure of Foreign currency	Rs. Nil.	(Rs. 3.46)
H.	The previous year's figures have been recast/regrouped wherever considered necessary to facilitate.		
I.	Schedule A to G and Annexure 1 to 7 form an integral part of Balance Sheet and Profit & Loss Account.		

In terms of our separate report of even date

Sd/-
DEVINDER SHARMA
(WHOLE TIME DIRECTOR)

Sd/-
H.P.S. MANN
(DIRECTOR CANE)

Sd/-
Nikhilesh Verma
(Company Secretary)

for JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : Bhadson (Karnal)
DATED : 30-05-2011

Sd/-
NEERAJ JAIN
(PARTNER)

PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration No.	L15424PB1993PLCO13137	State Code	16
	Balance Sheet Date	31.03.2011		
II	Capital Raised during the year(Amount in Rs. Thousands)			
	Public Issue		Right Issue	
	NIL		NIL	
	Bonus Issue		Private Placement	
	NIL		60000.00	
III	Position of mobilisation and Deployment of funds(Amount in Rs. Thousands)			
	Total Liabilities		Total Assets	
	260210		260210	
	Source of Funds			
	Paidup Capital		Reserves & Surplus	
	232210		3000	
	Secured Loans		Unsecured Loans	
	25000		0	
	Application of Funds			
	Net Fixed Assets		Investments	
	386740		0	
	Net Current Assets		Miscellaneous Expenditure	
	(264044)		0	
	Accumulated Losses			
	137513			
IV)	Performance of Company(Amount in Rs. Thousand)			
	Turnover/Miscellaneous Income		Total Expenditure	
	263184		234949	
	Profit Before Tax		Profit After Tax	
	28234		28234	
	Earning Per Share in Rs.		Dividend Rate %	
	1.21		NIL	
V)	Genetic Names of three Product service of company (As per monetary Terms)			
	Item Code No. (ITC Code)		Product Description	
	17011109		White Crystal Sugar	
	17031000		Molasses	
	23010000		Bagasse	

In terms of our separate report of even date

Sd/-	Sd/-	Sd/-	
DEVINDER SHARMA	H.P.S. MANN	Nikhilesh Verma	for JAIN & ASSOCIATES
(WHOLE TIME DIRECTOR)	(DIRECTOR CANE)	(Company Secretary)	CHARTERED ACCOUNTANTS
			Sd/-
			NEERAJ JAIN
			(PARTNER)

PLACE : Bhadson (Kamal)
DATED : 30-05-2011

PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.

CASH FLOW STATEMENT	(Amount Rs. '000)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profits	28234	26815
ADJUSTMENTS FOR:		
Depreciation	25281	24186
Interest on term loans	2690	6774
Interest Received	(40)	(49)
Excess balance written back	0	0
Income tax	0	0
provision for gratuity	103	224
Profit on sale of assets	0	0
Investment w/off	0	0
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	56268	57950
ADJUSTMENTS FOR:		
Trade & Other Receivables	0	0
Inventories	(4838)	3214
Trade payables	(7024)	(21567)
	(11862)	(18353)
Cash flow from operating Activities	44405	39598
Direct Taxes Paid	0	0
Cash flow from operating Activities	44405	39598
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(52980)	(21550)
sale of assets	0	0
Loans & Advances	(3865)	12677
Purchase/(sale) of Investments	0	0
Capital Issue & Deferred Expenses	0	0
Interest Received	40	49
Net Cash from investing activities	(56806)	(8824)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Term Loans	0	(59844)
Receipt of loan	0	0
Payments of Unsecured loans	0	(4075)
Receipt of share application money	22000	38000
Interest Paid on Borrowings	(6397)	(4355)

Net Cash flow from Financing Activities	15603	(30275)
Net increase in Cash or Cash Equivalents	3203	499
Cash & Cash Equivalents as on 31.3.2010	2699	2200
Cash & Cash Equivalents as on 31.3.2011	5902	2699
	3203	499

In terms of our separate report of even date

Sd/-

DEVINDER SHARMA
(WHOLE TIME DIRECTOR)

Sd/-

H.P.S. MANN
(DIRECTOR CANE)

Sd/-

Nikhilesh Verma
(Company Secretary)

for JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

NEERAJ JAIN
(PARTNER)

PLACE : Bhadson (Karnal)
DATED : 30-05-2011

AUDITOR'S CERTIFICATE

We have checked the above Cash Flow Statement of Piccadily Sugar & Allied Industries Limited derived from the audited financial statement for the year 31st March 2011 with the books record maintained in the ordinary course of business and found the same in accordance here with.

For Jain & Associates
Chartered Accountants

Sd/-

NEERAJ JAIN
(PARTNER)

PLACE : Bhadson (Karnal)
DATED : 30-05-2011

PROXY FORM

PICCADILY SUGAR & ALLIED INDUSTRIES LTD.

Regd. Office: Jakhall Road, Patran, Distt. Patiala, Punjab

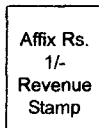
I/We _____ of _____ in the District of _____

(Address) Being a member(s) of PICCADILY SUGAR & ALLIED INDUSTRIES LTD. hereby appoint _____ of _____ in the District of _____ or failing him _____ as my/our Proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 10.30 A.M. at the Registered Office of the company Jakhall Road, Patran, Distt. Patiala, Punjab.

AS WITNESS my/our hand(s) this _____ day of _____ 2011.

Regd. Folio No./Client ID

Signature



Note:

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

ATTENDANCE SLIP

PICCADILY SUGAR & ALLIED INDUSTRIES LTD.

Regd. Office: Jakhall Road, Patran, Distt. Patiala, Punjab

I Hereby record my presence at the 18th Annual General Meeting of Piccadily Sugar and Allied Industries Limited held at the Registered Office of the Company Jakhall Road, Patran, Distt. Patiala, Punjab on the Friday, 30th September, 2011 at 10.30 A.M.

Full Name of the Shareholder/Proxy _____

Full Address of the First Shareholder _____

Regd. Folio No./Client ID _____

No. of Shares Held _____

ShareHolder's/Proxy's Signature _____

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

PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.

Regd. Office: Jakhai Road, Patran,
Distt. Patiala, Punjab