

22nd ANNUAL REPORT

2014-15



**PICCADILY SUGAR &
ALLIED INDUSTRIES LTD.**

Board of Directors

Sh. Devinder Sharma, Wholetime Director
Sh. Harvinder Chopra, Independent Director
Sh. Jai Parkash Kaushik, Independent Director
Ms. Madhu Sharma, Director

Auditors

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

Registered Office & Factories

Registered Office: Jakhal Road, Patran, Distt. Patiala, Punjab

Corporate Office

DLF Building, D Block, 3rd Floor
IT Park Chandigarh

Company Secaratory

Nikhilesh Verma

CIN No. : L15424PB1993PLC013137

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NOTICE

Notice is hereby given that the Twenty second Annual General Meeting of the members of Piccadilly Sugar & Allied Industries Limited will be held on Wednesday, 30th September 2015 at 11.00 A M at its Registered office. i.e. Jakhal Road, Patran , Distt. Patiala , Punjab 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, 2015, 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, 2015.
2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit , to pass , with or without modification(s) , the following resolution as an Ordinary Resolution

"Resolved that M/s Jain & Associates, Chartered Accountants (Registration no 001361N), be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company at such remuneration as shall be fixed by the Board of Directors of the company."

SPECIAL BUSINESS:

3. To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of section 149 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms .Madhu Sharma (DIN : 07149078), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

By Order of the Board of Directors
Sd/- Devinder Sharma
Wholtime director
DIN No. 03264719

Dated: 30/05/2015

Place: Gurgaon

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy so appointed need not be a member of the company. The instrument appointing Proxy should however be deposited at the Registered office of the company not less than 48 hours before the time and date fixed for the meeting.

A person can act as a Proxy on behalf of members not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a Proxy for any other member.

A proxy form is attached to the Annual Report

2. The company has already notified closure of Register of members and Share Transfer Books from Wednesday, 23rd September to Wednesday, 30th September 2015 (both days inclusive) for purpose of Annual General Meeting

3. 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.

4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

5. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting.

6. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc from the company electronically.

7. Members desiring of any information as regards to accounts are requested to write to the company at least ten days in advance to enable the management to keep the information ready

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their Depository participants with whom they are maintaining their Demat Accounts. Members holding their shares in physical form can submit details to the company /Registrars and Transfer Agents Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkush Industrial Area, A-387, GT Karnal Road, Azadpur, Delhi-110033.

9. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management.

10. The relevant Explanatory Statement pursuant to section 102 of the Companies Act 2013 in respect of Special Business in the notice annexed hereto.

11. During the e voting period, members of the company holding shares either in physical form or dematerialised form as on cut-off-date i.e. 23rd September 2015 may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the company as on the cut of date. As per explanation (ii) of rule 20 of the Companies (management and Administration) rules 2014, cut-off-date means a date not earlier than 7 days before the date of General meeting.

12. The company has paid the initial listing fees to Bombay Stock Exchange (BSE Ltd.)

13. E-voting

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 & clause 35B of Listing Agreement and any other applicable provisions, the Company is pleased to provide its members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) on the items mentioned in the notice by electronic means through e-voting Services provided by National Securities Depository Ltd (NSDL).

The instructions for remote voting are as under:

A. In case a member receives e-mail from NSDL (For members whose email addresses are registered with the company /Depository Participant) the member should open the PDF file attached with the email . The said PDF file contains his /her user ID and pass word for e-voting . Please note that the password is an initial password

B. In case member receives AGM Notice in physical form (for members whose e-mail addresses are not registered with the company /Depository participants) the user ID and initial password for remote e-voting is provided on the covering letter enclosed with the Annual report.

C. The following steps should be followed for casting the vote through remote e-voting (in both the cases mentioned at 13(A) & 13(B) above):

i) Open the internet browser and type the following [URL:http://www.evoting.nsdl.com](http://www.evoting.nsdl.com)

ii) Click on Shareholder-Login

iii) If you are already registered with NSDL for e voting then you can use your existing user ID and password.

iv) If you are logging for the first time, please enter your user ID and password provided through e-mail(as per serial No 13(A) above) or in physical form (as per Sr No 13(B) above) as the case may be.

v) The pass word change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

vi) Home page of remote e-voting opens. Click on remote e-voting >active voting cycles.

vii) Select "EVEN" (E –Voting Event number) of Piccadilly Sugar & Allied Industries Limited for the purpose of voting in AGM as mentioned in the covering letter enclosed with the Annual report. Now you are ready for remote e-voting as caste vote page opens.

viii) The voting rights of the shareholder shall be reckoned in proportion to their shares in the total paid up equity share capital of the company as on 23rd September 2015.

ix) Cast your vote by selecting appropriate option and Click on "submit" and also confirm when prompted.

x) Upon confirmation, the message "Vote Caste Successfully" will be displayed.

xi) You can similarly vote in respect of all the resolutions forming part of the Notice of AGM. The members can login any number of times during the voting period, till they have voted on all the resolutions.

xii) Once the vote on the resolution is caste, the member shall not be allowed to change it subsequently.

xiii) Corporate/ Institutional shareholders (i.e. other than individuals , HUF, NRI etc.) are also required to send scanned certified true copy(PDF format) of the Board resolution/Authority letter ,etc, together with attested specimen signature(s) of the duly authorised representatives to the scrutinizer through email with a copy marked to evoting@nsdl.co.in

D. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

E. The company has appointed Mr. Kanwaljit Singh, a practising Company Secretary (Membership no FCS 5901) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

F. The remote e voting period shall commence on (Sunday) 27th September (9.00 A.M.) 2015 to Tuesday 29th September 2015 (5.00p.m.) . The remote e voting module shall be disabled by NSDL for voting thereafter.

G. In case of any queries , you may refer the frequently asked questions (FAQs) for shareholders & remote e voting user manual for shareholder , available at the downloads section of www.evoting.nsdl.com

H. You can also update your mobile number & e mail id in the user profile details of the folio which may be used for sending future communication(s)

I. Any person who acquires shares of the company and become member of the company after despatch of the notice and holding shares as of the cut-off date may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA

However, if you are already registered with NSDL, for remote e voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990

J. A person, whose name is recorded in the register of members or in the register beneficial owners maintained by the Depositories as on the cut of date only shall be entitled to avail the facility of remote e voting /voting at the AGM through ballot paper.

K. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held , allow voting with the assistance of scrutinizer , by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

L. The Scrutinizer shall after the conclusion of voting the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall may , not later than 3 days of the conclusion of the AGM, a consolidated scrutinizer 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 & declare the result of the voting forthwith.

M. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.psailpatran.com and on the website of NSDL immediately after the declaration of result by the chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchange.

During the e-voting period, members of the company holding shares either in physical form or dematerialised form as on the cut of date i.e. 23rd September 2015 may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the company as on cut off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules 2014, cut off date means a date not earlier than 7 days before the date of meeting.

By Order of the Board of Directors

Sd/-

Devinder Sharma

Wholtime Director

DIN No. 03264719

Dated: 30/05/2015

Place: Gurgaon

EXPLANATORY STATEMENT

Explanatory Statement for resolutions mentioned under item no. 3 pursuant to section 102 of the Companies Act 2013 (hereinafter referred to as the "Act")

Item no 3.

The Board of Directors of the company at its meeting held on 31/03/2015 has appointed Ms Madhu Sharma as additional Director of the company under the provisions of section 149 and 152 of Companies Act 2013. Ms Madhu Sharma is graduate in Arts. She has got 18 years experience in teaching & has vast knowledge in computers. She is also participating in activates of various NGO's and is very concerned for the weaker & downtrodden society.

The resolution seeks approval of members for the appointment Ms Madhu Sharma as woman Director . In the opinion of Board of Directors her appointment will be beneficial for the company.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for approval of the members. None of the Directors and Key Managerial Personnel of the Company and their relatives except Ms Madhu Sharma and Sh. Devinder Sharma are concerned or interested, financially or otherwise, in the ordinary Resolution set out at Item No.3 of the Notice.

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have the pleasure in presenting their 22nd Annual Report together with Audited Accounts of the Company for the year ended 31st March 2015

FINANCIAL RESULTS:**(Rs. In lacs)**

Particulars	31 st March 15	31 st March 14
Total Income	1367.69	1526.71
Increase/(decrease) of Stock in trade	47.97	13.09
Profit before Interest & Depreciation	487.77	460.55
Less : Interest	258.49	244.70
Depreciation	248.67	213.77
Profit/(Loss) before Tax	(19.39)	2.08
Provision for Tax/Deferred Tax	-	-
Net Profit / Loss	(19.39)	2.08
Transfer to General Reserve	-	2.08

Review of the operations of Sugar Mill**1) Sugar Mill**

Sugar Mill did not commence the crushing operations during the season 2014-15 due to adverse conditions prevailing in the entire country. The Sugar Mill has recorded turn over of Rs. 107.24 Lacs

2) Distillery

The Distillery has produced 348579 cases of Punjab Medium Liquor (PML), 77626 (Bulk Liters) Extra Neutral Alcohol (ENA) , 6460 (Bulk Liters) Denature Spirit

The Distillery recorded a turnover of Rs.1260.45 Lacs.

Share Capital

During the period under review the company has not issued any sweat equity, ESOP , Bonus shares, and/or Convertible debenture during the year.

Dividend

Your Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2015, due to accumulated Losses.

Directors & Key Managerial Personnel

During the year, The Board of Directors of the company at its meeting held on 31/03/2015 has appointed Ms Madhu Sharma as additional Director of the company under the provisions of section 149 and 152 of Companies Act 2013 and Sh. Ashok Sharma has ceased to be Director of the company.

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 as well as clause 49 of the Listing agreement.

Board Meetings

During the year under review 5 (five) 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.

Board evolution

In a separate meeting of independent Directors, performance of non –independent directors, performance of Board as a whole and performance of Chairman was evaluated. Based on such report of the meeting of independent Directors and taking into account the views of executive director and non executive director the Board had evaluated its performance on various perimeters such as Board composition and structure, effectiveness of board processes, effectiveness of flow of information, contributions from each directors etc.

Deposits

Your company has not accepted any deposits from the public during the year.

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.

Auditors & Audit report

Statutory Auditors

M/s. Jain & Associates, Chartered Accountants Chandigarh, the Statutory Auditors of the Company, retiring at the conclusion of this Annual General Meeting and are eligible for e-appointment. Pursuant to the provisions section 139 of the Companies Act 2013 and rules framed there under, it is proposed to appoint M/s. Jain & Associates, Chartered Accountants Chandigarh as Statutory Auditors of the Company from the conclusion of this Annual General meeting till the conclusion of next Annual General Meeting

The company has received letter from M/s. Jain & Associates, Chartered Accountants to the effect that their appointment, if made would be within the prescribed limits under section 141(3) (g) of the Companies Act 2013 and they are not disqualified for reappointment.

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

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. Kanwaljit Singh, Practising Company Secretary as Secretarial Auditors of your company for the financial year 2014-2015. The Secretarial Audit report for the financial year 2014-15 is annexed to this report as Annexure-A

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.

Subsidiary

There are no Subsidiary company & Associates of the company.

Contracts or Arrangements with related Parties

Particulars of contracts /arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 were in ordinary course of business and on arms length basis are provided to this report in Form no. AOC-2 as per Annexure –C

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.

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 quarterly Internal Audit reports.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. High lights of remuneration policy are stated in the corporate Governance report.

Significant and material orders passed by the Regulators or Courts

There are no significant material orders passed by the regulators/ Courts which would impact the going concern status of the company and its future operations. However in line with the requirement of clause 36 of the Listing Agreement read with guidance note issued by the Stock Exchange, the company has reported all the major cases/litigation matters etc from time to time to the Stock exchanges.

Extract of Annual Return

The details forming part of the extract of the Annual return is given in Annexure –D of this report.

Corporate Social Responsibility

Your company has transferred necessary funds to M/s Pt. Kedar Nath Sharma Hospital & Charitable Trust for undertaking CSR activities. CSR Details are given in Annexure -E

Pursuant to the provisions of Section 135 of the Companies Act 2013 and rules thereto, a Corporate Social Responsibility committee of the Board has been constituted to monitor CSR activities.

Corporate Governance & Policies

Pursuant to clause 49 of the Listing Agreement with BSE Ltd (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.

Your board has in accordance with the requirements of Companies Act 2013 & Clause 49 of Listing Agreement has adopted new 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.

Your board in accordance with the requirements of Companies Act 2013 & Clause 49 of Listing Agreement has formed Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Audit Committee, Stakeholders

relationship Committee & business risk Management Committee as per Annexure- F.

Particulars of Employees

The information required pursuant to section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of employees of the company, will be provided on request, in terms of section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to date ensuing Annual General Meeting, if any member is interested in inspecting the same, such member may write to the company Secretary in advance.

Director's Responsibility Statement

Pursuant to the requirement under section 134(5) of the Companies Act 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. 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.

3. 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

4. The Directors have prepared the Annual Account ongoing concern basis.

5. 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.

6. 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.

For Piccadilly Sugar & Allied Industries Limited

Place : Gurgaon
Date : 30/5/2015

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

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[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,
Piccadilly Sugar & Allied Industries Limited
Jakhall 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 & 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 & ALLIED INDUSTRIES LIMITED'S 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, 2015 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 & ALLIED INDUSTRIES LIMITED ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d) 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;
 - e) 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, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the company has not granted any options to its employees during the financial year under review.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the company has not issued any debt securities during the financial year under review.
 - f) 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.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.
- I have also examined compliance with the applicable clauses of the following:
- a) Secretarial Standards issued by The Institute of Company Secretaries of India- Not notified hence not applicable for the audit period.
 - b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;
- During the period under review the Company has generally 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 decision is carried 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 to commensurate with the size and operations of the company and 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:

Sugar Cess Act, 1982

a) Food Safety and Standards Act, 2006

b) Essential Commodities Act, 1955

c) Sugar Development Fund Act, 1982

d) Levy Sugar Price Equalization Fund Act, 1976

Reliance has been placed on the compliance system prevailing in the company and Legal compliance Certificates received from the unit heads and taken on record by the board, as regards compliance of laws specifically applicable to the industry to which the company belongs.

I further report that:

1. The company has not filed the necessary return in Form MGT-14 in respect of appointment of Chief Financial Officer of the company, Approval of Unaudited Quarterly Results for the quarter ending September 30, 2014 and December 31, 2014.

During the audit period:

1. The company passed a Special Resolution under Section 180(1)(a) of Companies Act, 2013 to authorise the directors to create a charge or mortgage on the property of the company.
2. The company passed a special resolution under Section 180(1)(c) of Companies Act, 2013 to authorise the directors to exercise borrowing powers upto a limit of Rs. 100.00 Crores
3. The company passed a special resolution under Section 180(1)(a) of the Companies Act, 2013 for sale of Land & Building, Plant & Machinery, movable and immovable assets of Sugar Mill (Division).

Apart from the business stated above, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Gurgaon

Date : 30.5.2015

Sd/-

KANWALJIT SINGH THANEWAL

FCS: 5901

C.P. No. 5870