



PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED

Our Company was originally incorporated as a public limited in the name and style of "Piccadily Sugar and Allied Industries Limited" under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on March 15, 1993, by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. Our Company received the certificate for commencement of business on March 17, 1993, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

Corporate Identity Number: L15424PB1993PLC013137

Registered Office: Jakhall Road, Patran, Distt Patiala, Punjab - 147001; **Telephone:** +91-0172-4660993;

Contact Person: Ms. Sapna, Company Secretary and Compliance Officer

Email: piccadilyrightissue@gmail.com, piccadilygroup34@rediffmail.com; **Website:** www.psalpatran.com

OUR PROMOTERS: MR. SIDDHARTHA SHARMA, MS. PRACHI SETTY, M/S SOON-N-SURE HOLDINGS LIMITED, M/S PICCADILY AGRO INDUSTRIES LIMITED AND M/S PICCADILY HOTELS PRIVATE LIMITED

WILFUL DEFAULTER OR FRAUDULENT BORROWER

NEITHER OUR COMPANY NOR ANY OF OUR PROMOTERS OR DIRECTORS IS CATEGORISED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 1,29,19,177 (ONE CRORE TWENTY NINE LAKH NINETEEN THOUSAND ONE HUNDRED SEVENTY SEVEN ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF RS. 10 EACH PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO RS. 12,91,91,770 (RUPEES TWELVE CRORE NINETY ONE LAKH NINETY ONE THOUSAND SEVEN HUNDRED SEVENTY) ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARES FOR EVERY 9 (NINE) FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1 (ONE) TIME THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 132.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the offer including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "Risk Factors" on page 21 of this Draft Letter of Offer.


ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("BSE" or "Stock Exchange"). Our Company has received 'in-principle' approval from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

 **Turnaround Corporate Advisors Private Limited**
CIN: U74140DL2015PTC278474
714, Vishwadeep Building, Plot No. 4, District Centre,
Janakpuri, New Delhi-110058
Tel: +91-11-45510390, 41395590
E-mail: Info@tcagroup.in
Investor Grievance Email: complaints@tcagroup.in
Website: www.tcagroup.in
Contact Person: Mr. Heemadri Mukerjia/Ms. Shweta
SEBI Registration No.: MB/INM000012290

REGISTRAR TO THE ISSUE

 **Mas Services Limited**
CIN: U74899DL1973PLC006950
T-34 2nd Floor, Okhla Industrial Area, Phase-2, New
Delhi-110020
Tel : +91-11-26387281-83; Fax: +91-11-26387384
E-mail: info@masserv.com
Investor Grievance Email: investor@masserv.com
Website: www.masserv.com
Contact Person: Mr. Nanak Chand
SEBI Registration No.: INR000000049

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meanings as provided below.

The words and expressions used in this Draft Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, SEBI ICDR Regulations, the SEBI LODR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in the sections/ chapters titled “**Industry Overview**”, “**Offer Document Summary**”, “**Financial Information**”, “**Statement of Special Tax Benefits**”, “**Outstanding Litigations and Material Developments**”, “**Terms of the Issue**” on pages 54, 17, 78, 51, 119 and 132 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

CONVENTIONAL OR GENERAL TERMS

Term	Description
“Piccadily Sugar and Allied Industries Limited” or “our Company”, or “the Company” or “the Issuer”	Piccadily Sugar and Allied Industries Limited, a public limited company incorporated in India under the Companies Act, 1956, having its registered office at Jakhal Road, Patran, Distt Patiala, Punjab - 147001
“we” or “us” or “our” or “PSAIL”	Unless the context otherwise indicates or implies, refers to our Company.

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of our Company, as amended from time to time
Auditors	The Statutory Auditors of the Company, being M/s Aggarwal Sahil & Associates, Chartered Accountants
Board /Board of Directors	The Board of Directors of our company or a duly constituted committee thereof.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Compliance Officer	The compliance officer of our Company in relation to the Issue
Equity Shares	The Equity Shares of our Company of face value of Rs. 10 each
Group Companies/Entities	In terms of SEBI ICDR Regulations, the term “group companies” includes companies (other than our Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy.
Independent Director	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI

	LODR Regulations
KMP/ Key Managerial Personnel	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “ Our Management ” on page 71
Memorandum/ MOA/ Memorandum of Association	Memorandum of association of our Company, as amended from time to time
Promoter(s)	1) Mr. Siddhartha Sharma 2) Ms. Prachi Setty 3) M/s Soon-N-Sure Holdings Limited 4) M/s Piccadily Agro Industries Limited 5) M/s Piccadily Hotels Private Limited
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office/ Registered Office of the Company	The Registered Office of our Company located at Jakhal Road, Patran, Distt Patiala, Punjab – 147001
Registrar of Companies /ROC	Registrar of Companies, Punjab & Chandigarh
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/Allotted/Allotment/Allotment of Equity Shares	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) /Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R- WAP, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application though R-WAP facility or through the website of the SCSBs (if made available by such

	SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	The number of Equity Shares applied for and as indicated in the Application Form multiplied by Issue Price per Equity Share payable by the Applicants on submission of the Application Form.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make application authorizing a SCSB to block the application amount in the ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●].
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in “ Terms of the Issue ” on page 132.
BSE	BSE Limited
Controlling Branch of SCSB	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	NSDL and CDSL registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available http://www.sebi.gov.in
Designated Stock Exchange	BSE Limited
DP	Depository Participant
DP ID	Depository Participant’s Identity number
Draft Letter of Offer	The Draft Letter of Offer dated April 08, 2022, to be filed with the Stock Exchange
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “Notice to Investors” on page 11.
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from

	resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●].
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018
IEPF	Investor Education and Protection Fund
ISIN	International securities identification number
Issue / Rights Issue	Issue of up to 1,29,19,177 (One Crore Twenty Nine Lakh Nineteen Thousand One Hundred Seventy Seven) Rights Equity Shares for cash at a price of Rs. 10 (Rupees Ten) per Rights Equity Share, for an aggregate amount up to Rs. 12,91,91,770 (Rupees Twelve Crore Ninety One Lakh Ninety One Thousand Seven Hundred Seventy) on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Shares for every 9 (Nine) Equity Shares held by the Eligible Equity Shareholders on the Record Date.
Issue Agreement	Issue agreement dated April 06, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	The price at which Equity Shares will be Issued and allotted by our Company being Rs. 10/-(Rupee Ten only) per Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to 1,29,19,177 (One Crore Twenty Nine Lakh Nineteen Thousand One Hundred Seventy Seven) Rights Equity Shares aggregating to an amount up to Rs. 12,91,91,770 (Rupees Twelve Crore Ninety One Lakh Ninety One Thousand Seven Hundred Seventy)
LM / Lead Manager	The Lead Manager for the Issue being Turnaround Corporate Advisors Private Limited
Letter of Offer / LOF	This letter of offer dated [●] filed with the Stock Exchange and SEBI
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see “ Objects of the Issue ” on page 46.
Non Institutional Investors/NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●].

Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
Other/ Non Retail Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●].
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●]
Registrar/ Registrar to the Issue/RTI	MAS Services Limited
Registrar Agreement	Agreement dated April 07, 2022 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI– Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than Rs. 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ Res	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 5 (Five) Rights Equity Shares for every 9 (Nine) Equity Shares held by the Eligible Equity Shareholder on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and the link of which is available on the website of our Company.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
R – WAP	Registrar’s web-based application platform accessible at www.masserv.com , instituted as an optional mechanism in accordance with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021,

	<p>SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24 2020; and SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/submitting online Application Forms by resident public Investors.</p> <p>This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts</p>
Revision Form	The form used by the Applicants to modify the quantity of www.masserv.com Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
SEBI Relaxation Circulars	SEBI Circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021.
SEBI– Rights Issue Circular	Collectively, SEBI Circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI Circular bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI ICDR Regulations/ SEBI (ICDR) Regulations/ SEBI (ICDR) Regulations, 2018	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time
SEBI LODR Regulations/SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI Takeover Regulations/SEBI (SAST) Regulations/ SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Self Certified Syndicate Bank or SCSB	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , and as updated from time to time
Stock Exchange	BSE Limited
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter or a fraudulent borrower	Wilful Defaulter or a Fraudulent Borrower means a person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India; in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.

Working Days	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai and Delhi are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai and Ahmedabad are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays.
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TECHNICAL/INDUSTRY RELATED TERMS/ ABBREVIATIONS

Term	Description
BEP	Break-Even Point
COD	Commercial Operation Date
CTE	Consent To Establishment
CTO	Consent To Operate
DG Set	Diesel Generator Set
DP	Drawing Power
DDGS	Dried Distillers Grains with Soluble
DWGS	Distillers Wet Grains Soluble
ENA	Extra Neutral Alcohol
ETP	Effluent Treatment Plant
IMFL	Indian-Made Foreign Liquor
KLPD	Kilo Litre Per Day
kVA	Kilovolt-Ampere
kW	Kilowatt
LED	Light-Emitting Diode
ML	Milliliter
MPBF	Maximum Permissible Banking Finance
MPR Distillation	Multipressure Distillation
MW	Megawatt
pH	Potential of Hydrogen
PML	Punjab Medium Liquor
PSA	Pressure Swing Adsorption
RS	Rectified Spirit
SCADA software	Supervisory Control and Data Acquisition Software
TPH	Ton per Hour
BEP	Break-Even Point
COD	Commercial Operation Date

CONVENTIONAL TERMS/ ABBREVIATIONS

Term	Description
AIF/Alternative Investment Funds	Alternative Investment Funds as defined and registered under the SEBI AIF Regulations
AGM	Annual General Meeting
AMC	Annual Maintenance Contract
ASBA	Application Supported by Blocked Amount
A.Y.	Assessment Year
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.

BV / NAV	Book value / Net Asset Value
CAGR	Compounded Annual Growth Rate.
CARO	Companies (Auditor's Report) Order, 2016
CDSL	Central Depository Services (India) Ltd.
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time i.e. NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository Participant /DP	A depository participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identification number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employees Stock Option Plan
FCNR Account	Foreign Currency Non Resident Account.
FCRA	Foreign Contribution (Regulation) Act, 2010
FDI	Foreign Direct Investment
FDI Policy 2017/FDI Policy	The Consolidated FDI Policy, effective from August 28, 2017, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board.
Financial Year/fiscal year/FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FMS	Facility Management Services
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investor
Government/ GOI	The Government of India.
GAAP	Generally Accepted Accounting Principles
GAAR	General Anti Avoidance Rules
GIGW	Guidelines For Indian Government Websites
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IAAS	Infrastructure as a Service
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013 and referred to in the Ind AS Rules

Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR or Rupee or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial Public Issue
IRDA	Insurance Regulatory and Development Authority.
IT Act/ I. T. Act	Income-Tax Act, 1961
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition (nine digit code as appearing on a cheque leaf)
Mn, mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NAV	Net asset value.
NBFC	Non-banking Financial Company
NBFC – ND – SI	Systemically Important Non-Deposit Taking NBFC
NBFC – SI	Systemically important non-banking financial company, as covered under Regulation 2(1)(ss)(xiii) of the SEBI ICDR Regulations
NCR	National Capital Region
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR/Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non Resident Indian
NRE Account	Non-Resident External Account.
NRI/Non-Resident Indian	A non-resident Indian as defined under the FEMA Regulations
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited
OCB/ Overseas Corporate Body	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty percent by NRIs and includes an overseas trust in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably and which was in existence on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the relevant regulations issued under FEMA
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934

Regulation S	Regulation S under the Securities Act
RONW	Return on Networth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Securities Act	United States Securities Act of 1933, as amended
STT	Securities Transaction Tax
UK	United Kingdom
U.S./U.S.A.	United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or a fraudulent borrower	Wilful Defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them, subject to compliance with relevant SEBI circulars/ notices giving/ extending relaxation in dispatch of physical issue material to those eligible equity shareholders who have not provided a valid email address to the Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP, subject to the applicable law.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company, subject to compliance with relevant SEBI circulars/ notices giving/ extending relaxation in dispatch of physical issue material to those eligible equity shareholders who have not provided a valid email address to the Company. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except in India. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, or other Issue Materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer (“**Restricted Jurisdictions**”) and, in those circumstances, the Letter of Offer or any other Issue Materials must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, or any other Issue Materials should not distribute such document(s) to any person outside India where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, or any other Issue Materials is received by any person in any Restricted Jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India.

Envelopes containing an Application Form should not be postmarked or otherwise dispatched from any Restricted Jurisdiction, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, or any other Issue Materials nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or any other Issue Materials or the date of such information.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the purchase or

sale of Rights Equity Shares or Rights Entitlements. Accordingly, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certifications set out in the Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

The Rights Entitlements and the Rights Equity Shares have not been approved, disapproved or recommended by the United States Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authority of any other jurisdiction or any other regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

Notice to Investors in the United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States of America and may not be offered or sold in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only (a) to persons in the United States who are reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act (“**U.S. QIBs**”) pursuant to Section 4(a)(2) of the Securities Act and (b) to persons outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”). In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares in the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

The Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style that is either prescribed by SEBI, the Stock Exchanges or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, (i) our Company’s financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the United States Securities Commission and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the offer and sale of the Rights Entitlements and the Rights Equity Shares under the Securities Act.

Our Company is a limited liability company incorporated under the laws of India. All of our Company’s Directors and key management personnel are residents of India and a substantial portion of our Company’s assets and such persons are located in India. As a result (i) it may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, (ii) you may not be able to sue our Company, our Directors and our key management personnel in an Indian court for violations of the U.S. securities laws, and (iii) it may be difficult to compel our Company and our affiliates to be subject to a U.S. court's judgment.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see “**Financial Information**” on page 78. Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The Financial Statements of our Company for the Financial Years ended March 2019, 2020 and 2021 are prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act. The Limited Reviewed Financial Statements of our Company for the nine months period ended December 31, 2021 is prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and SEBI LODR Regulations. Our Company publishes its financial statements in Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “Financial Information” on page 78.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Conditions and Results of Operation**” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology including ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘forecast’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘target’, ‘will’, ‘would’ or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- our ability retain and renew such approvals and licences or comply with rules and regulations applicable to our business;
- our ability to comply with various safety, health and environmental laws, labour, and workplace related laws and regulations;
- Our ability to successfully operate our manufacturing facilities located at Patran and Bawal;
- Our ability to retain our clients and/or secure tenders floated by government/public sector undertakings;
- Our ability to source raw materials in a timely and cost effective manner.
- Any delay in the commencement of operations as scheduled as per the proposed up gradation plan
- changes in the estimated project cost

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on pages 21, 57 and 113, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, the Lead Manager nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Letter of Offer or to reflect the occurrence of underlying events, even if the underlying

assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SECTION II - OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the Sections titled “**Risk Factors**”, “**Issue Information**”; and Chapters titled “**Capital Structure**”, “**Objects of the Issue**”, “**Industry Overview**”, “**Our Business**”, “**Outstanding Litigation and Material Developments**” on pages 21, 132, 44, 46, 54, 57 and 119 respectively.

SUMMARY OF BUSINESS

The Company is engaged in production of various brands of country liquor and Indian-made foreign liquor at its existing distilleries at Patran and Bawal.

The Company produces liquor under following brands:

Punjab Medium Liquor (PML) Brands:

- Saunfia No.1
- Malta No.1
- Raspberry No.1
- Marshall XXX Rum
- Rocky Whisky
- Bouncer White Rum

Indian Made Foreign Liquor (IMFL) Brands:

- UP-Golden Wings Rare Select Whisky
- UP-Whistler Barrel Aged Blended Malt Whisky
- UP-Piccadily's Pure Super Premium Matured XXX Dark Rum
- Punjab-Golden Wings Blended Malt Whisky
- Punjab-Whistler Barrel Aged Blended Malt Whisky
- Punjab-Pure Dark Rum

For details, see “**Our Business**” on page 57.

OBJECTS OF THE ISSUE :

The details of the Objects of the Issue are set forth in the following table:

S.No	Particulars	Total Estimated Amount (Rs. In Lakhs)
1.	Upgradation of PSAIL’s Patran Distillery Unit situated at Patran, Distt: Patiala, Punjab by installation of balance of plant & machinery (“BOP”) for ethanol production.	1,222.27
2.	General Corporate Purposes	34.65
3.	Issue Related Expense	35
	Total	1,291.92

Means of Finance:

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

INTENTION AND EXTENT OF PARTICIPATION BY PROMOTER/PROMOTER GROUP

Pursuant to letter dated April 06, 2022 (“Subscription Letter”), M/s Piccadily Agro Industries Limited, one of our

Promoters, have for and on behalf of the Promoters and members of Promoters' Group of the Company i.e. Mr. Siddhartha Sharma, Ms. Prachi Setty, M/s Soon-N-Sure Holdings Limited, M/s Piccadily Hotels Private Limited and M/s Piccadily Agro Industries Limited ("Promoters' Group"), have inter-alia undertaken as under:

- (a) The Promoters' Group intends to subscribe to the full extent of its Rights Entitlements in the proposed Rights Issue
- (b) The Promoters' Group shall not renounce its Rights Entitlements, except to the extent of renunciation by Promoters' Group in favour of any other member of the Promoters' Group.
- (c) The Promoters' Group, reserves the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUMMARY OF OUTSTANDING LITIGATION AND DEFAULTS

A summary of outstanding litigation involving our Company our Subsidiaries as on the date of this Draft Letter of Offer is provided below:

S. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (in Rs. Lakh)
1.	LITIGATION INVOLVING OUR COMPANY		
A.	Proceedings involving issue of moral turpitude or criminal liability		
i.	Litigation against our Company	Nil	Nil
ii.	Litigation by our Company	Nil	Nil
B.	Matters involving material violations of statutory regulations by our Company	Nil	Nil
C.	Economic Offences where proceedings have been initiated against our Company	Nil	Nil
D.	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
(a)	Litigation against our Company	02	Rs. 6,81,05,116.70 Lakhs (Rupees Six Crores Eighty One lakhs and Five Thousand One Hundred and Sixteen and paise Seventy Only)
(b)	Litigation by our Company	06	Rs. 12,40,95,718.96 (Rupees Twelve Crores Forty Lakhs Ninety Five Thousand Seven Hundred and Eighteen and Paise Ninety Six)

			only)
(c)	Tax Proceedings involving our Company	Unascertained	Unascertained
E.	Pending action by statutory or regulatory authorities against our Company	Nil	Nil
2.	LITIGATION INVOLVING OUR SUBSIDIARIES		
(a)	Proceedings involving issue of moral turpitude or criminal liability		
(a)	Litigation against our Subsidiaries	Nil	Nil
(b)	Litigation by our Subsidiaries	Nil	Nil
(b)	Matters involving material violations of statutory regulations by our Subsidiaries	Nil	Nil
(c)	Economic Offences where proceedings have been initiated against our Subsidiaries	Nil	Nil
(d)	Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
(a)	Litigation against our Subsidiaries	Nil	Nil
(b)	Litigation by our Subsidiaries	Nil	Nil
(e)	Pending action by statutory or regulatory authorities against our Subsidiaries	Nil	Nil

For further details of the outstanding litigation proceedings, see “**Outstanding Litigations and Material Developments**” on page 119.

RISK FACTORS:

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “Risk Factors” on page 21 of this Letter of Offer.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

Details of our contingent liabilities as of March 31, 2021 are as under:

Sr. No.	Contingent liabilities:	Amount
(a)	Additional Demand raised by Sales tax Authorities pending in appeals	Unascertained
(b)	Estimated amount of Contracts remaining to be executed on capital account and not provide for (net of advance)	Unascertained
(c)	Contingent Liability in respect of Interest on cane cess if any.	Unascertained
(d)	Contingent Liability in respect of Unassessed cases of Income Tax, Sales Tax , Cane Cess , Excise duty	Unascertained

For disclosure of contingent liabilities as per Ind AS 37 as at March 31, 2021 please see the section Financial Statements – “Note 29 Accompanying Notes to the financial statement” in the chapter Financial Information beginning from page 78 of this Draft Letter of Offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of the related party transactions, see “**Financial Statements**” beginning on page 78.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Letter of Offer.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the “Financial Information” on page 78, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 57, 54 and 113, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “Forward Looking Statements” on page 15.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Draft Letter of Offer. For further information, see “Financial Information” on page 78. In this section, unless the context otherwise requires, a reference to “our Company”, “we”, “us” or “our” is a reference to Piccadily Sugar and Allied Industries Limited on a standalone basis

INTERNAL RISK FACTORS

- 1. The novel coronavirus (Covid-19) pandemic outbreak and steps taken control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.**

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be reintroduced in the future. Certain countries have reinstated lockdown conditions due to a “second wave” of the COVID-19 outbreak and the discovery of a new strain of the coronavirus in the United Kingdom. Further the State Governments reinstated complete lockdown conditions and/or imposed additional restrictions owing to the “second wave” of the pandemic during the first quarter of the current financial year.

The rapid spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses including manufacturing sector. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. While the Government of India and other governments in the world have initiated its COVID-19 vaccination drive, there is still some uncertainty relating to the impact of the COVID-19 pandemic on the global and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. Accordingly, if the uncertainty relating to the impact of the COVID-19 pandemic continues, our business operations may be impacted adversely.

Furthermore, even though all members of our team are duly vaccinated against Covid still in the event any member or members of our management or operations team being severely impacted by COVID-19, it may potentially affect our operations.

The impact of COVID-19 pandemic on the overall economic environment still being uncertain. Any risks arising on account of a fresh round of COVID-19 such as in relation to lockdown, slowdown of economic activities, loss of life and debilitation of key personnel can have an adverse effect on our business, results of operations, cash flows and financial condition.

We are not able to predict the duration and severity of the economic conditions arising out of a fresh outbreak of COVID-19 pandemic and as a consequence, our financial results for a particular period are difficult to predict.

2. In the past, our Company was declared a sick company on account of its inability to pay its debtors. Although, the Company's accounts were regularised following the BIFR proceedings, there is no assurance that such proceedings or actions may not be commenced in the future.

Our Company had been declared a sick industrial company vide order dated October 03, 2002, in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and an Operating Agency under Section 17(3) of the Sick Industrial Companies (Special Provisions) Act, 1985 to examine the viability of the Company and to formulate a scheme for the revival of the Company, if found viable. The Company had filed reference application with Board for Industrial and Financial Reconstruction (BIFR) under Section 15(2) of the Sick Industrial Companies (Special Provisions) Act, 1985, as the net worth of the Company had completely eroded as per the Audited Balance Sheet for the financial year ended March 31, 2001. A scheme for rehabilitation of the Company was sanctioned by BIFR in its hearing dated April 01, 2010. In terms of the Sanctioned Scheme, the equity share capital of the Company was reduced by 50%. BIFR in its hearing dated December 03, 2010 noted that the Company had implemented substantial portion of the Sanctioned Scheme and that the Company has ceased to be a "sick industrial undertaking" within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Although, our Company is no longer a sick industrial unit, however, our future operating results are difficult to predict and may differ from period to period. As per the standalone audited financials of our Company for the year ended March 31, 2021, although the Company has earned profits to the tune of Rs. 91.07 Lakhs, it has an accumulated loss of Rs. 732.10 Lakhs in its books.

3. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses

and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

4. Our business is subject to a variety of safety, health and environmental laws, labour, and workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and financial condition.

Our Company is subject to various central, state and local environmental and safety laws. While we believe that our facilities are currently in compliance in all material respects with applicable environmental laws, legislations and regulatory requirements, additional costs and liabilities related to compliance with these laws and regulations may impact our business. For further details, kindly refer the chapter 'Government and Other Approvals' beginning on page 124 of this Draft Letter of Offer. Further, any changes in the applicable laws and regulations in the future may create substantial environmental compliance or remediation liabilities and costs, including monetary fines, criminal penalties on our Company's officers for violation of applicable laws, or imposition of restrictions on our Company's operations (which may include temporary suspension or closure of its operations). We may also, in the future, become involved in legal or regulatory proceedings, in relation to which we may be required to comply with more rigorous environmental or safety standards, or to incur significant capital and operating expenses and / or remedial costs. These factors may adversely affect our revenues and operations. Since we need labour to run our manufacturing units, our Company is subject to variety of workplace related laws and regulations. We are required to maintain records and also file periodic returns in relation to the same. Although, we believe that we have complied with all the applicable laws and regulations, in the event of any breach of such laws and regulations, we may be subject to penal consequences which would adversely affect our operations and financial condition.

5. Our business is dependent on our operating facilities. The loss or shutdown of our facilities could have a material adverse effect on our business, financial condition and results of operations

Our manufacturing facilities are located at Patran and Bawal, and is subject to operating risks, such as shutdowns due to the breakdown of power supply or processes, performance below expected levels of output or efficiency, labour disputes, strikes, lockouts, disruption by extremist groups, or any other reason, and the need to comply with the directives and regulations of the Government of India ("GoI") and relevant state government authorities. We are heavily reliant on our workers at unit. Our inability to continue to procure such services or any disputes with group of labour could severely affect our operations and may cause underutilization of our capacities or a total shut down.

Our results of operations are dependent on the successful operation of our manufacturing facilities. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and prospects may be adversely affected by any disruption of operations at any of our manufacturing facilities.

6. Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.

We derive a significant portion of our revenues from few clients, some of whom are government/public sector undertakings. The Company has been sourcing business from government/public sector undertakings by participating and bidding in the tenders floated by such government/public sector undertakings. In the event the Company is unable to secure the tender in future or the terms of the offering are not favorable to the Company, our results of operations would be negatively effected.

The loss of our major customers or a decrease in the volume of products sourced from us may adversely affect our revenues and profitability. We cannot assure you that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our

operations and profitability.

In order to facilitate a consequent increase in our sales and to reduce the dependence on few customers, our management constantly endeavours to increase our clientele. However, there can be no assurance that we will be able to add new customers or retain the existing customers. Any deterioration in our relationship with any of them would have a significant adverse impact on our business and financial condition.

7. We have not entered into any long term or definitive agreements with our raw material suppliers. Our inability to obtain raw material in a timely manner, in sufficient quantities and / or at competitive prices could adversely affect our operations, financial condition and / or profitability.

Our business is dependent on our suppliers for procuring raw material required for manufacturing our products. Typically, we do not enter into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers on an ongoing basis. Therefore, there are no fixed terms and conditions on which we purchase our raw materials. Further, fluctuations in the price, availability and quality of raw materials used in our manufacturing process, could have a material adverse effect on cost of sales or our ability to meet customer demands with respect to pricing and quality. There can be no assurance that we will always be successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business may be adversely affected by dramatic movements in the prices of raw materials. Discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and the quality of our products. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected. Further should there be any significant increases in prices of the raw materials used, and we are unable to pass on such increases in raw material prices to our customers or find alternative suppliers / sources for supply of raw materials at competitive prices, our business, operations and financial performance could be adversely affected. Further, such factors can also lead to delay in delivering our products to our customers in a timely manner or at all thereby exposing us to the risk of losing our customers or not obtaining repeat orders from them.

Further our Company is engaged in production of various brands of country liquor and Indian-made foreign liquor at its existing distilleries at Patran and Bawal. The raw materials involved in the production process are molasses, rice, wheat, corn, millet and similar grains. Molasses is a by-product of the sugar industry and is dependent on crop availability. In the event of a shortfall in sugarcane production or other grain, on account of drought during any season, there could be a resultant increase in the prices of molasses and grain, which could affect the future profitability of the Company.

8. Any delay in the commencement of operations as scheduled as per the proposed upgradation plan may affect our profitability.

We propose to carry out **upgradation** in our unit by increase in existing capacity and installation of Re-distillation plant with an investment of approximately Rs. 1222.27 Lakhs, as specified in the Objects of the Issue on page 46 of this Draft Letter of Offer. Timely commencement of commercial operations of new machinery and equipments will have a critical bearing on our financial performance. Any delay in their completion or beginning of the production may adversely impact the results of our operations and would also affect the market price of the Equity Shares.

9. There may be changes in the estimated project cost.

Our primary object is to fund the **upgradation** of our existing ENA (Country Liquor & IMFL) at Patran Unit situated at Jakhal Road, Patran, Distt. Patiala in the State of Punjab from existing capacity of 40 kilo litre per day (“KLPD”) to 70 KLPD. While we have received quotations from various vendors for the purchase of the plant

and machinery (including installation cost), we have not yet placed orders for the same. The actual procurement of plant and machinery and installation thereof may entail significant outlay of cash in addition to the timeframe involved in procuring them. There is a possibility of difference in quoted price and the final procurement price owing to revision in the prices of the plant and machinery due to factors beyond the control of the Company. The stated variation could impact the price of the plant and machinery leading to a change in the estimated project cost. Change in government and government policies like change in taxation policy, exim policy etc. will have a direct bearing on the estimated Project Cost. In the event there is any change in taxes or duties or other charges, whether directly or indirectly, associated with the estimated cost, it will result in change in the estimated project cost. We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy, change in quotation for plant and machinery, revision in purchase orders as well as external factors which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management.

Any delays or failure in the purchase of the plant and machinery and installation thereof and time and cost overruns may mean that we may not achieve the economic benefits expected from such investment which could impact our business, financial condition and results of operations. Further, we may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board.

As on April 06, 2022, the Company has incurred expenses to the tune of Rs. 49.62 Lakh towards the estimated project cost. The above expenditure has been funded from unsecured loans from the Promoters of the Company.

For further details, kindly refer the section titled “Objects of the Issue” beginning on page 46 of this Draft Letter of Offer.

10. Our Company has incurred losses during the financial years ended March 31, 2020 and March 31, 2019. Such financial losses sustained by us in the most recent financial year, may not be perceived positively by external parties such as investors, clients, customers, bankers etc., which may affect our credibility and business operations.

The Company has reported losses in recent financial year. The financial loss in the recent financial year may not be perceived positively by external parties such as investors, clients, customers, bankers etc, which may affect our credibility and business operations. The brief details of our profitability during the last 3 financial years, based on the Audited Financial Statements of the Company pertaining to the respective period, is provided below:

Amount in Rs.

Particulars	Financial Year 2020-21	Financial Year 2019-20	Financial Year 2018-19
Profit Before Exceptional Items and Tax	40,94,478	(2,70,51,577)	(58,94,271)
Exceptional Items	4,85,864	29,42,8657	1,08,29,200
Tax Expenses	(45,16,841)	21,97,216	16,35,659
Profit After Tax	90,97,183	1,79,865	32,99,271

11. Our Company may have potential Conflicts of interest with Companies engaged in similar line of business in which our Promoters have substantial interest.

One of our Promoter Group Company, M/s Piccadily Agro Industries Limited, is engaged in similar line of business as our Company. Our Company does not have any sort of non-compete arrangement with our Promoter Group Company M/s Piccadily Agro Industries Limited and hence there can be no assurance of any conflict of interests which may arise in allocating or addressing business opportunities and strategies amongst our Company and our Promoter Group entity, in circumstances where our interests differ from theirs. In cases of conflict, our Management

may favour M/s Piccadily Agro Industries Limited, in which our Promoters have interest. Hence, conflict of interest may occur between our business and the businesses of our Promoter Group entity, i.e. M/s Piccadily Agro Industries Limited, which could have an adverse effect on our business, financial condition, results of operations and prospects.

12. We have in the past entered into related party transactions and may continue to do so in the future

We have entered into transactions with our Promoters and other related parties. The details of the related party transactions as per the Standalone Audited Financials of the Company, as per the respective same are reproduced below:

Amount in Rs. Lakhs

Particulars		31.03.2021	31.03.2020
A. List of Related Party and Relationship			
Related Party			
I.	Piccadily Agro Industries Limited		
II.	Harvinder & Associates		
III.	Piccadily Hotels Private Limited		
Key Managerial Personnel			
I.	Devinder Sharma		
II.	Avneet Kaur		
III.	Sunil Kumar		
B. Related Party Transactions			
Nature of Transaction	Related Party		
I. Purchase of Goods	Piccadily Agro Industries Limited	421.87	1164.17
II. Sale of Goods	Piccadily Agro Industries Limited	13.99	321.13
III. Professional Charges	Harvinder & Associates	1.80	1.80
IV. Remuneration to Key Managerial Personnel			
	Devinder Sharma (Director)	6.00	6.00
	Avneet Kaur (Company Secretary)	3.42	0.93
	Sunil Kumar (Chief Financial Officer)	10.20	-
C. Balance outstanding with related parties			
	Piccadily Agro Industries Limited	1216.86	1774.30
	Harvinder & Associates	0.28	0.14
	Piccadily Hotels Private Limited	-	-

While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

13. Our Company's inability to procure and / or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our Company's operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, third party liability claims, loss-in-transit for our products, accidents and natural disasters. At present Our Company's insurance policy provides for coverage against risks such as Burglary, Fire and Special Perils for our facility located at Bawal, Haryana. However, there can be no assurance that any claim under the insurance policies

maintained by our Company will be honoured fully, in part or on time. While our Company maintains insurance coverage in amounts consistent with industry norms, the said insurance policies do not cover all risks, specifically risks such as loss of profits, and are subject to exclusions and deductibles. There can be no assurance that our Company's insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If our Company suffers a significant uninsured loss or if the insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by our Company significantly exceeds its insurance coverage, our Company's business, financial condition and results of operations may be materially and adversely affected. For further details on the insurance policies availed by us, kindly refer the paragraph titled "Insurance" in the chapter titled "Our Business" beginning on page 57.

14. The Company does not own Trade Mark for the Company's brands.

As on the Date of this Draft Letter of Offer, the Company does not own any Trade Mark for the Company's brands, as elaborated in the chapter titled Our Business. Further, as on date, the Company does not have an effective system, to protect its existing intellectual property rights. One of the Promoter Group Company, M/s Piccadily Agro Limited is the registered owner of some of the Brand Names being manufactured by our Company. Further, the Company does not have any formal agreement or arrangement with our Promoter Group Company, M/s Piccadily Agro Limited for the use of the brand names. The Company had in past applied for registration of its brand name "Rocky Whisky", but the same was refused by the Trademark Registrar. In the event of any infringement or misuse of our brand names, the Company may not be able to obtain timely injunctive or equitable relief, which may have material adverse effect on our business and financial performance.

Further, the Company neither uses any patented process nor produces any product which is protected by any patent. It has also not sought any patent protection for any of its products or processes.

15. Our success depends largely upon the knowledge and experience of our Directors and Key Managerial Personnel. Any loss of any of our Directors or key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.

Our Directors and Key Managerial Personnel have several years of experience in manufacturing of country liquor/ Indian made foreign liquor and ethanol manufacturing, for a substantial period of time and has requisite knowledge and experience of the trade. This experience of our management gives us a competitive edge over other players operating in the market.

Our Company is dependent on the management skills and guidance of our Directors and Key Managerial Personnel for marketing and growth of our business. Our Directors, along with our key managerial personnel, who form an integral part of our Company, have over the years built relations with government agencies, suppliers, customers and other key stakeholders associated with our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or key managerial personnel are unable or unwilling to continue in his / her present position, and if we are unable to find a suitable or timely replacement then our business could be adversely affected. This may adversely affect our financial condition and results of operations.

16. Our Company is party to certain legal proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations and financial condition.

Our Company is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the legal proceedings against our Company as disclosed in this Draft Letter of Offer:

S. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (in Rs.)

1.	LITIGATION INVOLVING OUR COMPANY		
A.	Proceedings involving issue of moral turpitude or criminal liability		
a)	Litigation against our Company	Nil	Nil
b)	Litigation by our Company	Nil	Nil
B.	Matters involving material violations of statutory regulations by our Company	Nil	Nil
C.	Economic Offences where proceedings have been initiated against our Company	Nil	Nil
D.	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
(a)	Litigation against our Company	02	Rs. 6,81,05,116.70 Lakhs (Rupees Six Crores Eighty One lakhs and Five Thousand One Hundred and Sixteen and paise Seventy Only)
(b)	Litigation by our Company	06	Rs. 12,40,95,718.96 (Rupees Twelve Crores Forty Lakhs Ninety Five Thousand Seven Hundred and Eighteen and Paise Ninety Six only)
(c)	Tax Proceedings involving our Company	Unascertained	Unascertained
E.	Pending action by statutory or regulatory authorities against our Company	Nil	Nil
2.	LITIGATION INVOLVING OUR SUBSIDIARIES		
A.	Proceedings involving issue of moral turpitude or criminal liability		
(a)	Litigation against our Subsidiaries	Nil	Nil
(b)	Litigation by our Subsidiaries	Nil	Nil
B.	Matters involving material violations of statutory regulations by our Subsidiaries	Nil	Nil
C.	Economic Offences where proceedings have been initiated against our Subsidiaries	Nil	Nil
D.	Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
(a)	Litigation against our Subsidiaries	Nil	Nil

(b)	Litigation by our Subsidiaries	Nil	Nil
E.	Pending action by statutory or regulatory authorities against our Subsidiaries	Nil	Nil

There can be no assurance that these litigations will be decided in favour of the Company and consequently it may divert the attention of our management and Promoters and would divert our corporate resources and we may incur significant expenses in such proceedings, which could increase our expenses and liabilities. If such claims are determined against us, there could be an adverse effect on our business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details of the outstanding litigation proceedings, see “**Outstanding Litigation and Material Developments**” on page 119 of this Draft Letter of Offer.

17. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than Rs. 100,00,00,000 (Rupees One Hundred Crores) there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

18. Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity details of which are given below. Sustained negative cash flows could impact our growth and business.

Our Company had reported certain negative cash flows from its operating activity, investing activity and financing activity in the previous years.

The details of cash generated from operating activity, investing activity and financing activity, as per the standalone audited financial statements and the same are summarized as under:

(Amount in Rs.)

Particulars	For the year ended March 31,		
	2021	2020	2019
Cash flow from Operating Activities	31,32,672	(2,09,77,744)	6,55,35,515
Cash flow from Investing Activities	37,82,297	2,89,03,505	(7,25,64,327)
Cash flow from Financing Activities	(9,27,049)	(1,75,34,398)	40,80,121

The details of cash generated from operating activity, investing activity and financing activity, as per the audited financial statements and the same are summarized as under:

(Amount in Rs.)

Particulars	For the year ended March 31,		
	2021	2020	2019
Cash flow from Operating Activities	31,32,670	(2,09,77,457)	6,55,35,515
Cash flow from Investing Activities	37,82,287	2,90,03,504	(7,25,64,327)
Cash flow from Financing Activities	(9,27,048)	(1,75,34,398)	40,80,121

For details, please refer “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on page 113 of this Draft Letter of Offer.

19. We have certain contingent liabilities in our audited financial statements, the amount of which is presently unascertainable. Our financial condition and profitability may be affected if the said

contingent liabilities materialize.

As of March 31, 2021, our contingent liabilities as disclosed in the notes to our Audited Financial Statements are unascertainable. The details of our contingent liabilities are as under:

S. No.	Contingent liabilities not provided for	Amount (Rs. in Lakh)
1.	Additional demand raised by Sales tax authorities pending in appeals	Unascertainable
2.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	Unascertainable
3.	Contingent Liability in respect of Interest on cane cess, if any.	Unascertainable
4.	Contingent Liability in respect of Unassessed cases of Income Tax, Sales Tax, Cane Cess, Excise duty etc.	Unascertainable

If the above stated liabilities materialize, it may have an adverse effect on results of operations. For more details, see "Financial Information" beginning on page 78.

20. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.

In the course of its operations, the Company has availed certain facilities from The Jammu and Kashmir Bank Limited. As a security, some of the moveable and immovable properties of the Company has been charged by the said lender. The details of the charge created are summarized below:

S. No.	Name of the Bank	Amount involved	Type of Facility	Property charged
1.	The Jammu and Kashmir Bank Limited	Rs. 6,78,60,000/- (Rs. 4,90,00,000 + Rs. 1,88,60,000)	Term Loan facility Amounting Rs. 490.00 Lakh and Three Performance Bank Guarantees by J&K Bank. Details of which are as given Below: 1. Rs. 42.65 Lacs (Rupees Forty Two Lacs Sixty Five Thousand Only) in Favour of M/s Bharat Petroleum Corporation Limited. 2. Rs. 74.35 Lacs (Rupees Seventy Two Lacs Thirty Five Thousand Only) in Favour of M/s Indian Oil Corporation Limited 3. Rs. 71.60 Lacs (Rupees Seventy One Lac Sixty Thousand Only) in favour of M/s Hindustan Petroleum Corporation Ltd.	Primary Security: Hypothecation of all kind of Machineries, equipment, furniture fixture and all other moveable fixed assets of the unit (acquired or to be acquired) & Mortgage of project land measuring 8100 Sq mt (2 Acres) appox bearing plot no: 358, sector 3, phase-II, Industrial Estate IMT Bawal Rewari Haryana Additional Security: Land measuring 123 Kanal 16 Marlas of Land situated near Public Girls School at Village Deogarh, Jakhal Road, Tehsil Patran, Distt. Patiala, Punjab.
2.	The Jammu and Kashmir Bank Limited	Rs. 77,75,000/-	Working capital term Loan facility under Guaranteed Emergency Credit Line (GECL)	1. Hypothecation of all kind of Machineries, equipment's, furniture & fixture and all other

				<p>moveable fixed assets of the unit acquired or to be acquired at plot no. 358, sector 3, phase-11 Industrial Estate IMT, Bawal Haryana.</p> <p>2. Mortgage of project land measuring 8100 Sq mt (2Acres) approx. bearing plot no. 358, sector 3, phase-11 Industrial Estate IMT, Bawal Haryana.</p> <p>3. Collateral Mortgage of land measuring 123 Kanal 16 Marlas of land situated near Public Girls School at village Deogarh, Jakhal Road.</p>
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In the event of our default in repayment of the loans availed by us and any interest thereon, our properties may be forfeited by our lenders.

21. Our operations are significantly located in the region of Punjab and Chandigarh and failure to expand our operations may restrict our growth and adversely affect our growth.

Currently, our operations are located in the region of Punjab and Chandigarh and we are carrying our business mainly in the said regions only. Hence, our revenues are generated from operations in this region only. In the event that demand for our products and services in general reduces or stops due to any reason including political discord or instability or change in policies of the said States, then our financial condition and operating results may be materially and adversely affected. Geographical and functional **upgradation** of our business domain requires establishment of adequate network. As we seek to diversify our regional focus we face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating region could impact our future revenues.

22. Liquor industry is heavily regulated by the Government

The business of the Company is subject to the respective State Government's policy on excise. Changes in the fiscal policies of the Government could have an adverse impact on the profitability of the Company. A significant change in the Government liberalization and deregulation policies could affect business and economic conditions in India and the business of the Company in particular. Adverse changes in other regulation such as the distribution norms may affect the operations of the Company. States may individually decide to impose prohibition on the sale of alcoholic beverages including IMFL, as has been done in the past in a couple of states.

23. Our response to latest trends in the distillery industry may adversely affect the competitiveness and the ability of the Company to develop newer generation products.

Our success depends in part on our ability to develop new products and markets. We are constantly scanning the environment for developments related to market perceptions, consumer preferences, competition, regulation, etc. However, our failure to develop new and improved products or develop markets may have an adverse effect on our business.

24. The liquor industry has negative perception in the Indian cultural context, leading to circumstances like ban on liquor consumption, advertising of alcoholic beverages etc. which is not conducive to business development.

The liquor industry faces the ban on advertising of alcoholic beverages and brand promotion is more of retailer-push rather than consumer pull. Other advertising has been through sponsorship of sports events, offer of free drinks, and sponsorship of contests. At the lower end of the market, brand promotion has been mainly through retailer discounts. These generally push up the marketing costs. But at the same time, the industry is wary about ad spend as even some serious effort can go waste if the threat of prohibition becomes a reality. We therefore, cannot assure that our marketing efforts bring the desired results.

25. We face competition in our business from presence of well established players in the market who are operating in the same segment as our Company.

Loss of market share and increase in competition may adversely affect our profitability. Further, we face competition from brands who market similar products as us. Some of our competitors may be able to compete more effectively because of their access to significantly greater resources, which may lead to increased competition. Our products compete with non-branded products and products of other established brands. Such an increase in competition may cause us to increase our marketing expenditure, reduce prices of our products, thereby reducing margins.

26. Our business relies on the reliable performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.

Our Company utilises its information technology systems to monitor all aspects of its businesses and relies to a significant extent on such systems for the efficient operation of its business, including, the monitoring of inventory levels and budget planning. Our information technology systems may not always operate without interruption and may encounter temporary shut downs or disturbances due to power loss, flood, fire, internet and telecommunication failures, break-ins, natural disasters, computer viruses, ransomware, cybercrime or similar events or may become obsolete. We cannot assure that we will be successful in developing, installing, running and migrating to new software systems or systems as required for its overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

Also, we cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our failure to continue its operations without interruption due to any of these reasons may adversely affect our results of operations.

27. The success of our business is largely dependent upon our senior management and key personnel and our ability to attract and retain them could adversely affect our businesses

Our success and growth is largely dependent upon our management and Directors. We believe that the inputs and experience of our management and key personnel are valuable for the development of business and operations and the strategic directions taken by our Company. Our ability to sustain our growth depends, largely on our ability to attract, motivate and retain highly skilled personnel. An increase in the rate of attrition for our experienced employees, would adversely affect our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those senior management and key personnel who leave. The loss of the services of such personnel and our inability to track fresh talent could adversely affect our sales and profitability.

We have a team of professionals to oversee the operations and growth of our business. Our success depends in part on our ability to recruit and retain talented professionals. We may face competition from our competitors in recruiting and retaining employees. The inability to recruit and retain such high quality human resources at

reasonable rates could have an adverse effect on our business and financial condition. The loss of service of our senior management and key personnel could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of our senior management and key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to expand our business.

28. Security breaches and attacks against our systems and network, and any potentially resulting breach or failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and results of operations.

Our cyber-security measures may not detect, prevent or control all attempts to compromise our systems, including viruses, Trojan horses, malicious software, break-ins, phishing attacks, third-party manipulation, security breaches, employee misconduct or negligence or other attacks, risks, data leakage and similar disruptions that may jeopardize the security of data stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cyber-security measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, there can be no assurance that we will be able to anticipate, or implement adequate measures to protect against, these attacks.

EXTERNAL RISK FACTORS

1. The Industry in which we operate is politically sensitive and any adverse decisions on prohibition by the ruling party in the State adversely impacts the operations and financials of our Company.

The Industry in which we operate is politically sensitive and is dependent on ideologies of the party ruling the State. Prohibition has played critical role with the survival and profitability of many breweries and distillery companies in the Industry. On one hand, the revenues loss because of prohibition can threaten the solvency of State governments; the very clamping of the dry order can threaten the regime's existence itself. The prohibition not only ban production, but also ban sale outside the State, which in turn adversely impact the industry. The decision of State government if any, in future, in prohibition in the states where we operate, can directly and adversely impact our financial operations materially.

2. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian, which in turn may adversely impact our business, prospects, financial performance and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

3. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms

at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

4. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and trading price of our Equity Shares

5. Investors may have difficulty enforcing foreign judgments against our Company, our Directors or our management.

Our Company is a limited liability company incorporated under the laws of India. All of our Company's Directors and key management personnel are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

6. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, such as application of GST, may adversely affect our business results of operations, cash flows and financial performance.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. For instance, as of July 1, 2017, GST in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services in India. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

RISKS RELATING TO THE EQUITY SHARES

1. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

2. Our Company will not distribute the Issue Materials to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Issue Materials to such Shareholders who have provided an address in India for the service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While our Company had, in the recent past, requested individual overseas shareholders to provide an address in India, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act and may subject our Company to fines or penalties.

3. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with SEBI – Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before [●], [●]) to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

4. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at www.masserv.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online

payment using the internet banking or UPI facility from their own bank account thereat. For details, see “**Terms of the Issue – Making of an Application through the Registrar’s Web-based Application Platform (“R-WAP”) process**” beginning on page 132. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users’ data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

5. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

6. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity

Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

7. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

8. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

9. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

SECTION IV– INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meetings held on August 19, 2021 and August 30, 2021 and by the Shareholders in the Annual General Meeting held on September 30, 2021, pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “**Terms of the Issue**” on page 132 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 1,29,19,177 Equity Shares (One Crore Twenty Nine Lakh Nineteen Thousand One Hundred Seventy Seven)
Rights Entitlement	5 (Five) Equity Shares for every 9 (Nine) fully paid-up Equity Shares held on the Record Date
Fractional Entitlement	For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (Nine) Equity Shares or is not in multiples of 9 (Nine), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	Rs. 10/-(Rupees Ten only)
Issue Price per Rights Equity Shares	Rs. 10/-(Rupees Ten only)
Issue Size	The issue of up to 1,29,19,177 (One Crore Twenty Nine Lakh Nineteen Thousand One Hundred Seventy Seven) Rights Equity Shares aggregating to an amount up to Rs. 12,91,91,770 (Rupees Twelve Crore Ninety One Lakh Ninety One Thousand Seven Hundred Seventy)
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	1,29,19,177 (One Crore Twenty Nine Lakh Nineteen Thousand One Hundred Seventy Seven) Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	3,61,73,704 Equity Shares
Money payable at the time of Application	Rs. 10/- (Rupees Ten only)
Scrip Details	ISIN: INE544C01023 BSE Scrip Code: 507498
Use of Issue Proceeds	For details please refer to the chapter titled “ Objects of the Issue ” on page 46 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled “ Terms of the Issue ” on page 132 of this Draft Letter of Offer.

GENERAL INFORMATION

Incorporation

Our Company was originally incorporated as a public limited in the name and style of “Piccadily Sugar and Allied Industries Limited” under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on March 15, 1993, by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. Our Company received the certificate for commencement of business on March 17, 1993, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

Registered Office of the Company:

Piccadily Sugar and Allied Industries Limited

Jakhhal Road, Patran, Distt Patiala, Punjab - 147001;

Tel: +91-0172-4660993;

Email: piccadilyrightissue@gmail.com, piccadilygroup34@rediffmail.com

Website: www.psailpatran.com

CIN: L15424PB1993PLC013137

Registrar of Companies

Registrar of Companies, Punjab & Chandigarh

1st Floor, Corporate Bhawan, Plot No.4-B,

Sector 27-B, PIN-160019, Chandigarh;

Tel: 0172-2639415 / 2639416

E-mail: roc.chandigarh@mca.gov.in

Board of Directors

Name	Age	Designation	Address	DIN
Sunil Kumar	43 Yrs	Whole Time Director in the category of Professional Executive Director	Khera (23), Karnal, Haryana, India, 132041	09527641
Madhu Sharma	46 Yrs	Non- Executive Director in the category of Non-Independent Director	House No. 98A, Sector 6, Panchkula, Haryana - 134109	07149078
Harvinder Singh Chopra	61 Yrs	Non- Executive Director in the category of Independent Director	House No. 1330, Sector 37-B, Chandigarh - 160036	00129891
Jai Parkash Kaushik	71 Yrs	Non- Executive Director in the category of Independent Director	House No. 429, Shikhar Apartment, Mansa Devi Complex, Sector 5, Panchkula, Haryana - 134114	02354480

For detailed profile of our Directors, please refer to the chapter titled “Our Management” on page 71 of this Draft Letter of Offer.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Sapna,

Piccadily Sugar and Allied Industries Limited

Jakhhal Road, Patran, Distt Patiala, Punjab - 147001;

Tel: +91-0172-4660993;

Email: piccadilyrightissue@gmail.com, piccadilygroup34@rediffmail.com

Website: www.psailpatran.com

CHIEF FINANCIAL OFFICER

Mr. Anil Kumar Jain

Piccadily Sugar and Allied Industries Limited

Jakhhal Road, Patran, Distt Patiala, Punjab - 147001;

Tel: +91-0172-4660993;

Email: piccadilyrightissue@gmail.com, piccadilygroup34@rediffmail.com

Website: www.psailpatran.com

LEGAL ADVISOR TO THE ISSUE

Ms. Anu Sapra

Address: X-19, Civil Side, Tis Hazari Courts, Delhi

Tel: +91-9213729140;

Email: anusapra67@gmail.com;

BANKERS TO THE COMPANY

PUNJAB NATIONAL BANK

Address: Gur Mandi, Patiala 147001

Contact Person: Mr. Udit Jain

Tel: +91-0175-5030264

Email: bo0379@pnb.co.in

THE JAMMU AND KASHMIR BANK LIMITED

Address: A 41/42, Palam Extension, Ramphal Chowk,

Sector 7, Dwarka, New Delhi - 110075

Contact Person: Mr. Mohd. Altaf Shan

Tel: +91-11-42331394

Email: dwarka@jkbmail.com

LEAD MANAGER TO THE ISSUE

Turnaround Corporate Advisors Private Limited

Address: 714, Vishwadeep Building, Plot No. 4, District Centre

Janakpuri, New Delhi- 110058

Tel: +91-11-45510390

E-mail: info@tcagroup.in

Investor Grievance Email: complaints@tcagroup.in

Website: www.tcagroup.in

Contact Person: Mr. Heemadri Mukerjea/Ms. Shweta

SEBI Registration No.: MB/INM000012290

REGISTRAR TO THE ISSUE

Mas Services Limited

Address: T-34 2nd Floor, Okhla Industrial Area, Phase-2, New Delhi-110020

Tel : +91-11-26387281-83; Fax :+91-11-26387384

E-mail: info@masserv.com

Investor Grievance Email: investor@masserv.com

Website: www.masserv.com

Contact Person: Mr. Nanak Chand

SEBI Registration No.: INR000000049

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see “Terms of the Issue” on page 132.

BANKER(S) TO THE ISSUE /REFUND BANK

[•]

STATUTORY AUDITOR TO THE COMPANY

Aggarwal Sahil & Associates, Chartered Accountants

Address: H. No. 3026, 2nd Floor, Sector 27-D, Chandigarh - 160019

Tel: 9888381668;

Peer Review Certificate No.: 012728

Firm Registration No. : 026978N

Email: caaggarwalsahil@gmail.com

EXPERTS

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated April 06, 2022, from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its their reports on the Audited Financial Statements, the Unaudited Financial Results and the statement of special tax benefits dated April 06, 2022, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

INTER-SE ALLOCATION OF RESPONSIBILITIES AMONG LEAD MANAGER(S)

Since Turnaround Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

CREDIT RATING

This being an issue of equity shares, no credit rating is required.

DEBENTURE TRUSTEES

This being an issue of Equity shares, appointment of Trustee is not required.

MONITORING AGENCY

Since the net proceeds is less than Rs. 100,00,00,000 (Rupees One Hundred Crores) our Company is not required to make arrangements for monitoring agency, in terms of SEBI ICDR Regulations.

DETAILS OF UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

CHANGES IN AUDITORS

There has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Letter of Offer.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchange and not with SEBI.

However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange. The Lead Manager to the Issue, for and on behalf of the Company, will do an online filing of the Letter of Offer with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, the Lead Manager to the Issue, for and on behalf of the Company, will submit a copy of the Letter of Offer to the e-mail address: cfdil@sebi.gov.in.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

MINIMUM SUBSCRIPTION

The objects of the Issue involve financing of capital expenditure for a project. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. If, there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “Issue Information” on page 132.

CAPITAL STRUCTURE

Share capital of our Company as at the date of filing of this Draft Letter of Offer with BSE is set forth below:

(Rs. in Lakh, except share data)

Share Capital	Aggregate Value at Face Value	Aggregate Value at Issue Price
(A) Authorized Share Capital 4,00,00,000 Equity Shares of Rs.10 each	4,000.00	
(B) Issued, Subscribed and Paid-Up Capital before the Issue 2,32,54,527 Equity Shares of Rs.10 each fully paid up	2,325.45	
(C) Present Issue in terms of the Draft Letter of Offer[#] 1,29,19,177 Equity Shares of Rs. 10 each fully paid up	1,291.92	1,291.92
(D) Paid up Equity Capital after the Issue 3,61,73,704 Equity Shares of Rs. 10 each fully paid up*	3,617.37*	3,617.37
(E) Securities Premium Account Before the Issue After the Issue		0.00 0.00

[#] The present Issue has been authorized by the Board of Directors at its meetings held on August 19, 2021 and August 30, 2021 and by the Shareholders in the Annual General Meeting held on September 30, 2021, pursuant to Section 62(1)(a) of the Companies Act

* Assuming full subscription with respect to Rights Equity Shares

For further details, please refer to the Chapter titled “**Issue Information**” on page 132 of the Draft Letter of Offer.

Notes to Capital Structure:

1. Details of outstanding instruments as on the date of this Draft Letter of Offer:

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

2. Except as disclosed under the heading titled “Statement showing holding of Equity Shares of the Promoter and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2021”, no Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

3. **Details of acquisition of Equity Shares by our Promoters or members of Promoter Group in the last one year**

No Equity Shares have been acquired by our Promoters or members of Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

4. Intention and extent of participation by our Promoters and Promoter Group

Pursuant to letter dated April 06, 2022 (“Subscription Letter”), M/s Piccadily Agro Industries Limited, one of our Promoters, have for and on behalf of the Promoters and members of Promoters’ Group of the Company i.e. Mr. Siddhartha Sharma, Ms. Prachi Setty, M/s Soon-N-Sure Holdings Limited, M/s Piccadily Hotels Private Limited and M/s Piccadily Agro Industries Limited (“Promoters’ Group”), have inter-alia undertaken as under:

- (a) The Promoters’ Group intends to subscribe to the full extent of its Rights Entitlements in the proposed Rights Issue
 - (b) The Promoters’ Group shall not renounce its Rights Entitlements, except to the extent of renunciation by Promoters’ Group in favour of any other member of the Promoters’ Group.
 - (c) The Promoters’ Group, reserves the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. 17.25/- (Rupees Seventeen and Paise Twenty Five) per equity share.

6. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI LODR Regulations

- a. The shareholding pattern of our Company as on December 31, 2021, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/piccadily-sugar--allied-industries-ltd/piccasug/507498/shareholding-pattern/>
- b. Statement showing holding of Equity Shares of the Promoter and Promoter Group including details of lock- in, pledge of and encumbrance thereon, as on December 31 , 2021 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=507498&qtrid=112.00&QtrName=Dec-21>
- c. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31 , 2021 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=507498&qtrid=112.00&QtrName=Dec-21>

7. Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on December 31 are as under:

Name	Category	Number of Shares	Percentage of Total shareholding
Siddhartha Sharma	Promoter	34,75,263	14.94
Soon-n-Sure Holdings Limited	Promoter Group	55,69,702	23.95
Piccadily Agro Industries Limited	Promoter Group	83,41,936	35.87

OBJECTS OF THE ISSUE

The objects of the Issue are as follows:

- a. Upgradation of PSAIL's Patran Distillery Unit situated at Patran, Distt: Patiala, Punjab by installation of balance of plant & machinery ("BOP") for ethanol production.
- b. To meet General Corporate Purposes.

The main objects clause of the Memorandum and Articles of Association of the Company enables us to undertake the activities for which the funds are to be raised in the present Issue.

We intend to utilize the proceeds of the Issue after deducting the expenses relating to the Issue ("Net Proceeds of the Issue" or "Net Proceeds"). Net Proceeds of the Issue are estimated at Rs. 1,256.92 Lakh (Rupees Twelve Crore Fifty Six Lakhs Ninety Two Thousand Only) for the abovementioned objects.

DETAILS OF NET PROCEEDS OF THE ISSUE

The details of the estimated proceeds of the Issue are as follows:

Particulars	Estimated Amount (In Rs. Lakh)
Gross proceeds to be raised through this Issue ("Issue Proceeds")*	1,291.92
Issue related expenses	35.00
Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds ("Net Proceeds")	1,256.92

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

DETAILS OF THE OBJECTS OF THE ISSUE

1. Upgradation of PSAIL's Patran Distillery Unit situated at Patran, Distt: Patiala, Punjab by installation of balance of plant & machinery ("BOP") for ethanol production.

The existing Patran Unit of PSAIL has installed capacity of 40 KLPD. However, out of the total, present usable capacity of 40 KPLD is being used for Extra Neutral Alcohol (ENA) (Country Liquor & IMFL) for the liquor business.

In line with Ethanol Blended Petrol (EBP) Programme (target of 20% of Ethanol Blending in Petrol by 2030) of Government of India (GOI), the Company intends to use the unused capacity of 30 KLPD for ethanol production.

The ethanol production requires the installation of balance of plant & machinery ("BOP") and civil works at PSAIL's existing Distillery Unit ("Upgradation Project"). Post Upgradation, the company will have usable capacity of 70 KLPD. Out of the total usable capacity, the company will have the flexibility to produce upto 40 KLPD ENA and upto 60 KLPD Ethanol. However, any given point of time, total capacity cannot exceed 70 KLPD. The Ethanol so produced will be sold to bulk buyers like IOC, HPCL and BPCL. For the Upgradation Project, the total estimated cost is Rs. 1,222.27 lakhs (Rupees Twelve Core Twenty Two Lakhs Twenty Seven Thousand Only). 100% of upgradation cost is proposed to be utilized from the Net Proceeds of the Issue.

Details of Estimated Costs

The details of the estimated costs of the Upgradation Project are set forth below.

		<i>Rs. in Lakhs</i>
S. No.	Particulars	Total estimated amount
a.	Civil works	197.00
b.	Plant and machinery (including installation cost)	1025.27
TOTAL		1,222.27

a. CIVIL WORKS

The Company proposes to utilise an aggregate amount of Rs. 197.00 lakhs (Rupees One Crore Ninety Seven Lakhs Only)

towards civil works for the Upgradation Project. The details of the same are as follows:

S. No.	Particulars	Name of the Contractor	Quotation No. & Date	Amount (exclusive of GST)
i.	Civil Works	M/S Vivek Consultants	Quotation No.: VC/PSAIL/22736-A Date: November 18, 2021*	197.00
TOTAL				197.00

GST amount payable under the contacts will be paid by the Company from its internal accruals.

b. PLANT AND MACHINERY (INCLUDING INSTALLATION COST)

The Company proposes to utilise an aggregate amount of Rs. 1025.27 lakhs (Rupees Ten Crore Twenty Five Lakhs Twenty Seven Thousand Only) towards Plant & Machinery (including installation cost) under Upgradation Project. The quantity of plant & machinery to be purchased is based on management estimates. The details of the plant and machinery proposed to be installed, are as set forth below

Rs. in Lakhs

S. No.	Description of the machinery (including installation cost)	Name of the Contractor/Supplier	Quotation No. & Date	Amount (exclusive of GST)
i.	Boiler	Cheema Boilers Limited	Quotation No.: CBL: 010/R&U/COMMERCIAL: 2021-22 Date: November 19, 2021*	520.00
ii.	RO+MB Based Water Treatment Plant Capacity- 20 KLH (including installation)	Advance Control System	Quotation No.: ACS/PAIL/2309-01/2021-22/WTP Date: November 15, 2021*	75.20
iii.	Grain handling and Milling System	CAN Group of Industries	Supply Agreement dated September 21, 2021	96.22
iv.	Alfa Laval Decanter Model SGDM 405 (Qty-2)	Alfa Laval India Private Limited	Supply Agreement dated October 06, 2021	75.00
v.	Turbine	M/s J.J. Enterprise	Quotation No.: NA Date: November 18, 2021*	58.85
vi.	S.S. & M.S. Tank (including water pipeline, fitting etc.)	Sufyan Ahmad Contractors	Quotation No.: SAC/LIQ/SC-0138- RO/21-22 Date: September 05, 2021*	200.00
TOTAL				1,025.27

*These are valid as on the date of this Draft Letter of Offer.

GST amount payable under the contracts will be paid by the Company from its internal resources.

The above estimation is based on the quotation received from the Suppliers. We have placed the Purchase Order for only a part of the above mentioned machinery. The Purchase Order for the balance machinery will be placed in due course of time as decided by the management. As on the date of this Draft Letter of Offer, Purchase Order for 95.16% of above mentioned machinery aggregating to Rs. 975.65 Lakhs (Rupees Nine Crore Seventy Five Lakhs Sixty Five Thousand Only) is yet to be placed with the Suppliers.

In case of any surplus after utilization of the Issue Proceeds for upgradation of project, our Company may use such surplus towards General Corporate Purposes subject to total utilization not exceeding 25% of the Gross Proceeds of the Issue. In the event Net Proceeds are insufficient for upgradation of project, such payment shall be made from the internal resources of our Company.

2. General Corporate Purposes

We, in accordance with the policies of the Board of Directors, will have flexibility in applying the remaining Net Proceeds of this Issue of Rs. 34.65 Lakhs (Rupees Thirty Four Lakhs Sixty Five Thousand only), for general corporate purposes inter-alia including but not restricted to working capital, advertisement, capital expenditures, purchase of property, strategic initiatives, brand building exercises and strengthening of our marketing capabilities, and such other purposes as may be permitted under applicable statutory/regulatory requirements, and as approved by the Board of Directors.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors based on the amount actually available under the head "General Corporate Purposes" and the business requirements of the Company, from time to time. However, not more than 25% of the gross proceeds of the issue would be deployed for the General Corporate purposes.

REQUIREMENT OF FUND

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)
1.	Upgradation of PSAIL's Patran Distillery Unit situated at Patran, Distt: Patiala, Punjab by installation of balance of plant & machinery ("BOP") for ethanol production.	1,222.27
2.	General Corporate Purposes	34.65
3.	Issue related expenses	35.00
	Total	1,291.92

Strategic and Financial Partners to the Objects of the Issue

There are no strategic or financial partners to the Objects of the Issue.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue. The Promoters of the Company, may, till the time funds are raised in the Issue, infuse funds in the form of unsecured loans so that the progress of the Upgradation Project is not hampered or delayed in any manner. The Promoters and Promoter Group entities have vide letters dated April 06, 2022, confirmed that the unsecured loans provided by them towards achievement of the objects of the Issue shall be adjusted towards subscription for their entitlement in the Rights Issue and also towards additional subscription, if any, to the extent of their entitlement in the Issue.

APPRAISAL

None of the Objects of the Issue have been appraised by any bank or financial institution.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2022-23.

The fund deployment described herein is based on the management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Pursuant to the letter dated April 06, 2022 ("Subscription Letter"), M/s Piccadily Agro Industries Limited, one of our Promoters, has confirmed that they, along with other Promoters and members of the Promoter Group of the Company, intend to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoters or member of the Promoter Group of our Company). Further, our Promoters and members of the Promoter Group shall not renounce their Rights Entitlements, except to the extent of renunciation by Promoters' Group in favour of any other member of the Promoters' Group. Further, our Promoters and members of the Promoter Group also reserve the right to subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements and subscribe to unsubscribed portion of the Issue, if any subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by the Promoters and Promoter Group, over and above their Rights Entitlements, if any, shall not result in change in control of the management of the Company and shall be in accordance with the provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through internal resources, cash flow from operations and/or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal resources, and / or seeking additional debt. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements.

No part of the proceeds of this issue will be paid as consideration to the promoters, directors, key managerial employees or group concerns/companies promoted by the promoters of the Company.

UTILIZATION OF NET PROCEEDS OF THE ISSUE

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)	Amount Deployed as on April 06, 2022 (In Rs. Lakh)	Balance Amount remaining to be deployed (In Rs. Lakh)	Amounts to be financed from Net Proceeds of the Issue (In Rs. Lakh)	Estimated Net Proceeds Utilization (In Rs. Lakh) in FY 2022-23
1.	Upgradation of PSAIL's Patran Distillery Unit situated at Patran, Distt: Patiala, Punjab by installation of balance of plant & machinery ("BOP") for ethanol production.	1,222.27	49.62	1172.65	1,222.27	1,222.27
2.	General Corporate Purposes	34.65	Nil	34.65	34.65	34.65
	Total	1,256.92	49.62	1,207.30	1,256.92	1,256.92

S. No.	Activities	Estimated	
		Commencement (Month, Year)	Completion (Month, Year)
i.	Civil works	March 2022	August 2022
ii.	Installation of Plant and machinery	March 2022	September 2022
iii.	Trial Production	October 2022	October 2022
iv.	Commercial Production	November 2022	

Clarifications:

It is hereby clarified that no part of the proceeds of the proposed Issue are proposed to be utilized for the purpose of any contract executed/ presently under execution/ to be executed by us for any of its group companies.

Collaboration, performance guarantee if any, or assistance in marketing by the collaborators.

Nil

SOURCE OF FINANCING OF FUNDS ALREADY DEPOLYED - BRIDGE LOAN

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Our Company, in order to fund the proposed upgradation plan was in need of finances. Owing to business considerations, the Company opted to raise unsecured loans of Rs. 50.00 lakhs from M/s Piccadily Agro Industries Limited, one of the Promoters of our Company.

Further, depending upon business requirements, the Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short term instrument pending receipt of the Net Proceeds. If the Company chooses to avail the Bridge Loan for the purpose of meeting the funding requirement of the Objects mentioned in this chapter, then such Bridge Loan will be repaid out of Net Proceeds of the Issue.

The Promoters and Promoter Group entities have vide letters dated April 06, 2022, confirmed that the unsecured loans provided by them towards achievement of the objects of the Issue shall be adjusted towards subscription for their entitlement in the Rights Issue and also towards additional subscription, if any, to the extent of their entitlement in the Issue.

INTERIM USE OF FUNDS

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the net proceeds received by the company from the Issue. Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI.

ISSUE RELATED EXPENSES

The Issue related expenses include, among others, Lead Manager Fees, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, depository fees and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (in Rs. Lakh)*	Percentage of Issue Expenses	Percentage of the Issue size
Fees of the Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	24.00	68.57%	1.86%
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	5.00	14.29%	0.39%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	6.00	17.14%	0.46%
Total Estimated Issue expenses	35.00	100.00%	2.71%

* Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

Details of all material existing or anticipated transactions in relation to utilisation of the issue proceeds or project cost with promoters, directors, key management personnel, associates and group companies.

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business. However, if the company chooses to obtain Bridge Loan from promoter group or any group company for the purpose of meeting the funding requirement of the Objects mentioned in this chapter, then the Bridge Loan will be repaid out of Net Proceeds of the Issue.

INTEREST OF PROMOTERS AND DIRECTORS IN THE OBJECTS OF THE ISSUE

No Promoter or Director is interested in the objects of the issue.

MONITORING UTILIZATION OF FUNDS FROM ISSUE

As this is an Issue for an amount less than Rs. 100,00,00,000 (Rupees One Hundred Crores), there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of the Company for the relevant Financial Years subsequent to the listing. We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED (“THE COMPANY”) AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

Date: 06.04.2022

To
The Board of Directors
Piccadily Sugar and Allied Industries Limited
Jakhal Road, Patran, Distt Patiala, Punjab - 147001

Dear Sir,

Sub: Statement of possible Special Tax Benefits available to the Company and its shareholders under the direct and indirect tax laws

We refer to the proposed Right issue offering of equity shares (the “Offer”) of Piccadily Sugar and Allied Industries Limited (“the Company”). We enclosed herewith the statement (the “Annexure”) showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws, including the Income Tax Act, 1961 (the “IT Act”), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as “Taxation laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Draft letter of offer as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect tax laws, including the Income Tax Act, 1961. Hence, the ability of the Company or its shareholders to derive these direct and/or indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the equity shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each equity shareholder is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the equity shareholders to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future; and
- The conditions prescribed for availing the benefits have been/would be met.

We hereby give our consent to include this report and the enclosed Annexure regarding the special tax benefits available to the Company and its shareholders in the Draft letter of Offer which the Company intends to submit to the Securities and Exchange Board of India and the stock exchanges, provided that the below statement of limitation is included in the Draft Letter of Offer.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of Taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the Equity shareholders in the Right issue relying on the Annexure. This statement has been prepared solely in connection with the Offer of the Company under the ICDR Regulations.

For Aggarwal Sahil & Associates
Chartered Accountants
(Firm Registration No. 026978N)

CA Sahil Aggarwal
(Partner)
(Membership No. 523581)
Place: CHANDIGARH
Date: 06.04.2022
UDIN:22523581AGQUX4706

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED (“THE COMPANY”) AND THE SHAREHOLDERS OF THE COMPANY (“SHAREHOLDERS”) UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

The information provided below sets out the possible special direct and indirect tax benefits available to Piccadily Sugar and Allied Industries Limited (the “Company”) and the Shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws, as presently in force in India. Several of these benefits are dependent on the Company and the Shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company and the Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives, the Company or the Shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each equity shareholder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN EQUITY SHAREHOLDER CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The statement of tax benefits enumerated below is as per the Income Tax Act, 1961 (the “IT Act”) as amended from time to time and applicable for financial year 2021-22 relevant to assessment year 2022-23.

There are no special direct tax benefits available to the company.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- Dividend income earned by the Shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the IT Act would be available on fulfilling the relevant conditions. Further, in case of Shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.
- As per section 112A of the IT Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains, subject to fulfillment of prescribed conditions under the IT Act and as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018. It is to be noted that tax shall be levied where such capital gains exceed INR 1,00,000/-.
- As per section 111A of the IT Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the IT Act.
- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the IT Act.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975, Foreign Trade policy, State Industrial Policies (collectively referred to as “Indirect tax”).

A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special Indirect Tax benefits available to the Company

B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special Indirect Tax benefits available to the shareholders of the Company

NOTE: WE HAVE NOT CONSIDERED GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY OR SHAREHOLDERS OF THE COMPANY.

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" beginning on pages 21 and 78, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 21.

EXECUTIVE SUMMARY

The global alcoholic beverages market was estimated to be at USD1.58 trillion in 2020 and is projected to grow at a compound annual growth rate (CAGR) of around 3.5 per cent between 2020 and 2023. India is one of the fastest growing alcoholic beverages markets globally, with an estimated market size of USD52.5 billion in 2020 and the market is expected to grow at a CAGR of 6.8 per cent between 2020 and 2023. According to the Ministry of Food Processing Industries, production of alcoholic beverages in the country increased by about 23.8 per cent during the period between 2015-16 and 2018-19. The alcoholic beverages industry contributes to around 1.5 million jobs in India and generated around USD48.8 billion in sales revenue in 2019. The sector is open to foreign investments and many states offer subsidies for local manufacturing (for example, Maharashtra and Karnataka for wines). From the demand side, factors such as rapid urbanisation, changing consumer preferences and a sizeable and growing middle-class population with increased purchasing power have contributed towards growth in demand for alcoholic beverages. According to industry estimates, the number of people consuming alcohol increased from approximately 219 million in 2005 to 293 million in 2018; it is projected to increase to 386 million by 2030. The share of the uppermiddle income group in alcohol consumption has increased steadily from 7 per cent to 21 per cent and is expected to increase to 44 per cent by 2030.

Alcoholic beverages are among the top three sources of revenue earning across most states. Yet there seems to be a lack of transparency, predictability, and clarity in the tax regime to ensure that the revenue earning objective is aligned with other objectives of the government like 'Make in India' and exports from India. The governance and pricing models for alcoholic beverages vary widely across the states. The states through their excise policies, control the entire supply chain of alcoholic beverages from manufacturing and distribution to registration and retail. There are frequent and ad-hoc changes in these policies, creating uncertainty and preventing manufacturers/distillers to plan their investment.

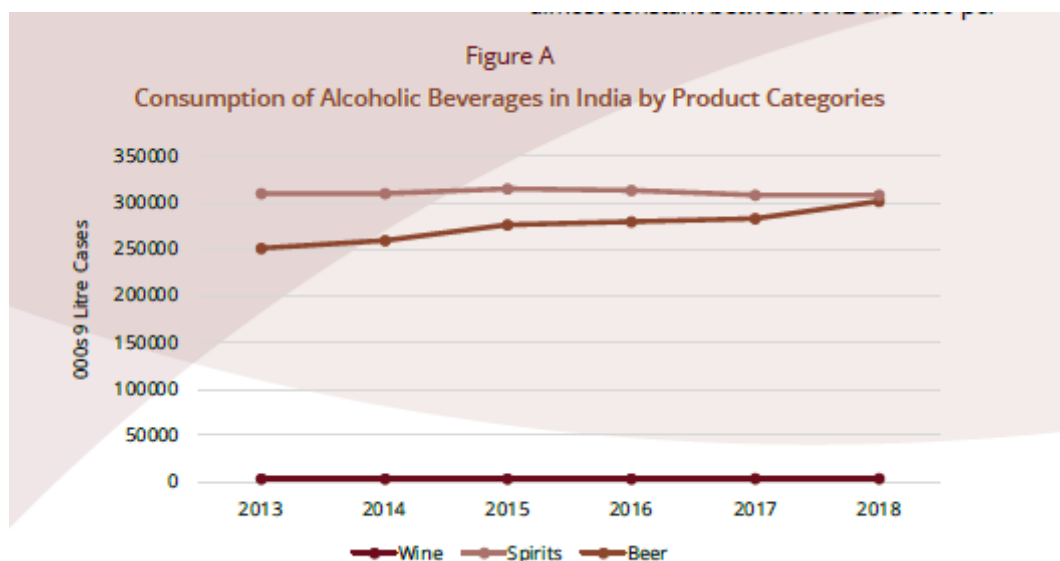
Global Trends

Since 2010, more than 78 countries have imposed price controls on alcoholic beverages through an increase in excise taxes to protect consumer health. However, alcohol consumption globally, and in India, is price inelastic, which implies that higher prices may not deter consumption.

Changing Consumption Trends

While consumption of spirits dominates the Indian market, its share in volume terms has decreased from 55.02 per cent to 50.31 per cent during 2013-2018 (see Figure A). The share of beer consumption has increased from 44.56 per cent to 49.25 per cent while that of wine has remained almost constant between 0.42 and 0.50 per cent.

Premium products have recorded a five-year CAGR of 7.7 per cent in 2018, of which bottled imported spirits recorded a CAGR of 10.9 per cent. By 2030, 50 per cent of consumers are expected to buy more of the same category of alcoholic beverages that they were consuming, 26 per cent are estimated to move to higher brands, and 24 per cent are expected to spend on newer categories of alcoholic beverages.

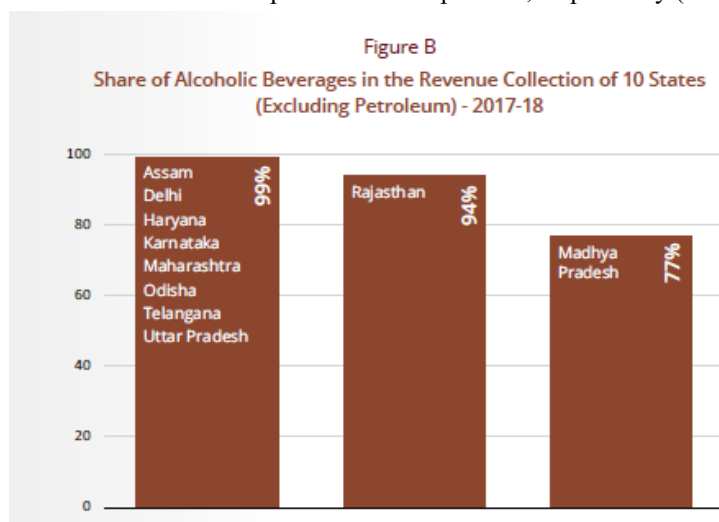


International Trade

India is a small player in global alcoholic beverages trade. In 2019, India’s total share in global exports of alcoholic beverages was only 0.27 per cent, with a global rank of 32, much below a number of developing countries. In the same year, India’s share in global imports was 0.75 per cent with a rank of 20. India has an export potential in this sector, which can be addressed through measures like tariff reduction and ensuring transparency in regulations across states to support manufacturing and “Make in India”.

State Revenues from Alcoholic Beverages

An analysis of the receipts from state excise across 10 states studied in this report show that in the year 2017-18, the share of revenue from alcoholic beverages varies across states, but it is among the top three revenue earning components for all the states. In 2017-18, the share of revenue from alcohol was close to 99 per cent of the total revenue in majority of the 10 states considered for the study; the exceptions were Madhya Pradesh and Rajasthan, which had a share of 77 per cent and 94 per cent, respectively (see Figure B).



In terms of revenue collection, between 2013-14 and 2017-18, Telangana had the highest CAGR of 30.39 per

cent, followed by Odisha (12.92 per cent) and Assam (12.69 per cent). Lowest CAGR was recorded in Maharashtra (6.29 per cent). However, in both 2013-14 and 2017-18, Karnataka and Maharashtra had the highest shares in revenue collection from alcoholic beverages sector among the select 10 states.

Revenue by product categories (see Figure C) show that in 2017-18, in states such as Delhi (95.55 per cent), Karnataka (86.98 per cent), Telangana (79.61 per cent), Odisha (69.18 per cent), and Maharashtra (55.50 per cent), the highest revenue was earned under the 'foreign liquors and spirits' category. In states such as Haryana and Assam, the highest revenue earning was from the 'country spirits' segment with a share of 98.51 per cent and 81.31 per cent, respectively. In Uttar Pradesh and Rajasthan, revenue earnings from both 'foreign liquors and spirits' and 'country spirits' were almost equal, with a combined share of 84.93 per cent and 75.6 per cent, respectively of total revenue from alcohol.

In Madhya Pradesh, the highest revenue collection (67.76 per cent) was from 'other receipts' segment and not from alcoholic beverages, per se. The northern states such as Haryana and Punjab ensure the receipt of 80 per cent of their projected revenues at the start of the financial year through a system of lottery/ auction of wholesale and retail licence and, once a certain number of licences are granted for that year, the government is assured of revenue in the form of licence fees irrespective of the actual sale of liquor by licensees. In such cases, revenue gets assured even during the recent COVID-19 related lockdowns. In some states, the tax burden is on manufacturers while in others like Delhi, the tax burden is passed on to the consumers which may lead to a shift towards consumption of lower quality products.

COVID-19 Related Ad-hoc Tax Increases: Leading to Revenue Losses

During the COVID-19 pandemic, around 21 states have increased excise duties, additional excise duties, maximum retail price (MRP), bottling fees, and imposed COVID-19 specific fees, cess and surcharges to avoid revenue shortfall and meet consumer health needs. Out of the 10 selected states in the report, 8 have imposed such taxes and fees, exceptions being Maharashtra and Madhya Pradesh. In states such as Assam, Rajasthan, Karnataka and Uttar Pradesh, changes were brought in through hike in excise duty slabs; while in states such as Delhi, Haryana, Odisha and Telangana, specific COVID-19 related cess/fees were implemented. The impact on final prices of the products ranged between 5-25 per cent; except in Delhi, where prices increased by 70 per cent initially due to imposing of a special corona fee of the same percentage.

As per industry estimates during the survey, between March and September 2020, pan-India sales volumes were lower by 25-30 per cent. Consequently, revenue earnings were lower; specifically, Delhi had a loss in revenue of around 25 per cent, while it was around 40-45 per cent in Odisha. The higher taxes led to lower revenue collections, which eventually prompted the states to readjust the taxes and some states started to offer sales through online channels. This exemplifies the need for

a nuanced evidence-based and transparent planning process for this sector. Route-to-Market Channels States decide the channels for alcoholic beverages sales through their excise policies. Majorly, there are four types of distribution channels across states – (a) distributor model (company> distributor> retail) in states such as Maharashtra and Assam; (b) corporation model (company>corporation>retail) in states such as Rajasthan, Karnataka, Madhya Pradesh and Tamil Nadu; (c) wholesale model (company>wholesale>retail) in states such as Haryana; and (d) direct model (company>retail) in states such as Delhi.

Prior to the pandemic, only in-premise sales were allowed but during the COVID-19 pandemic, home delivery and e-commerce channels have been allowed in some states such as Odisha and Delhi.

(Source: DEVELOPING PRINCIPLES FOR REGULATION OF ALCOHOLIC BEVERAGES SECTOR IN INDIA - http://icrier.org/pdf/ES/ES_Alcoholic_Beverages.pdf)

OUR BUSINESS

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 21, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 78 and 113, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements, for details refer to “Financial Information” on page 78 of the Draft Letter of Offer.

OVERVIEW

Our Company was originally incorporated as a public limited in the name and style of “Piccadily Sugar and Allied Industries Limited” under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on March 15, 1993, by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. Our Company received the certificate for commencement of business on March 17, 1993, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

The Corporate Identification Number of our company is L15424PB1993PLC013137.

The Company had set up the Sugar Mill at Village Himjheri, Jakhal Road, Patran, Distt. Patiala in the State of Punjab in the year 1994. The Sugar Mill manufactured white crystal sugar from sugar cane cultivated in the surrounding rural areas. The Sugar Mill of the Company is non-operational since 2011.

Further the Company had set-up two Distilleries. In the year 2003-04 the first distillery was set up at Village Himjheri, Jakhal Road, Patran, Distt. Patiala in the State of Punjab and the second distillery was set up at Plot No. 358, Sector 3, IMT Phase II, Bawal, Rewari Haryana-122050. The distilleries manufacture Rectified Spirit, Extra Neutral Alcohol (ENA) from molasses/rice/wheat.

Currently, the Company is engaged in production of various brands of country liquor and Indian-made foreign liquor at its existing distilleries at Patran and Bawal.

Our Company is Promoted by Mr. Siddhartha Sharma, Ms. Prachi Setty, M/s Soon-N-Sure Holdings Limited, M/s Piccadily Agro Industries Limited And M/s Piccadily Hotels Private Limited.

I. DETAILS OF THE BUSINESS OF THE ISSUER

a. Primary business of the Issuer:

The Company is engaged in production of various brands of country liquor and Indian-made foreign liquor at its existing distilleries at Patran and Bawal.

The Company produces liquor under following brands:

Punjab Medium Liquor (PML) Brands:

- Saunfia No.1
- Malta No.1
- Raspberry No.1
- Marshall XXX Rum
- Rocky Whisky

- Bouncer White Rum

Indian Made Foreign Liquor (IMFL) Brands:

- UP-Golden Wings Rare Select Whisky
- UP-Whistler Barrel Aged Blended Malt Whisky
- UP-Piccadily's Pure Super Premium Matured XXX Dark Rum
- Punjab-Golden Wings Blended Malt Whisky
- Punjab-Whistler Barrel Aged Blended Malt Whisky
- Punjab-Pure Dark Rum

The Company operates from its following facilities:

S. No.	Location of Property	Activity carried on by the Company	Present Capacity
1.	Jakhal Road, Patran, Distt Patiala, Punjab – 147001	Registered and Distillery – Patran, Punjab (Patran Unit)	ENA (Country Liquor & IMFL) at Patran Unit – 40 KLPD
2.	Plot No. 358, Sector 3, IMT Phase II, Bawal, Rewari Haryana-122050	Distillery – Bawal, Haryana (Bawal Unit)	ENA (Country Liquor) at Bawal Unit – 3 KLPD

b. Plant, machinery, technology, process, etc.:

a) PLANT AND MACHINERY

A. The following Table summarizes the list of existing Plant and Machinery presently at– Patran Unit

S. No.	Name of Machine
1.	Wash to ENA Plant (PLC Based)
2.	Wash to RS Plant
3.	Fermentation Plant
4.	Wash Charger
5.	Blending Section (Ware House)
6.	Receiver Tank
a.	for RS
b.	for ENA
c.	for Impure Receiver
7.	Storage Tanks
8.	Grain Plant
9.	Godown (with pipe lines, pumps, blowers etc.)
10.	Lagoons
11.	Day Storage Tank
12.	Bottling Hall (with 4 conveyers)
13.	Godowns
14.	Evaporator Plant
15.	Bio-Gas Digester (MS)
16.	Secondary Clarifier (RCC)
17.	Decanter
18.	Ethanol manufacturing section

- B. The following Table summarizes the list of existing Plant and Machinery presently at Distillery – Bawal Unit

S. No.	Name of Machine
1.	Lab Equipment
2.	Boiler
3.	Bottling
4.	Conveyor
5.	Decanter
6.	ENA Plant
7.	ETP Plant
8.	for ENA

b) PROCESS

➔ **Extra Neutral Alcohol** is highly concentrated ethanol (drinking alcohol) which has been purified by means of rectification (repeated distillation). Extra Neutral Alcohol is used in mixed drinks, in the production of liqueurs, for medicinal purposes, and as a household solvent. Neutral grain spirits are rectified spirits made from grain. Extra Neutral Alcohol is used as volatile carriers in flavour & fragrances, potable liquor for human consumption.

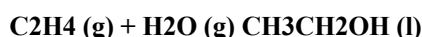
Note: The ENA is processed with DM water, colour and food flavour to convert it into either country liquor or Indian made foreign liquor.

➔ Ethanol Production

Ethanol is produced both as a petrochemical, through the hydration of ethylene, and biologically, by fermenting sugars with yeast. Determining the most economical among the products depends upon the prevailing prices of petroleum and of grain feedstock.

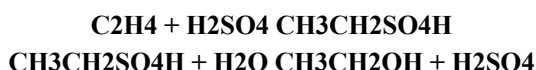
Summary of the processes is given below:-

Ethylene Hydration: Ethanol for use as industrial feedstock is most often made from petrochemical feedstock, typically by the acid-catalyzed hydration of ethylene, represented by the chemical equation



The catalyst is most commonly phosphoric acid, adsorbed onto a porous support such as diatomaceous earth or charcoal. This catalyst was first used for large-scale ethanol production by the Shell Oil Company in 1947. The reaction is carried out with an excess of high pressure steam at 300°C.

In an older process, first practiced on the industrial scale in 1930 by Union Carbide, but now almost entirely obsolete, ethylene was hydrated indirectly by reacting it with concentrated sulphuric acid to produce ethyl sulphate, which was then hydrolyzed to yield ethanol and regenerate the sulfuric acid:



Ethanol by Fermentation: Ethanol for use in alcoholic beverages, and the vast majority of ethanol for use as fuel, is produced by fermentation. When certain species of yeast (e.g., *Saccharomyces cerevisiae*) metabolize sugar in the absence of oxygen, they produce ethanol and CO₂. The chemical equation below summarizes the conversion:



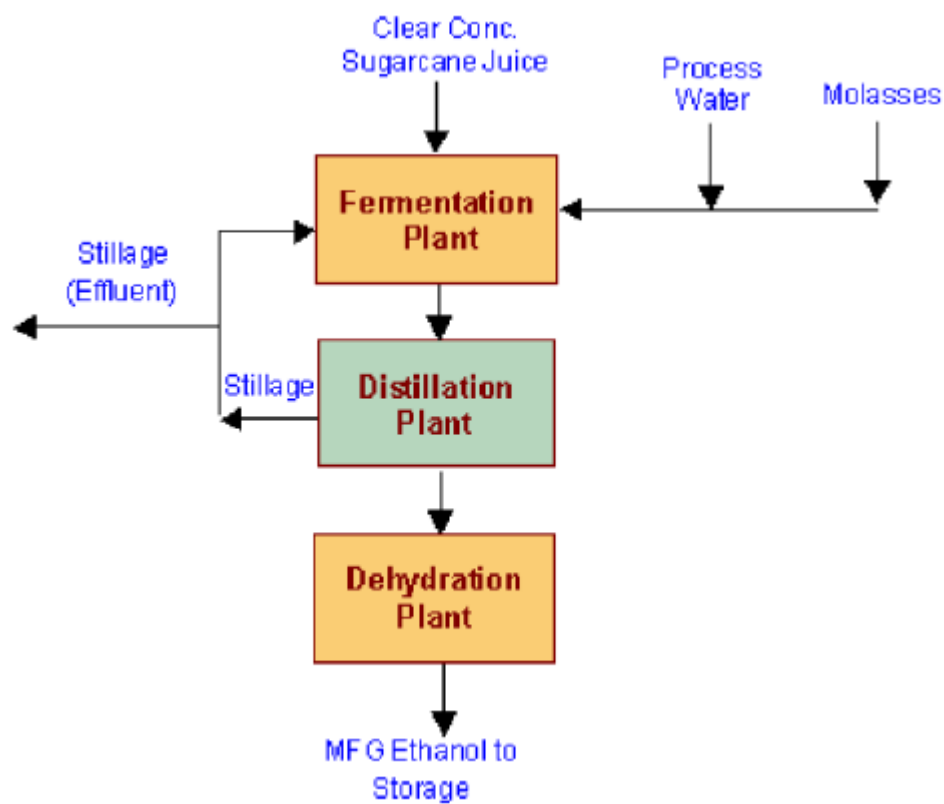
Ethanol's toxicity to yeast limits the ethanol concentration obtainable by brewing. The most ethanol-tolerant strains of yeast can survive up to approximately 15% ethanol by volume.

The fermentation process must exclude oxygen. If oxygen is present, yeast undergoes aerobic respiration which produces CO₂ and water rather than ethanol.

In order to produce ethanol from starchy materials such as cereal grains, the starch must first be converted into sugars. In brewing beer, this has traditionally been accomplished by allowing the grain to germinate, or malt, which produces the enzyme, amylase. When the malted grain is mashed, the amylase converts the remaining starches into sugars. For fuel ethanol, the hydrolysis of starch into glucose can be accomplished more rapidly by treatment with dilute sulphuric acid, fungally produced amylase, or some combination of the two.

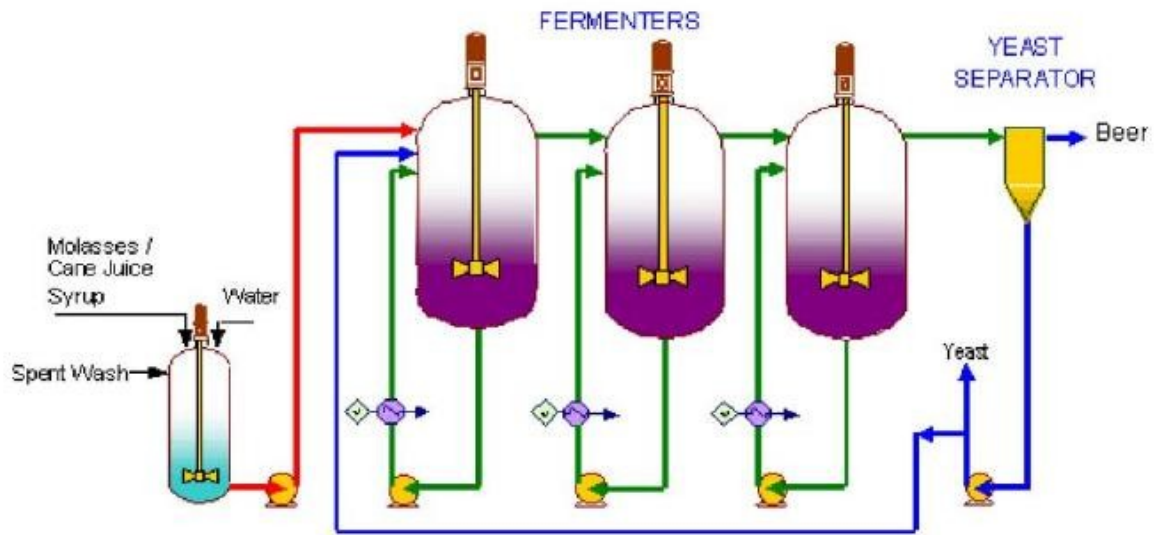
Ethanol is the final end product of three processes namely

- Fermentation Process
- Distillation Process and
- Dehydration Process



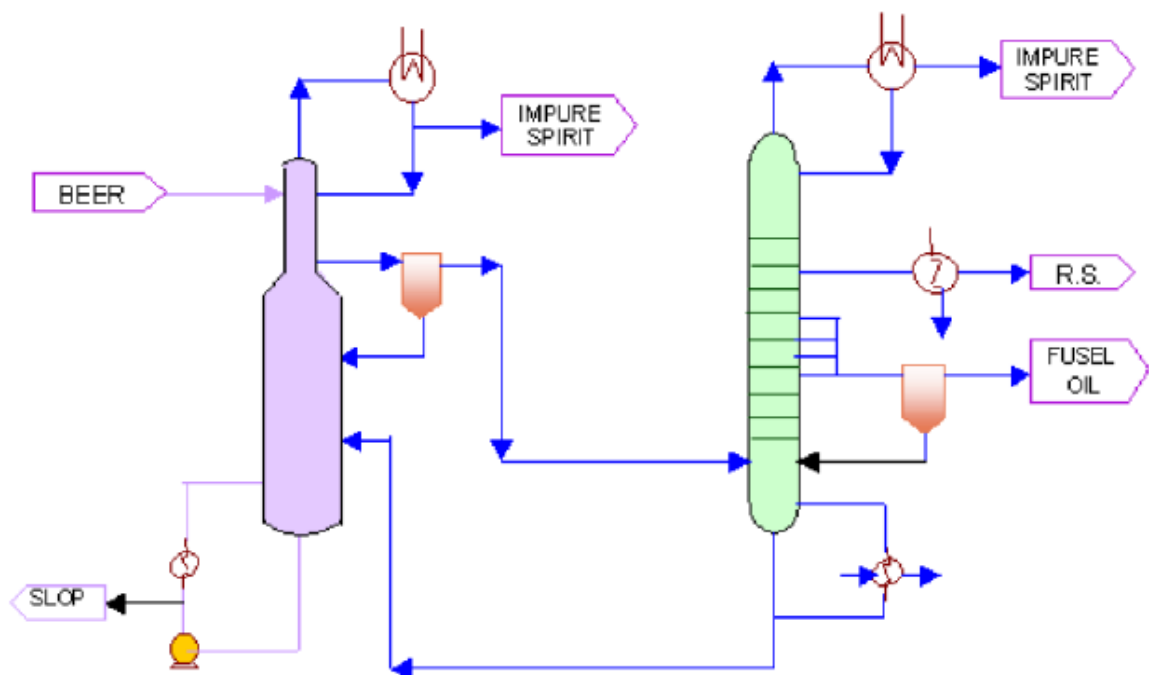
Fermentation process

Ethanol can be made by the fermentation of sugars. Simple sugars such as sugarcane juice or molasses are the raw material. Zymase, an enzyme from yeast, changes the simple sugars into ethanol and CO₂. The enzymatic reaction carried over by the yeast in fermentation produces mainly ethanol, CO₂ and heat. The fermentation reaction is actually very complex. The impure culture of yeast produces varying amounts of other substances, including glycerin, methanol and various organic acids.



Distillation process

Ethanol produced by fermentation ranges in concentration from a few percent up to about 14 percent; the rest being water and other components. The boiling point of ethanol (78.4°C) is significantly lower than the boiling point of water (100°C). These materials cannot be separated completely by distillation. Instead, an azeotropic mixture (i.e. a mixture of 96% ethanol and 4% water) is obtained. Azeotropic mixture of alcohol cannot be further concentrated by distillation. Distillation is used to produce Rectified Spirit (RS).



Ethanol Production from Grain

The ethanol production process from waste food grains consists of the following major steps:

- Grain receipt and storage
- Grain cleaning and milling
- Flour handling and slurry preparation
- Liquefaction
- Saccharification
- Fermentation
- Multi-pressure distillation

- Dehydration
- Decantation
- Multi-effect evaporation
- Drying
- Storage and transfer

➔ Grain Receipt and Storage

Grains will be received by trucks either loose or in bags. It will be dumped on to a slatted floor (round pipes with gaps) and the grains will fall into a pit below the floor. If the grain is in sacks, the sacks will be opened on the slatted floor. From the pit the grains will be transferred by a bucket conveyor into the designated silo. The bucket elevator would discharge into a chute which would be provided with diverter valves to route it to a designated silo. In case the silos are full, the grain would be stored in the warehouse by using a forklift for unloading and subsequently transferred to the silos by emptying them on the slatted pit.

➔ Grain Cleaning and Milling

In the silos grain falls to the bottom by gravity. The designated silo for feeding the grain to the process is transferred by an augur (screw conveyor) at the bottom centre of the silo to a bucket elevator system to the grain hopper. The grain hopper is located at around 20m above the floor level from which the grain passes through a vibrating screen for removing dust and fines, a magnetic separator for removal of iron particles, a de-stoner for removal of stones.

A dust collector system is provided for collection of dust to avoid pollution.

The cleaned grain flows into a hopper from where it is fed by an air-lock rotary valve to control the flow rate into a hammer mill to get the desired flour fineness. Hammer-mills crush the grain by highspeed, rotating hammer tips. The fineness of the ground corn is determined mainly by the rotor volume, hammer tip speed, number of hammers and the screen opening size. The screens used in the hammer mill are normally in the range of 3 to 5 mm in diameter. Particle size of the grain can affect ethanol yield. The hammer mill operates in a continuous mode and discharges through a screw conveyor and pneumatic conveyor into an intermediate flour bin. The intermediate flour bin is provided with load cells for automatic control for metering flour consumption and control of the flour and water addition to get a uniform slurry for liquefaction. The slurry preparation is carried out in the pre-mash tank.

➔ Flour Handling and Slurry Preparation

The flour is mixed with recycle stillage along with hot water and condensate in a pre-mash tank and then transferred to another slurry tank for proper mixing of slurry and water. The pH is maintained between 6.0-6.2 is maintained by using lime if required, and temperature as 55°C to 60°C. Around 25% of the required dose of the enzyme α -amylase is added here before the cooking process starts.

➔ Liquefaction

The grain slurry is pumped from slurry tank) by an open impeller centrifugal pump to a cooker tank.

In the cooker low pressure steam is used to cook the starch slurry to break down the starch molecule in presence of enzymes. A jet cooker device is used for mixing the steam and starch slurry.

The temperature of grain slurry at outlet of the cooker is maintained between 115 to 120°C. After cooking the grain slurry is passed through the retention vessel to provide desired retention time at a given flow rate to convert starch into dextrin. In this step slurry pressure & viscosity reduces. The slurry which is hot is transferred into the flash tank to reduce the temperature of the slurry to 90-95°C before sending to final liquefaction tank. Flash tank is attached to flash condensers where the vapours are condensed and condensate recycled. The slurry is transferred to final liquefaction tank from flash tank where the remaining 75 % of α -amylase enzyme is added. Enzymatic activities breakdown the starch molecules to soluble dextrans and oligosaccharides. To have good conversion of starch to dextrin retention time should be 1 hr.

→ Saccharification

From the liquefaction tank, the slurry is pumped through a plate heat exchanger to be cooled for simultaneous saccharification. Simultaneous saccharification is the formation of fermentable glucose for fermentation by yeast in the next step of the process. The breakdown of dextrans formed during liquefaction takes place with the help of a second enzyme, glucoamylase or amyloglucosidase. The pH is required to be adjusted in the range of 4.0 to 5.0 and the optimum temperature for the amyloglucosidase enzyme reaction is between 30-35°C.

→ Fermentation

Yeast seed material is prepared in Yeast Activation Vessel (Pre-fermenter) by inoculating sterilized mash with yeast. Optimum temperature is maintained by circulating cooling water. The contents of the Yeast Activation Vessel are then transferred to Fermenter.

The purpose of Fermentation is to convert the fermentable substrate into Ethanol. To prepare the mash for Fermentation, it is diluted with water. Yeast is added in sufficient quantity to complete Fermentation to produce Ethanol.

Significant heat release takes place during Fermentation. This is removed by passing the mash through heat exchangers to maintain an optimum temperature. The recirculating pumps also serve to empty the Fermenters into Beer Well. CO₂ can then be taken to CO₂ vent line where it is vented out. After emptying of Fermenter, it is cleaned with CIP using cleaning nozzles. After CIP, Fermenter is ready for next batch to be filled.

→ Distillation

Pre-heated fermented wash is fed into a series of Distillation Columns to increase the Ethanol concentration and remove various impurities.

→ Dehydration

Dehydration is used to eliminate water from ethanol for fuel ethanol for blending in petrol. Systems in industrial use include adsorption with molecular sieves, entrainer dehydration and membranes. The molecular sieve system allows the dehydration of ethanol past 95 percent purity. It removes water from the ethanol/water vapor mixture that exits the rectification column to gain a dehydrated product. The dryness of this product can be tailored to meet specifications – anywhere from bioethanol with a water content of 0.5% to super dry ethanol for pharmaceutical applications with a water content of 0.01% or less. In the Pressure Swing Adsorption (PSA) process, the molecular sieve bed is fed with superheated vapor so that no condensation will occur. Water vapor is adsorbed into the pores of the zeolite, and ethanol vapor passes through the bed. Once the molecular sieve bed is saturated with water and a breakthrough is imminent, it has to be regenerated: the water is desorbed from the zeolite by reducing the pressure applied to it.

Continuous production is realized by utilizing a pressure swing adsorption system with two molecular sieve beds. One bed is in dehydration service, while the other bed is regenerated under vacuum. Hot anhydrous ethanol vapor from the bed under the adsorption cycle is condensed in the molecular sieve bed condenser. The anhydrous ethanol product is then further cooled down in the product cooler, to bring it close to the ambient temperature and sent to product storage.

The two molecular sieve beds operate sequentially and are cycled so that one is under regeneration while the other is under operation, adsorbing water from the vapour stream. The regeneration is accomplished by applying vacuum to the bed undergoing regeneration. The adsorbed water from the molecular sieve material desorbs and evaporates into the ethanol vapour stream. The mixture of ethanol and water is condensed and cooled against cooling tower water in the molecular sieve beds regenerator condenser. This regeneration, or purge, stream is then pumped to distillation for recovery of ethanol.

→ Decantation

Decantation section comprises of a Centrifuge Decanter for separation of suspended solids from Spent Wash coming out of Grain Distillation Plant. Wet cake is removed from bottom of Decanter. Thin slops coming out

of Decanter are collected in a tank and partly recycled into the process & Evaporation for further concentration. The concentrated thin slops called as Syrup is mixed with Wet cake and sold in wet form as cattle feed (DWGS). Or as an option, the entire mixture can be dried in a DWGS Dryer and then sold in dry form as Cattle feed (DDGS).

➔ **Multi-effect Evaporation**

Multi-effect Evaporation is used for the separation of thin slops or low concentrated waste water streams into a concentrated fraction and a condensate stream, which are reused in the process. Since concentration and hence the properties of the evaporated solution change considerably during the process, a well-chosen combination of different evaporation modes is required. Hence a combination of falling film and forced circulation reboilers are used. The Analyzer vapours is fed to the first effect evaporator shell side and steam is fed to shell side finisher at the given pressure and temperature as the heating medium. Each effect is provided with recirculation cum transfer pump. Vapours from last effect are condensed in Surface Condenser. A shell and tube type multi-pass surface condenser is employed for condensing the shell side vapours. The product at the desired concentration 35-40% is obtained at the outlet of Finisher. The condensate from surface condensers is collected in a common condensate pot. The condensate is transferred for further treatment and recycle.

➔ **Drying**

A rotary Dryer heated with steam is used for drying the decanted solids along with the concentrated solids from the evaporator. The Rotary Tube Bundle is enclosed in an insulated dryer housing and its outer flights are fixed. Dry saturated steam is to be supplied to the tube bundle through rotary joint at one end & the condensate is discharged through rotary joint mounted on another end. The feed mixture is fed into the dryer housing at controlled rate through a suitable feeding system. During the course of rotation, flights in the dryer pick up the material and shower them on to the tube bundles. The heat transfer is primarily by conduction. The water vapours are exhausted through an Exhaust Blower & passed through a cyclone separator for separating fines. Some dry product partially recycled back to feed conditioner for feed conditioning through product screw and recycle conveyor and the balance product (DDGS) continues in the same screw and recycle conveyor and flows to a cooler and then storage and dispatch.

➔ **Storage, Denaturant and Transfer**

The dehydrated ethanol coming out of dehydration unit would be transferred to product day tanks. After quality testing and approval it would need to be suitably denatured before transfer to the depot for blending. A suitable denaturant is petrol itself. A prescribed quantity as per excise regulations would need to be blended into the ethanol. Subsequently, after gauging, the ethanol is transferred to respective bulk storage tanks.

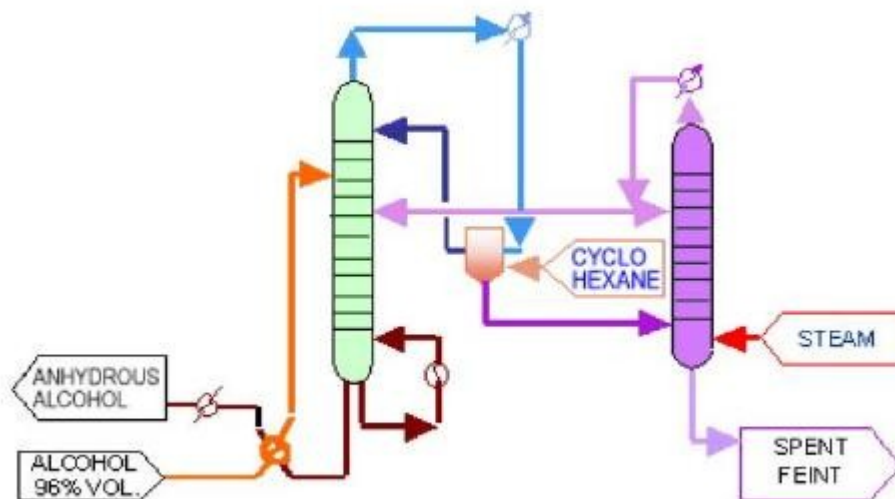
➔ **Dehydration of alcohol**

Pure alcohol can't be obtained from distillation since it forms azeotrope with water at 96% (v/v). Fuel ethanol or absolute alcohol is produced by dehydration of RS. Commercially available technologies for dehydration of RS are:

- Azeotropic Distillation
- Molecular Sieve Technology

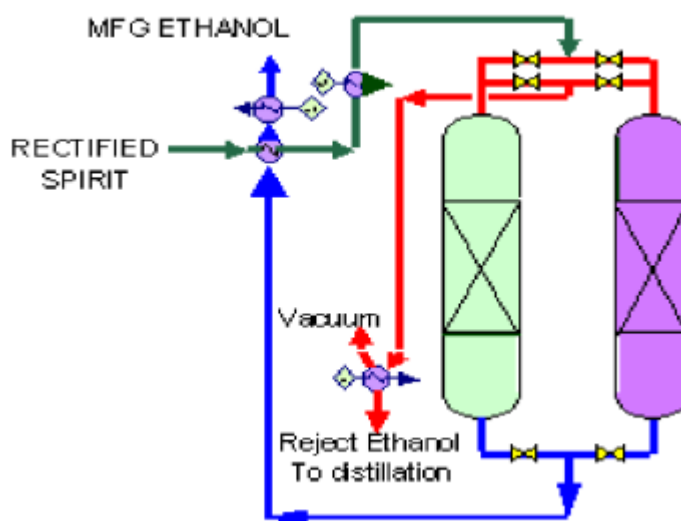
➔ **Azeotropic distillation method**

To dehydrate ethanol from azeotropic concentration, a third substance called Entrainer (trichloro ethylene, benzene, toluene, cyclo-hexane etc.) is added to the mixture of ethanol and water. Entrainer breaks the azeotropic point of ethanol and water, i.e., it alters the relative volatility of water making it more volatile. The ternary azeotropic mixture, formed at the top of dehydration column, allows the removal of water and thus dehydrates alcohol. The azeotropic mixture is heterogeneous and the 'heavy' phase, which is high in water content, is extracted by decantation. The regeneration column allows water extraction from the 'heavy' phase and entrainer recycling.



Molecular Sieve Technology

Molecular sieve technology works on the principle of Pressure Swing Adsorption (PSA). Here water is removed by adsorption on surface of ‘molecular sieves’ under pressure and then cyclically removed it under low pressure at different conditions. This process carries out dehydration of mixed ethanol and water by adsorption of water into zeolite balls, which are molecular sieves. The dehydration unit operates with two adsorbers according to alternate steps of adsorption and desorption. Adsorption occurs in the vapour phase and under pressure. Desorption regenerates water saturated molecular sieves. This step is performed under vacuum. Part of the dehydrated alcohol is used for the molecular sieve desorption. Alcoholic effluent from desorption is regenerated within the distillation column.



c. Collaborations, any performance guarantee or assistance in marketing by the collaborators:

Nil

d. Infrastructure facilities for raw materials and utilities like water, electricity, etc.

i. Infrastructure Facilities

The premises where our Registered Office and Our Corporate Office is located, is well equipped with computer systems, internet connectivity, other communication equipment and other facilities, which are required for our business operations to function smoothly.

The Infrastructure facilities at Patran Unit, Punjab are as under:

- The power is sourced through Punjab State Power Corporation Limited with connected load of 1400 kW
- 3 units of DG Sets with capacity of 72.5 kVA, 180 kVA and 500 kVA, respectively
- The water is sourced through 2 units of Tube wells
- 5 units of Cooling Towers with capacity of 1075 m³/Hour
- 1 unit of boiler with capacity of 12 TPH
- 1 unit of DM plant with capacity of 500 m³ /Revolution
- 1 unit of Turbine with capacity of 0.6 MW Power generation
- 1 unit of Effluent Treatment Plant (ETP) with capacity of 700 m³/Day

The Infrastructure facilities at Bawal Unit, Haryana are as under:

- The power is sourced through Haryana State Electricity Board with connected load of 400 kW.
- 'PSAIL' has made provision of 1 No. of DG Set of 250 KVA capacity.
- Continuous 24/7 power supply is readily available in the area.
- Water requirement is 36 KLPD and the same is being supplied by Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) from their water supply system. Additionally, the unit has underground reservoir of capacity 100 KLPD for storage of water.

ii. Raw Material

The raw materials involved in the production process are molasses, rice, wheat, corn, millet and similar grains and there is availability of these material in the vicinity of the units of the Company.

iii. Power

The premises from which we operate our Registered Office and our Patran Unit, has adequate power supply arrangements from Punjab State Power Corporation Limited.

The premises from which we operate our Bawal Unit, has adequate power supply arrangements from Haryana State Electricity Board.

iv. Water

The premises at which our registered office and our Patran Unit is situated, meets its water requirements from Ground Water.

Our corporate office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

Our Bawal Unit's water requirements are met by water supply system from Haryana State Industrial and Infrastructure Development Corporation (HSIIDC). Additionally, the unit has underground reservoir of capacity 100 KLPD for storage of water.

e. Products:

Production of Country Liquors – PML and IMFL in three packaging sizes

- Quart – 750 ML
- Pint – 375 ML
- Nips – 180 ML

PML Brands:

- Saunfia No.1
- Malta No.1
- Raspberry No.1

- Marshall XXX Rum
- Rocky Whisky
- Bouncer White Rum

IMFL Brands:

- UP-Golden Wings Rare Select Whisky
- UP-Whistler Barrel Aged Blended Malt Whisky
- UP-Piccadilly's Pure Super Premium Matured XXX Dark Rum
- Punjab-Golden Wings Blended Malt Whisky
- Punjab-Whistler Barrel Aged Blended Malt Whisky
- Punjab-Pure Dark Rum

f. The approach to marketing and proposed marketing set up.

Our Company and management have good knowledge and experience in marketing and selling of country liquor.

Country Liquor and Indian Made Foreign Liquor (IMFL) is a state government subject. Every state has its own policy on sell and pricing of the product. The sale is always through the government registered licensee who has the right to purchase the products directly from the manufacturer. This is done through fixed quota and open quota as per the percentage fixed by the state government. The pricing of the product is completely controlled and regulated by the state government.

As per the excise policy of Government of Punjab and Government of Haryana, our Company acquires the license of sale of Country Liquor under fixed quota system with payment of requisite license fee to the respective licensee.

In addition to the sale of country liquor under fixed quota, our Company has deployed its marketing team in Punjab and Haryana, for sale of country liquor under open quota system. A centralized marketing team of our Company based out of Delhi takes care of sale of IMFL pan India.

The ethanol sale is done through an open bidding system initiated by government. Based on the merit of the bids received from various parties, the tender are allocated to manufacturing agencies for sale of ethanol. The quantity and sale price are completely regulated and fixed by the government.

For sale of Ethanol, our Company participated in the bidding process and has acquired Letter of Intent (LOI) from Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and Indian Oil Corporation Limited (IOCL) in November 2018. Accordingly, our Company had sold 2395000 bulk litres of Ethanol during the period April 2019-August 2019 and had realized the revenue of Rs. 12.91 crores.

Further, our Company has executed the Integrity Agreement (Pre-bid Pre-contract Agreement) dated August 2020 with IOCL, BPCL and HPCL.

g. The export possibilities and export obligations, if any.

The company does not have any export obligations as on the date of this Draft Letter of Offer. In future the Company may look into possibility of marketing its products in international market as well.

h. Competition

We face the competition in our business from presence of well established players in the market who are operating in the same segment as our Company. However, the management of our Company have been engaged in similar line of activity i.e. manufacturing of country liquor/ Indian made foreign liquor and ethanol manufacturing, for a substantial period of time and has requisite knowledge and experience of the trade. This

experience of our management gives us a competitive edge over other players operating in the market.

II. OUR COMPETITIVE STRENGTH

- ➔ The Management of our Company has strong background in country liquor and ethanol manufacturing activity. They have enough experience in successful running of businesses.
- ➔ Our facilities are located at Patran, Punjab and Bawal, Haryana. Both of these locations are very well connected by road, rail, port, and air to major cities of India.
- ➔ The required skilled and un-skilled labour are easily available in the local and nearby area.
- ➔ As per the excise policy of Government of Punjab and Government of Haryana, our Company acquires the license of sale of Country Liquor under fixed quota system with payment of requisite license fee to the respective licensee. In addition to the sale of country liquor under fixed quota, our Company has deployed its marketing team in Punjab and Haryana, for sale of country liquor under open quota system. A centralized marketing team of our Company based out of Delhi takes care of sale of IMFL pan India.
- ➔ The ethanol sale is done through an open bidding system initiated by government. Based on the merit of the bids received from various parties, the tenders are allocated to manufacturing agencies for sale of ethanol. The quantity and sale price are completely regulated and fixed by the government. For sale of Ethanol, our Company participated in the bidding process and has acquired Letter of Intent (LOI) from Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and Indian Oil Corporation Limited (IOCL) in November 2018. Accordingly, PSAIL had sold 2395000 bulk litres of Ethanol during the period April 2019-August 2019 and had realized the revenue of Rs. 12.91 crores. It has been envisaged that the sale of ethanol will increase in future with the increase in blending % of ethanol in petrol.

III. BUSINESS STRATEGY

- ➔ India ethanol market is projected to grow from \$ 2.50 billion in 2018 to \$ 7.38 billion by 2024, exhibiting a CAGR of 14.50% during 2019-2024, on the back of increasing ethanol use in applications such as fuel additives and beverages.
- ➔ To produce 684 crore litres of ethanol by the sugar industry by 2025-26, sugarcane equivalent to 60 LMT of surplus sugar would be diverted to ethanol. In the current sugar season 2020-21 more than 20 LMT of sugar is estimated to be diverted. To produce 666 crore litres of ethanol/ alcohol from food grains by 2025-26, about 165 LMT of food grains would be utilized. At present damaged food grain availability is around 40 lakh ton in the country. In 2020-21 approximately 20 lakh ton maize is surplus; FCI Rice is also sufficient in stock (266 LMT) and it will continue to remain robust as procurement of paddy/rice at MSP continues at expected levels.
- ➔ India ranks among the most attractive alcoholic beverage markets in the world. The alcohol industry is comprised of mainly- Indian Made/Manufactured Foreign Liquor (IMFL), IMIL (Indian Made Indian Liquor), Wine, Beer and imported alcohol. During 2018-22 period, IMFL sales value is expected to grow at a CAGR of 5.8 per cent and sales volume at 2.6 per cent.
- ➔ According to IWSR Drinks Market Analysis, a London-based research firm, India is the world's ninth-largest consumer of all alcohol by volume. After China, it is the second largest consumer of spirits (whiskey, vodka, gin, rum, tequila, liqueurs). India consumes more than 663 million litres of alcohol, up 11% from 2017. More than 350 alcoholic drink brands in India are importing from United Kingdom. UK is followed by France, USA, Mexico and Belgium.
- ➔ Presently, through the proceeds of the Rights Issue, our Company proposes to increase the capacity of its Patran Unit from 40 KLPD to 70 KLPD. In future, the Company proposes to further increase the capacity of

its distilleries. An increased production would assist us in capturing a larger share in the market we operate in which would eventually result in the growth in the business of the Company.

IV. CAPACITY AND CAPACITY UTILISATION:

Our Company is currently operating with an installed capacity of 40 KLPD at Patran Unit and 3 KLPD at Bawal Unit for production of ENA. From the ENA so produced, our Company is producing country liquor (PML) and IMFL at Patran Unit and only country liquor at the Bawal Unit.

V. LAND & PROPERTY

Our Company occupies the following immovable properties:

S.No.	Location of Property	Activity carried on by the Company	Title of the Company	Lessor/ Licensor (if applicable)
1.	Jakhal Road, Patran, Distt Patiala, Punjab – 147001	Registered Office and Distillery – Patran (Punjab)	Owner	Allotted by Punjab State Industrial Development Corporation Limited vide sale deed dated May 25, 1994.
2.	Plot No. 358, Sector 3, IMT Phase II, Bawal, Rewari Haryana-122050	Distillery – Bawal (Haryana)	Owner	Allotted by Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDCL) via acceptance of regular letter of allotment ref. no. PSAIL/Rewari/Distil/292 dt. 04/12/2012

There is no property that has been purchased or acquired by the Company or is proposed to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by this Draft Prospectus or the purchase or acquisition of which has not been completed at the date of issue of the Draft Prospectus.

VI. EMPLOYEES

As on the date of this Draft Letter of Offer, our Company has 69 (Sixty Nine) employees on its payroll. Further, as on April 07, 2022 the Company has engaged 23 (Twenty Three) contract labour. The breakup of our manpower is as follows:

S. No.	Particulars	No. of persons
1.	Executive Director(s)	01
2.	KMPs	02
3.	Regular Employees	36
4.	Adhoc Employees	30
5.	Contract Labour	23

VII. INSURANCE

The following are the details of insurance policies taken by us:

S. No.	Name of the Policy	Policy No.	Insurance Company	Location and Assets Covered in Policy	Coverage (in Rs.)	Expiry Date
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					Lakh)	
1.	Bharat Laghu Udyam Suraksha Policy	OG-22-1155-4057-00000270	Bajaj Allianz General Insurance Company Limited	Plot No. 358, Sector 3, Phase-2 Industrial Estate, IMT, Bawal, Haryana – 123501	Plant and Machinery – Rs. 322.84 Lakh, Building 314.16 Lakhs and Stock – Rs. 100.00 Lakh	January 23, 2023
2.	Burglary Insurance Policy	OG-22-1155-4010-00011757	Bajaj Allianz General Insurance Company Limited	Plot No. 358, Sector 3, Phase-2 Industrial Estate, IMT, Bawal, Haryana – 123501	Plant and Machinery – Rs. 322.84 Lakh, and Stock – Rs. 100.00 Lakh	January 23, 2023

OUR MANAGEMENT

BOARD OF DIRECTORS

Currently, our Company has 04 (Four) Directors on its Board, including 02 (Two) Independent Directors and one Woman Director.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Draft Prospectus.

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p>SUNIL KUMAR</p> <p>DIN: 09527641</p> <p>Designation: Whole Time Director</p> <p>Date of Birth: March 12, 1979</p> <p>Age: 43 Years</p> <p>Qualification: Graduate</p> <p>Experience: around 21 years of experience in Accounts and Finance</p> <p>Address: KHERA(23), Karnal, Haryana,India-132041</p> <p>Occupation: Service</p> <p>Date of expiration of current term of office of Director: For a period of one year with effect from March 9 , 2022</p> <p>Period of Directorship: Since March 9 , 2022</p>	<p>1. Six Trees Drinks Private Limited</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p>Madhu Sharma</p> <p>DIN: 07149078</p> <p>Designation: Director</p> <p>Date of Birth: March 22, 1975</p> <p>Age: 46 years</p> <p>Qualification: Graduate</p> <p>Experience: more than 22 years of experience with leadership qualities, expertise in computers, Human Relation Development techniques, devising motivational policies for employees, controlling all production activities.</p> <p>Address: House No. 98A, Sector 6, Panchkula, Haryana - 134109</p> <p>Occupation: Business</p> <p>Date of expiration of current term: Liable to retire by rotation</p> <p>Period of Directorship: Director of the Company since March 31, 2015</p>	<p>Nil</p>

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p>Harvinder Singh Chopra</p> <p>DIN: 00129891</p> <p>Designation: Independent Director</p> <p>Date of Birth: November 26, 1960</p> <p>Age: 61 years</p> <p>Qualification: Chartered Accountant</p> <p>Experience: more than 36 years of experience in Finance, Accounts, Project implementation, administration, designing, construction, expansion, Commercial Banking, Direct & Indirect taxation etc.</p> <p>Address: House No. 1330, Sector 37-B, Chandigarh - 160036</p> <p>Occupation: Services</p> <p>Date of expiration of current term: September 29, 2024</p> <p>Period of Directorship: Since October 25, 1993</p>	<ol style="list-style-type: none"> 1. Juhu Hotel Private Limited 2. Mark Buildtech Private Limited 3. Orient Craft Infrastructure Limited 4. Piccadily Agro Industries Limited 5. Victor Textile Limited

Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
<p>Jai Parkash Kaushik</p> <p>DIN: 02354480</p> <p>Designation: Independent Director</p> <p>Date of Birth: October 05, 1950</p> <p>Age: 71 years</p> <p>Qualification: Masters of Science</p> <p>Experience: Well experienced and possesses expertise in administration, business, & entrepreneurship qualities. He has got special talent for Risk management.</p> <p>Address: House No. 429, Shikhar Apartment, Mansa Devi Complex, Sector 5, Panchkula, Haryana - 134114</p> <p>Occupation: Retired IAS officer</p> <p>Date of expiration of current term: September 29, 2024</p> <p>Period of Directorship: Since November 12, 2011</p>	<p>1. Piccadily Agro Industries Limited</p>

Brief Profile of our Directors

Mr. Sunil Kumar , Whole Time Director

Mr. Sunil Kumar , aged about 43 years, is a Whole Time Director of the Company. He is Graduate from Kurukshetra University. He has around 21 years of experience in Accounts and Finance

Mrs. Madhu Sharma, Director

Mrs. Madhu Sharma, aged about 46 years, is a Non-Executive Director of the Company. She is a Graduate. She has more than 22 years of experience with leadership qualities, expertise in computers, Human Relation Development techniques, devising motivational policies for employees, controlling all production activities

Mr. Harvinder Singh Chopra, Director

Mr. Harvinder Singh Chopra, aged about 61 years, is a Non-Executive Independent Director of the Company. He is a qualified Chartered Accountant. He possesses more than 36 years of experience in Finance, Accounts, Project implementation, administration, designing, construction, expansion, Commercial Banking, Direct & Indirect taxation etc.

Mr. Jai Parkash Kaushik, Independent Director

Mr. Jai Parkash Kaushik, aged about 71 years, is Non-Executive Independent Director of the Company. He holds a Masters' Degree in Science. He is a retired IAS Officer of the Government of India. He is well experienced and possesses expertise in administration, business, & entrepreneurship qualities. He has got special talent for Risk management.

Details of current and past directorship(s) of the above Directors in listed companies whose shares have been / were suspended from being traded on any of the stock exchanges, during his/her tenure

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Letter of Offer, during the term of his/her directorship in such company.

Details of current and past directorship(s) of the above Directors in listed companies which have been/ were delisted from the stock exchange(s), during his/her tenure

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

KEY MANAGEMENT PERSONNEL

The following key personnel assist the management of our Company:

S. No.	Name, Designation, Qualification	Date of Joining	Age (Yrs)	Term of office with date of expiration of term	Experience (yrs)
1.	Name: Sunil Kumar Designation: Whole Time Director Qualification: Graduate	March 9, 2022	43 years	As per Company rules	21 years
2.	Name: Anil Kumar Jain Designation: CFO Qualification: Chartered Accountant	March 9, 2022	44 years	As per Company rules	15 Years
3.	Name: Sapna Designation: Company Secretary Qualification: CS, Graduate in Commerce and LLB	February 8, 2022	28 years	As per Company rules	4 years

Brief Profile of Key Managerial Personnel

Mr. Sunil Kumar, Whole Time Director

Mr. Sunil Kumar, aged about 43 years, is a Whole Time Director of the Company. He is Graduate from Kurukshetra University. He has around 21 years of experience in Accounts and Finance

Mr. Anil Kumar Jain, CFO

Mr. Anil Kumar Jain, aged about 44 years, is a Graduate and Chartered Accountant, he possesses more than 15 years of experience in Accounts, Finance and Taxation Field. He joined the Company as Chief Financial Officer of the Company on March 9, 2022.

Ms. Sapna, Company Secretary and Compliance Officer

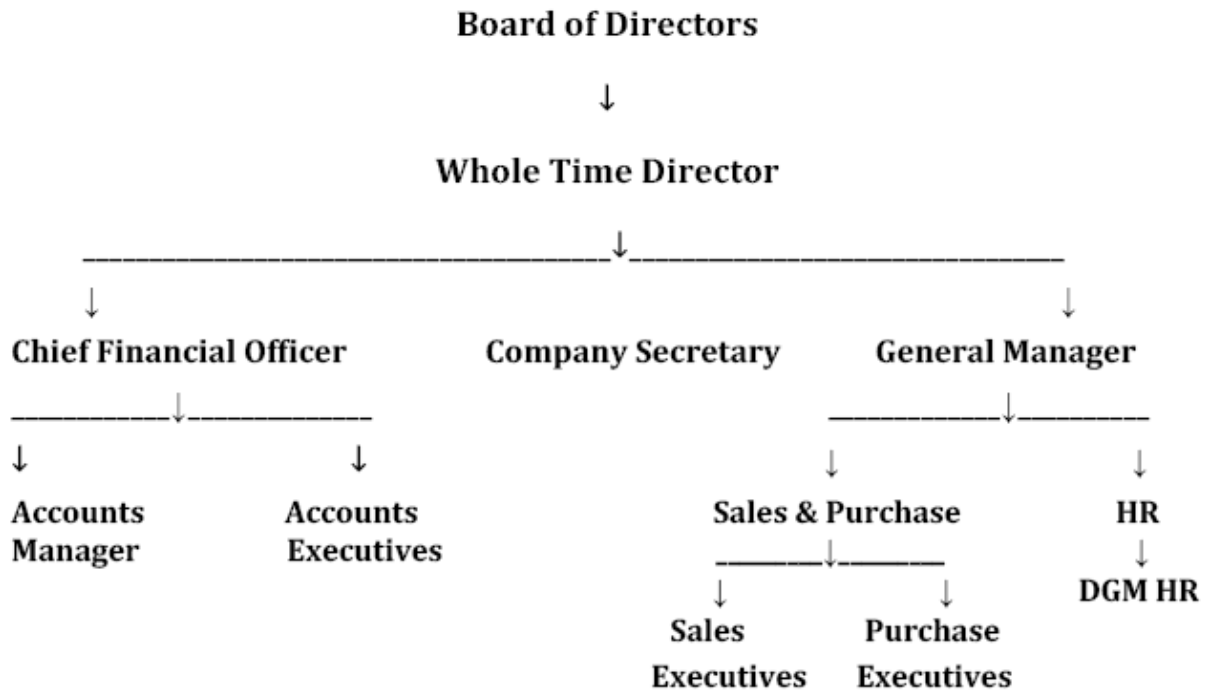
Ms. Sapna, aged about 28 years, is an associate member of the Institute of Company Secretaries of India and a Graduate in Commerce from Delhi university, apart from the above, she also holds a LLB Degree. She possesses more than 4 years of experience in corporate secretarial and accounting field. She joined the Company as Company Secretary and Compliance Officer of the Company on February 8, 2022.

All the Key Managerial Personnel as stated above are Permanent employees of the Company.

Nature of any family relationship between any of the Key Managerial Personnel:

None of the Key Managerial Personnel are related to each other.

MANAGEMENT ORGANIZATION STRUCTURE



DIVIDEND POLICY

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the Shareholders. Under the Companies Act, 2013, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend since incorporation.

Dividends are payable within thirty days of approval by the Equity Shareholders at the annual general meeting of our Company and in case of interim dividend within thirty days of declaration by the Board of Directors. When dividend is declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Details	Page No.
1.	Audited Financial Statements as at and for the year ended March 31, 2021	79
2.	Unaudited Financial Results for the three months period ended December 31, 2021	102
3.	Accounting Ratios	112

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INDEPENDENT AUDITOR'S REPORT

To the Members of Piccadily Sugar and Allied Industries Ltd
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of M/s Piccadily Sugar and Allied Industries Limited (hereinafter referred to as "the Group"), its associates (the Group, and its associates together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit & Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2021, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr.No.	Key Audit Matters	Auditor's Response
1.	<i>Evaluation of uncertain tax positions</i> The Group did not have material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	<i>Principal Audit Procedures</i> a) Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial Statements:

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

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

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

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

Other Matters

The Consolidated financial Results include the audited Financial Results of 1 Subsidiary, whose Financial Statements reflect Group's share of total net profit/(loss) after tax of Rs. (0.04 Lakhs) and Rs (0.09 Lakhs) for the quarter ended 31.03.2021 and for the year ended 31.03.2021 respectively, as considered in the consolidated Financial Results. The independent auditors' reports on Financial Results of this entity have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on the reports of such auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid Consolidated Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors of the Group as on March 31, 2021 taken on record by the Board of Directors of the Group, its subsidiaries and its associates, none of the directors of the Group Companies is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the

operating effectiveness of such controls; refer to our separate Report in “Annexure A” which is based on the auditor’s reports of the Group, its subsidiary and associate companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group’s internal financial controls over financial reporting.

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

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

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note 29 to the Consolidated IndAS financial statements:
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts and equity shares, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

Sahil Aggarwal
Partner

(Membership No.: 523581)
UDIN: 21523581AAAACK2597

Date: June 29, 2021
Place: Gurugram

Annexure “A” to the Audit Report

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

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of PICCADILY SUGAR AND ALLIED INDUSTRIES LIMITED (hereinafter referred to as “Group”), its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group, its subsidiaries and its associates, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Group, its subsidiaries and its associate companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to separate financial statement.

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

Sd/-
Sahil Aggarwal
Partner

(Membership No.: 523581)
UDIN: 21523581AAAACK2597

Date: June 29, 2021
Place: Gurugram

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2021

(Amount in Rs)

BALANCE SHEET AS ON March 31st, 2021		Consolidated as on	Consolidated as on
S.No.	Particulars	31.03.2021	31.03.2020
	Note		
A)	ASSETS		
1	Non-Current assets		
	Gross Block	71,82,16,128	81,52,56,715
	Less : Depreciation	36,96,78,957	42,86,53,718
(a)	Property Plant & Equipment	34,85,37,171	38,66,02,997
(b)	Capital work-in-progress	7,72,361	7,72,361
(c)	Biological Assets	13,38,301	12,90,572
(d)	Financial assets		
	(i) Investments	10	10
	(ii) Other financial assets	65,66,472	1,33,10,535
(e)	Deferred tax assets (net)	1,18,18,914	64,86,064
(f)	Other non current assets	21,51,875	21,54,128
	Total non-current assets	37,11,85,104	41,06,16,667
	Current assets		
(a)	Inventories	5,13,51,595	4,19,41,523
(b)	Financial assets	-	-
	Trade Receivables	3,39,65,567	1,57,27,121
	Cash & cash equivalents	92,86,930	32,99,010
	Other financial assets	9,78,701	9,21,535
(c)	Current Tax Assets (net)	58,401	78,621
(d)	Other current assets	3,68,84,123	4,33,90,535
	Total current assets	13,25,25,317	10,53,58,346
	Total assets	50,37,10,420	51,59,75,013
B)	EQUITY AND LIABILITIES		
1	EQUITY		
(a)	Equity Share Capital	23,22,09,520	23,22,09,520
(b)	Other Equity	(7,02,28,278)	(7,93,25,461)
	Total equity	16,19,81,242	15,28,84,059
	Liabilities		
	Non- current liabilities		
(a)	Financial liabilities		
	(i) Borrowings	4,36,63,954	3,96,46,078
(b)	Provisions	3,24,637	26,84,266
	Total non-current liabilities	43988591	42330344
	Current Liabilities		
(a)	Financial liabilities		
	(I) Borrowings	-	-
	(ii) Trade Payables	17,62,07,662	19,60,17,902
	(iii) Other financial liabilities	9,07,00,303	9,27,91,118
(b)	Provisions	5,53,902	5,56,248
(c)	Current Tax Liabilities	5,57,983	-
(c)	Other current liabilities	2,97,20,735	3,13,95,341
	Total current liabilities	29,77,40,585	32,07,60,609
	Total equity and liabilities	50,37,10,420	51,59,75,013

The accompanying notes from an integral part of the consolidated financial statements 1-43

Notes on Financial Statements '1-43'

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of Board

For Aggarwal Sahil & Associates

Chartered Accountants

FRN: 026978N

Sd/-

Sahil Aggarwal

(Partner)

M.No. 523581

Date: 29/06/2021

Place: Gurugram

UDIN : 21523581AAAACK2597

Sd/-

Madhu Sharma

(Director)

DIN No. 07149078

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Avneet Kaur

(Company Secretary)

M.No. : 60841

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED 31MARCH 2021

		(Amount in Rs)	
Particulars	NOTES	Consolidated as on	Consolidated as on
		31.03.2021	31.03.2020
Revenue from operations	21	27,99,20,307	43,61,36,693
Other Income	22	5,44,93,491	1,32,25,343
Total Revenue (I + II)		33,44,13,798	44,93,62,036
Expenses:			
Cost of materials consumed	23	10,04,40,449	17,99,85,417
Purchase and Related Cost of Stock in Trade			
Change in F.G, WIP, and Stock-in-Trade	24	(43,15,846)	(89,76,668)
Excise duty on sale of goods		4,23,77,439	4,72,32,951
Employee benefit expense	25	2,05,60,119	2,81,90,716
Finance costs	26	49,44,925	60,08,396
Depreciation and amortization expense	27	3,50,93,019	3,63,26,779
Other expenses	28	13,12,19,213	18,76,46,022
Total expenses		33,03,19,319	47,64,13,613
Profit before exceptional items and tax		40,94,478.93	(2,70,51,577)
Exceptional items			
Profit on Sale of Fixed Assets		4,85,864	2,94,28,657
Previous year Expenses			
Profit before tax (V - VI)		45,80,343	23,77,080
Tax expense:			
(1) Current tax		5,57,983	-
(2) Deferred tax		(53,32,850)	21,97,216
Income tax of last years		2,58,026	-
Profit after tax		90,97,183	1,79,865
Other comprehensive income			
(i) Items that will not be re-classified to profit or loss:			
-Remeasurements of defined benefit obligation (net)			-
-Income tax relating to items that will not be reclassified to profit or loss			
(ii) Items that may be re-classified to profit or loss:			
-Income tax relating to items that may be reclassified to profit or loss			-
Total other comprehensive income (net of tax)			-
Total comprehensive income		90,97,183	1,79,865
Earnings per equity share-basic /diluted:			
-Before exceptional item		0.39	0.01
-After exceptional item		0.39	0.01
Nominal Value of each share		10	10

The accompanying notes form an integral part of the consolidated financial statements 1-43

Notes on Financial Statements '1-43'

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of Board

For Aggarwal Sahil & Associates

Chartered Accountants

FRN: 026978N

Sd/-

Sahil Aggarwal

(Partner)

M.No. 523581

Date: 29/06/2021

Place: Gurugram

UDIN : 21523581AAAACK2597

Sd/-

Madhu Sharma

(Director)

DIN No. 07149078

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Avneet Kaur

(Company Secretary)

M.No. : 60841

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

Particulars	As on 31.03.2021 Audited (Amount in Rs)	As on 31.03.2020 Audited (Amount in Rs)
CASH FLOW FROM OPERATING ACTIVITIES:		
PROFIT AFTER TAX	90,97,183.07	1,79,864.85
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
INCOME TAX CHARGED IN PROFIT AND LOSS A/C	(47,74,866.14)	21,97,215.60
DEPRECIATION AND AMORTIZATION	3,50,93,019.21	3,63,26,779.22
FINANCE COSTS	49,44,925.14	60,08,395.80
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(4,85,864.00)	(2,94,28,657.46)
INTEREST INCOME RECEIVED	(3,23,626.00)	(8,29,325.00)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,35,50,771.28	1,44,54,273.01
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
TRADE RECEIVABLES	(1,82,38,445.92)	4,05,34,758.48
OTHER RECEIVABLES	1,32,15,781.99	(55,91,892.70)
INVENTORY	(94,10,071.95)	(87,10,349.02)
PROVISIONS	(23,59,629.00)	25,361.00
TRADE AND OTHER PAYABLES	(2,35,78,006.91)	(6,09,69,350.60)
BIOLOGICAL ASSETS	(47,729.00)	(17,492.00)
CASH GENERATED FROM OPERATIONS	31,32,670.50	(2,02,74,691.84)
INCOME TAX (NET)	-	7,03,053.93
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	31,32,670.50	(2,09,77,745.77)
CASH FLOW FROM INVESTING ACTIVITIES:		
NET PURCHASE OF FIXED ASSETS	(34,29,629.00)	(39,56,640.00)
PROCEEDS FROM SALE OF FIXED ASSETS	68,88,300.00	3,21,30,829.62
INTEREST INCOME RECEIVED	3,23,626.00	8,29,325.00
PURCHASE OF INVESTMENTS	(10.00)	(10.00)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	37,82,287.00	2,90,03,504.62
CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LONG-TERM BORROWINGS	40,17,876.27	(1,15,26,003.01)
FINANCE COST	(49,44,925.14)	(60,08,395.80)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(9,27,048.87)	(1,75,34,398.81)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	59,87,908.62	(95,08,639.96)
OPENING CASH AND CASH EQUIVALENTS	32,99,010.16	1,28,07,647.09
CLOSING CASH AND CASH EQUIVALENTS	92,86,929.56	32,99,010.16

Notes:

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

Notes on Financial Statements '1-43'

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of Board

For Aggarwal Sahil & Associates

Chartered Accountants

FRN: 026978N

Sd/-

Sahil Aggarwal

(Partner)

M.No. 523581

Date: 29/06/2021

Place: Gurugram

UDIN : 21523581AAAACK2597

Sd/-

Madhu Sharma

(Director)

DIN No. 07149078

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Avneet Kaur

(Company Secretary)

M.No. : 60841

Statement of Changes in Equity for the year ended March 31st, 2021

	(Amount in Rs)				
	Equity Share Capital	Reservers and Surplus		Total Other Equity	Total equity attributable to the equity holders of the company
		Capital Subsidy	Retained Earnings		
As at 1st April 2019	23,22,09,520	30,00,000	(8,25,05,328)	(7,95,05,328)	15,27,04,192
Profit for the period	-	-	1,79,865	1,79,865	1,79,865
Other Comprehensive Income	-	-	-	-	-
As At 31st March 2020	23,22,09,520	30,00,000	(8,23,25,463)	(7,93,25,463)	15,28,84,057
Profit for the period	-	-	90,97,183	90,97,183	90,97,183
Other Comprehensive Income	-	-	-	-	-
At 31st March 2021	23,22,09,520	30,00,000	(7,32,28,280)	(7,02,28,280)	16,19,81,240

Notes on Financial Statements '1-43'
AUDITOR'S REPORT

As per our separate report of even date

For **Aggarwal Sahil & Associates**

Chartered Accountants

FRN: 026978N

For and on behalf of Board

Sd/-

Sahil Aggarwal

(Partner)

M.No. 523581

Date: 29/06/2021

Place: Gurugram

UDIN : 21523581AAAAACK2597

Sd/-

Madhu Sharma

(Director)

DIN No. 07149078

Sd/-

Devinder Sharma

(Whole Time Director)

DIN No. 03264719

Sd/-

Sunil Kumar

(Chief Financial Officer)

Sd/-

Avneet Kaur

(Company Secretary)

M.No. : 60841

Property, Plant & Equipment as on 31st March, 2021

	Land	Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Agriculture Equipments	Vehicle	Tractor	Computer	Total
Gross carrying Amount										
Balance as at April 1, 2019	7,57,59,383	16,06,31,794	59,60,28,630	24,24,197	35,78,698	11,38,004	1,53,24,101	4,59,974	20,46,679	85,73,91,459
Additions	-	1,30,154	37,75,916	-	50,570	-	13,22,221	-	-	39,56,640
Disposals	-	-	4,47,69,162	-	-	-	-	-	-	4,60,91,383
Balance as at March 31, 2020	7,57,59,383	1,60,76,1948	55,50,35,384	24,24,197	36,29,268	11,38,004	14,00,1880	4,59,974	20,46,679	81,52,56,716
Additions	-	3,35,159	30,73,645	-	20,825	-	-	-	-	34,29,629
Disposals	-	-	10,04,70,216	-	-	-	-	-	-	10,04,70,216
Balance as at March 31, 2021	7,57,59,383	1,61,09,7107	45,76,38,813	24,24,197	36,50,093	11,38,004	14,00,1880	4,59,974	20,46,679	7,18,21,61,219
Accumulated Depreciation										
Balance as at April 1, 2019	-	6,79,12,117	35,43,24,064	19,97,592	30,46,274	9,51,039	51,76,209	4,36,975	18,71,880	43,57,16,150
Depreciation charged for the year	-	76,94,428	2,69,45,107	63,671	91,583	41,374	14,57,915	-	32,701	36,32,67,779
Disposals	-	-	4,21,33,102	-	-	-	12,56,109	-	-	43,38,92,111
Balance as at March 31, 2020	0	7,56,06,545	33,91,36,069	20,61,263	31,37,857	9,92,413	53,78,016	4,36,975	1,90,4,581	42,86,63,718
Depreciation charged for the year	-	76,95,605	2,57,26,971	61,643	97,528	51,192	14,27,379	-	32,700	3,50,93,018
Disposals	-	-	9,40,67,780	-	-	-	-	-	-	9,40,67,780
Balance as at March 31, 2021	0	8,33,02,150	27,07,95,260	21,22,906	32,35,385	10,43,605	68,05,395	4,36,975	1,93,7,281	36,96,78,957
Net Carrying Amount										
Balance as at March 31, 2021	7,57,59,383	7,77,94,957	18,684,3553	30,12,91	41,47,07	94,399	7,19,64,85	22,999	1,09,398	34,85,37,172
As at March 31, 2020	7,57,59,383	8,51,55,402	21,58,99,314	36,29,34	49,14,10	14,55,91	8,62,3,864	22,999	1,42,098	38,66,02,997
As at April 1, 2019	7,57,59,383	9,27,19,677	24,17,04,566	42,66,05	53,24,24	1,86,965	1,01,47,892	22,999	1,74,799	42,16,75,309
Capital Work in Progress										
Balance as at March 31, 2021	-	-	-	-	-	-	-	-	-	77,23,61
As at March 31, 2020	-	-	-	-	-	-	-	-	-	77,23,61
As at April 1, 2019	-	-	-	-	-	-	-	-	-	77,23,61
Details of under capital work-in-progress as on 31.03.2021 is as under:										
Opening Balance of Capital Work in Progress as at 1st April 2019	77,23,61	-	-	-	-	-	-	-	-	77,23,61
(+) Additions	-	-	-	-	-	-	-	-	-	-
(-) Transfers	-	-	-	-	-	-	-	-	-	-
(-) Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance of Capital Work in Progress as at 31st March 2020	77,23,61	-	-	-	-	-	-	-	-	77,23,61
(+) Additions	280,16,51	-	-	-	-	-	-	-	-	280,16,51
(-) Transfers	-	-	-	-	-	-	-	-	-	-
(-) Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance of Capital Work in Progress as at 31st March 2021	-	-	-	-	-	-	-	-	-	7,72,361

Notes on Financial Statements '1-43'
AUDITOR'S REPORT
 As per our separate report of even date
For Aggarwal Sahil & Associates
 Chartered Accountants
 FRN: 026978N

For and on behalf of Board

Sd/-
 Sahil Aggarwal
 (Partner)
 M.No. 523581
 Date: 29/06/2021
 Place: Gurugram
 UDIN : 21523581AAAACK2597

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

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

Sd/-
 Sunil Kumar
 (Chief Financial Officer)

Sd/-
 Avneet Kaur
 (Company Secretary)
 M.No. : 60841

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in Rs)

		Consolidated as on	Consolidated as on
PARTICULARS		31.03.2021	31.03.2020
NOTE 2	INVESTMENTS		
	Investments in Equity Instruments (Others) - At FVTPL Piccadily Agro Industries Ltd. (4 equity shares)	10	10
	TOTAL	10	10
NOTE 3	OTHER NON CURRENT FINANCIAL ASSETS	31.03.2021	31.03.2020
	PSEB. Security Deposit (with Electricity PSPCL)	65,66,472	65,66,472
	FDRs maturing after 12 Months	-	67,44,063
	TOTAL	65,66,472	1,33,10,535
	* Fixed Deposit with the Bank Rs. NIL (Rs. 3.80 lacs) , are under lien with Sales Tax Department		
NOTE 4	DEFERRED TAX ASSETS (NET)	31.03.2021	31.03.2020
A.	Deferred Tax Assets :		
	On Account of Disallowance under section 43B of Income Tax Act	2,28,420	8,15,573
	On Account of Carried Forward Losses	5,62,21,116	5,15,86,278
	Total:	5,64,49,536	5,24,01,850
B.	Deferred Tax Liability :		
	Unamortised Expenses	1,758	1,262
	Depreciation	4,46,28,865	4,59,14,524
	Net Deferred Tax Assets (A-B)	1,18,18,914	64,86,064
	Last Year Balance in Deferred Tax Assets	64,86,064	86,83,280
	Charged Through P&L Account	(53,32,850)	21,97,216
NOTE 5	OTHER NON CURRENT FINANCIAL ASSETS	31.03.2021	31.03.2020
	Capital advances	21,45,115	21,45,115
	Preliminary Expenses	6,760	9,013
	TOTAL	21,51,875	21,54,128
NOTE 6	INVENTORIES	31.03.2021	31.03.2020
	(As per inventories taken ,valued & certified by the management)		
	Raw Materials -Molasses and ENA	84,56,420	88,95,296
	Work in progress	-	-
	Finished Goods	1,49,09,333	1,05,93,487
	Stores Chemicals and Packing Material	2,79,85,842	2,24,52,739
	TOTAL	5,13,51,595	4,19,41,522
	* refer note on significant accounting policies for the valuation of inventories		
NOTE 7	TRADE RECEIVABLES	31.03.2021	31.03.2020
	Considered Good- Unsecured Trade Receivables	3,39,65,567	1,57,27,121
	TOTAL	3,39,65,567	1,57,27,121

		(Amount in Rs.)	
NOTE	8 CASH & CASH EQUIVALENTS	31.03.2021	31.03.2020
	a) Cash in Hand	45,760	37,303
	b) Balance with Schedule Banks in Current Accounts in Fixed Deposits	60,91,020 31 50 150	32,61,707
	TOTAL	92,86,930	32,99,010
NOTE	9 OTHER CURRENT FINANCIAL ASSETS	31.03.2021	31.03.2020
	Other debts considered good	9,78,701	9,21,535
	TOTAL	9,78,701	9,21,535
NOTE	10 CURRENT TAX ASSETS	31.03.2021	31.03.2020
	Tax Deducted at source	58,401	78,621
	TOTAL	58,401	78,621
NOTE	11 OTHER CURRENT ASSETS	31.03.2021	31.03.2020
	Advances recoverable in cash or kind or for value to be received		
	Unsecured - Considered Good	10,68,395	14,10,567
	Hire Charges Recoverable	-	
	Prepaid expenses	2,40,24,714	2,00,38,000
	Balances with Statutory Authorities	1,17,91,014	2,19,41,968
	TOTAL	3,68,84,123	4,33,90,535
		Consolidated as on	Consolidated as on
NOTE	12 EQUITY SHARE CAPITAL	31.03.2021	31.03.2020
	1. A) AUTHORISED		
	30,000,000 Equity shares of Rs. 10/-each	30,00,00,000	30,00,00,000
	10000 Equity shares of Rs. 10/-each		
	B) ISSUED SUBSCRIBED & PAID UP		
	23,254,527 Equity Shares of Rs. 10/- each fully called up add paid up.	23,25,45,270	23,25,45,270
	LESS: Unpaid Calls 67150 Equity Shares of Rs.5 each Unpaid	(3,35,750)	(3,35,750)
		23,22,09,520	23,22,09,520
	2) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	Subscribed and fully paid up equity Shares	No. of Shares	No. of Shares
	As at April 1st, 2019	2,31,87,377	2,31,87,377
	As at March 31st, 2020	2,31,87,377	2,31,87,377
	As at March 31st, 2021	2,31,87,377	2,31,87,377
	Subscribed and Partly paid up equity Shares	No. of Shares	No. of Shares
	As at April 1st, 2019	67,150	67,150
	As at March 31st, 2020	67,150	67,150
	As at March 31st, 2021	67,150	67,150
	3) RIGHT OF SHAREHOLDERS		
	A) Each Shareholder is entitled to one vote per share.		
	B) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.		
	C) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.		
	D) There is no change in the Number of Share outstanding at the beginning and at the end of the Financial year.		

		(Amount in Rs.)	
		No. of Shares held	No. of Shares held
4) DETAIL SHAREHOLDERS HOLDING MORE THAN 5% SHARES			
1. Mr. Siddhartha Sharma		34,75,263	34,75,263
2. Soon-N-Sure Holdings LTD		55,69,702	55,69,702
3. Piccadilly Agro Ind. LTD		83,41,936	83,41,936
NOTE 13 OTHER EQUITY		31.03.2021	31.03.2020
Capital subsidy		30,00,000	30,00,000
Profit & Loss Account			
As per last Balance Sheet		(8,23,25,461)	(8,25,05,326)
As per profit & Loss Account		90,97,184	1,79,865
		(7,32,28,277)	(8,23,25,461)
TOTAL		7,02,28,277	7,93,25,461
NOTE 14 LONG TERM BORROWINGS (AT AMORTIZED COST)		31.03.2021	31.03.2020
SECURED			
Loans and Advances from Banks			
HDFC BANK		25,600	14,07,052
(Secured against hypothecation of vehicles under Hire purchase agreement)			
J & K BANK TERM LOAN		4,36,38,354	3,82,39,026
(Term Loan of Rs. 490 Lacs, Principal to be repaid in 74 monthly instalments, secured primarily by Hypothecation of Machineries, Equipments, Furniture and Fixture and all other moveable fixed assets and Mortgage of land at Jakhhal Road as collateral)			
TOTAL		4,36,63,954	3,96,46,078
NOTE 15 LONG TERM PROVISIONS		31.03.2021	31.03.2020
Provision For Employees Benefit			
- Gratuity		3,24,637	26,84,266
TOTAL		3,24,637	26,84,266
NOTE 16 TRADE PAYABLES		31.03.2021	31.03.2020
1. Sundry Creditors			
A) Total Outstanding dues of Micro and Small Scale Industrial Enterprises		1,30,03,730	1,04,71,571
B) Total Outstanding dues of creditors other than Micro and Small Scale Industrial Enterprises		16,32,03,932	18,55,46,331
TOTAL		17,62,07,662	19,60,17,902
<i>*dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.</i>			
<i>*Information as required to be furnished as per section 22 of the Micro Small and Medium Enterprises Development Act 2006 (MSMED Act) for the year ended March 31, 2021 has been provided in Note 41</i>			
NOTE 17 OTHER CURRENT FINANCIAL LIABILITIES		31.03.2021	31.03.2020
Creditors for capital expenditure		8,35,72,174	8,55,62,237
Expenses Payable		57,10,955	41,33,978
Current Maturities of long term debts.		14,17,174	30,94,903
		9,07,00,303	9,27,91,118
NOTE 18 SHORT TERM PROVISION		31.03.2021	31.03.2020
1 Bonus Payable		5,53,902	5,56,248
		5,53,902	5,56,248
NOTE 19 CURRENT TAX LIABILITIES		31.03.2021	31.03.2020
Income Tax Provision For Current Year		5,57,983	-
Less: Advance Tax paid during the year		-	-
		5,57,983	-

(Amount in Rs.)		
NOTE 20 OTHER CURRENT LIABILITIES	31.03.2021	31.03.2020
Statutory Levies	2,87,89,755	3,06,43,360
Advance received from customers	9,30,980	7,51,981
	2,97,20,735	3,13,95,341
NOTE 21 DETAIL OF REVENUE FROM OPERATIONS	31.03.2021	31.03.2020
Sale of Product		
Gross Sales	27,99,20,307	43,61,36,693
	27,99,20,307	43,61,36,693
NOTE 22 OTHER INCOME	31.03.2021	31.03.2020
Interest Income	3,23,626	8,29,325
Other non-operative Income	5,30,89,865	80,76,018
Truck Hire Charges	10,80,000	43,20,000
	5,44,93,491	1,32,25,343
NOTE 23 COST OF RAW MATERIAL CONSUMED	31.03.2021	31.03.2020
Opening Stock of Raw Materials	88,95,296	36,64,000
Purchases during the year	9,56,12,206	18,52,16,713
	10,45,07,502	18,88,80,713
Less Closing Stock	40,67,053	88,95,296
	10,04,40,449	17,99,85,417
NOTE 24 CHANGES IN FG, WIP, STOCK IN TRADE	31.03.2021	31.03.2020
Opening Stock		
FG. Stock	1,05,93,488	92,04,915
	TOTAL 'A'	92,04,915
Closing Stock		
FG. Stock	1,49,09,333	1,05,93,488
	TOTAL 'B'	1,05,93,488
	TOTAL (A - B)	(13,88,573)
NOTE 25 EMPLOYEE BENEFIT EXPENSES	31.03.2021	31.03.2020
Contribution to Provident Fund	49,100	58,209
Staff & Labour Welfare	10,83,422	12,61,715
Salaries, Wages & Bonus	1,94,11,500	2,68,45,431
Gratuity	16,097	25,361
	2,05,60,119	2,81,90,716
NOTE 26 FINANCE COST	31.03.2021	31.03.2020
Interest Expense		
Interest cost on financial liabilities measured at amortized cost	44,81,891	48,98,661
Other Borrowing Cost		
Bank Charges	1,99,008	5,36,835
Interest - Others	2,64,027	5,72,900
	49,44,925	60,08,396
NOTE 27 DEPRECIATION AND AMORTIZATION EXPENSE	31.03.2021	31.03.2020
Depreciation of property, plant and equipment	3,50,93,019	3,63,26,779
	3,50,93,019	3,63,26,779

(Amount in Rs.)		
NOTE 28 OTHER EXPENSES	31.03.2021	31.03.2020
Manufacturing Expenses		
Electrical Repair	70,929	12,00,032
Chemicals	22,71,958	48,25,134
Packing Material	7,05,53,304	7,89,23,406
Env. & ETP Expenses	56,97,421	89,47,901
Power & Fuel	80,98,172	3,13,95,089
Machinery Repair	5,46,451	32,36,883
Total A	8,72,38,236	12,85,28,446
Selling Expenses		
Breakage L-13	2,14,960	-
Freight/Carriage Outwards	5,28,000	16,79,401
L-13/L-1 Operating Expenses	38,05,203	32,35,358
Loading Charges	6,24,109	8,41,077
Total B	51,72,272	57,55,836
Adminstrative & Other Expenses		
Breakage Expenses		
Water Expenses	3,88,195	1,75,239
Insurance	2,22,066	2,90,069
Professional / Legal Fees	14,10,427	26,83,828
Fee & Taxes	2,78,69,323	4,14,95,877
Printing & Stationery	2,78,210	4,82,759
Audit Fee	1,41,000	1,05,000
Tax Audit Fee	29,500	34,000
Postage, Telephone & Internet	2,10,597	5,56,224
Travelling & Conveyance	24,97,363	20,46,994
Rent	-	2,36,000
News Paper & Periodicals	3,210	3,630
Running & Maintenance of Vehicles	6,39,086	17,82,668
Repair & Maintenance	-	-
Computer	64,260	22,048
Building	1,37,524	3,55,222
Other	1,46,419	2,00,329
Donation	22,200	29,300
Farm expenses	14,22,907	13,85,699
Preliminary Expenses written of	2,253	2,253
Director Remuneration	6,00,000	6,00,000
Advertisement	49,581	3,33,345
Balances W/o	26,74,584	5,41,256
Total C	3,88,08,705	5,33,61,740
Grand Total (A+B+C)	13,12,19,213	18,76,46,022
NOTE 29 CONTINGENT LIABILITIES	31.03.2021	31.03.2020
a) Additional demand raised by Sales tax authorities pending in appeals	Unascertained	Unascertained
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	Unascertained	Unascertained
c) Contingent Liability in respect of Interest on cane cess,if any.	Unascertained	Unascertained
d) Contingent Liability in respect of Unassessed cases of Income Tax,Sales Tax,Cane Cess, Excise duty.etc.	Unascertained	Unascertained
NOTE 30 REMUNERATION PAID TO DIRECTORS	31.03.2021	31.03.2020
The remuneration paid to directors is as follows :	Rs. In Lacs	Rs. In Lacs
Whole time director	6.00	6.00
The Remuneration to Directors is paid in accordance with Part II of Schedule V of Companies Act, 2013.		
NOTE 31 DISCLOSURE AS PER IND AS-108 SEGMENT REPORTING	31.03.2021	31.03.2020
The company operates in single segment, thus reporting reuirements of Ind AS 108 is not applicable to the company.		
NOTE 32 CORONAVIRUS (COVID-19) IMPACT ON FINANCIAL REPORTING – ACCOUNTING YEAR ENDING MARCH 31, 2021		
Impact of Covid-19 -		
The company has considered the possible impact of internal and external factors known to the management upto the date of approval of these accounts, to assess and finalise the carrying amount of its assets and liabilities. Accordingly as on date, no material impact is anticipated in these financial statements		

		(Amount in Rs.)	
NOTE 33	PAYABLES & RECEIVABLE S		
Balance of certain sundry debtors, loans & advances (including capital advances), creditors and other process of confirmation/reconciliation. The management is of the opinion that adjustment, in liabilities if any, arising out of such reconciliation would not be material.			
NOTE 34	ADVANCES RECOVERABLE		
In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for known liabilities is adequate and not in excess of amount reasonably necessary.			
NOTE 35	DISCLOSURE AS PER IND AS - 36 IMPAIRMENT OF ASSETS		
In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.			
NOTE 36	DISCLOSURE AS PER IND AS - 33 EARNING PER SHARE	31.03.2021	31.03.2019
	Profits for the year attributable to equity holders of the Company (Rs.)	90,97,183	1,79,865
	Weighted average number of equity shares (Nos.)	2,32,20,952	2,32,20,952
	Face Value	10	10
	Basic and Diluted Earning Per Share	0.39	0.01
NOTE 37	Income Tax Expense	31.03.2021	31.03.2019
A	Income Tax Expense		
	Current Tax		
	Current Tax on Profits for the Year	5.58	7.03
	Adjustments for current tax of prior year	2.58	-
	Total Current Tax Expense	8.16	7.03
	Deferred Tax		
	Deferred Tax Charge/(Income)	(53.33)	9.33
	Total Tax Expense	(45.17)	16.36
B	Reconciliation of tax expense and the accounting profit		
	Profit Before Tax	45.80	49.35
	Income Tax (Calculated at 15.6% for FY 2020-21 and 25.169% for FY 2019-20)	7.16	12.71
	Tax Effect of :		
	- Tax effect due to non-taxable income for Income tax purposes	(1.58)	(3.33)
	- Brought Forward Tax Losses	-	-
	- Expenses not allowed for tax purpose	-	0.17
	- Others	(50.69)	6.81
	Income Tax Expense	(45.11)	16.36
NOTE 38	DISCLOSURE AS PER IND AS-24 RELATED PARTY DISCLOSURE	31.03.2021	31.03.2020
A.	List of Related Parties and Relationships:		
	Related Party		
i.	Piccadily Agro Industries Limited		
ii.	Harvinder & Associates		
iii.	Piccadily Hotels Private Limited		
B.	Related Party Transactions:	2020-21	2019-20
	Nature of TransactiOn		
i.	Purchase of Goods		
	Piccadily Agro Industries Limited	421.87	1,548.49
ii.	Sale of Goods		
	Piccadily Agro Industries Limited	13.99	321.13
iii.	Professional Charges		
	Harvinder & Associates	1.80	1.80

iv. Remuneration to Key Managerial Persons		
Devinder Sharma (Director)	6.00	6.00
Avneet Kaur (Company Secretary)	3.42	0.93
Sunil Kumar (Chief Financial Officer)	10.20	-
Charu Aggarwal (Company Secretary)	-	0.55
C. Balance outstanding with related parties		
Piccadilly Agro Industries Ltd.	1,216.86	1,774.30
Harvinder & Associates	0.28	0.14
NOTE 39 FOREIGN EXCHANGE TRANSACTION	31.03.2021	31.03.2020
(a) Value of imports calculated on CIF basis by the company during the financial year in respect of :		
1. Raw Materials	NIL	NIL
2. Components and Spare Parts	NIL	NIL
3. Capital Goods	NIL	NIL
(b) Expenditure in Foreign Travelling	NIL	NIL
(c) Earning in Foreign Currency	NIL	NIL
NOTE 40 DISCLOSURE AS PER IND AS-41 AGRICULTURE	31.03.2021	31.03.2020
PARTICULARS		
Opening balance	12,90,572	12,73,080
Additions due to Recognition	30,81,069	21,23,982
Changes in fair value less Cost to Sell	-	-
Decrease due to harvested	30,33,340	21,06,490
Closing Balance	13,38,301	12,90,572
NOTE 41 MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006		
Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021		
	31.03.2021	31.03.2020
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	1,30,03,730	1,04,71,571
Interest		-
(b) Principal amount paid (includes unpaid) beyond the appointed date		
(c) Interest due and payable for the year		-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year.		-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.		-
NOTE 42 REGROUPING OF FIGURES		
The previous year figures have been recast/ regrouped whenever considered necessary to facilitate comparison with revised Schedule III, Division (ii).		

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of Board

For Aggarwal Sahil & Associates

Chartered Accountants
FRN: 026978N

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

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

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

Sd/-
Sunil Kumar
(Chief Financial Officer)

Sd/-
Avneet Kaur
(Company Secretary)
M.No. : 60841

Date: 29/06/2021
Place: Gurugram
UDIN : 21523581AAAACK2597

Notes to the Consolidated Financial Statements

1. Corporate Information

Piccadilly Sugar & Allied Industries Limited (the company and its subsidiaries and associates together as referred to 'the Group') is a public limited company incorporated and domiciled in India. The address of the Corporate office is Kothi No. 304, Sector 9-D Chandigarh, 160009. The Board of Directors approved the Consolidated Financial Statements for the year ended March 31,2021 and authorised for issue on June 29,2021.

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

2. Statement of Compliance

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

3. Basis of Preparation

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

4. Going Concern

The Board of Directors have considered the financial position of the group as at 31st March, 2021 and projected cash flows and financial performance of the group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

4. Significant Accounting Policies

a) Property, Plant and Equipment

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

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

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

i) Estimated Useful Lives:

ASSET	USEFUL LIFE
Factory Building	30 Years
Administrative Building	30 years
Plant & Machinery	15 years
Furniture & Fixture	10 Years
Computers	3 Years
Office Equipments	5 Years
Vehicles	10 Years

ii) Estimated residual value:

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

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

b) Inventories

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

c) Revenue recognition

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

d) Other revenue streams

Interest Income

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

e) Employee benefits

(i) Defined contribution plans

Group's contribution paid/payable during the year to provident fund and superannuation fund are recognized in the statement of profit and loss.

(ii) Defined benefit plans

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

(iii) Bonus Plans

The group recognizes a liability and an expense for bonus. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

f) Foreign currency transactions

The functional currency of the Group is Indian rupee. Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Monetary items (i.e. receivables, payable, loans etc) denominated in foreign currency are reported using the closing exchange rate on each reporting date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise except for exchange difference on foreign currency borrowings relating to asset under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

g) Financial instruments- Initial Recognition

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

Subsequent measurement

A Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

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

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

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

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

(iv) Financial liabilities

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

De-recognition of financial instruments

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

h) Impairment

i) Financial assets

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

ii) Non-financial assets: Tangible and intangible assets

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

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

i) Income taxes

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

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

j) Leases

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

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

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

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

Group as a lessee

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

k) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

l) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

m) Provisions

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

5. Use of estimates

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

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

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

- i) Useful lives and residual value of property, plant and equipment: Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.
- ii) Deferred tax assets: The Group reviews the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduces to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- iii) Revenue: The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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

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

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

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

AUDITORS REPORT

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

Sd/-
SAHIL AGGARWAL
(Partner)
M.No. 523581

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

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

Date: 29/06/2021
Place: Gurugram

Sd/-
Sunil Kumar
(Chief Financial Officer)

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



**AGGARWAL SAHIL &
ASSOCIATES**
(Chartered Accountants)

H.no. 3026, Sector 27-D
Chandigarh - 160019
98883-81668, 98724-31546
caaggarwalsahil@gmail.com

**Independent Auditor's review Report on the Quarterly Unaudited Standalone
Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

Review Report to

**The Board of Directors of
Piccadily Sugar & Allied Industries Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Piccadily Sugar & Allied Industries Limited ("the Company") for the quarter ended December 31st,2021 ("the Statement"), being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements)Regulation 2015 as amended (the "Listing Regulation")
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on 08th February,2022 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules, as amended, read with the Circular, issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim Financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express and audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind As') specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.





**AGGARWAL SAHIL &
ASSOCIATES**
(Chartered Accountants)

H.no. 3026, Sector 27-D
Chandigarh - 160019
98883-81668, 98724-31546
caaggarwalsahil@gmail.com

5. We draw attention to Note 4 to the standalone unaudited Ind As financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the company's operations and result as assessed by the management. Our conclusion is not modified in respect of this matter.

For Aggarwal Sahil & Associates
Chartered Accountants
Registration No-026978N



Sahil Aggarwal
(Partner)

M. No: 523581

UDIN : 22523581AAWPMQ8110

Place: Chandigarh
Date : 08th February, 2022

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PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.
 Regd. Office : Jakhai Road, Patran
 Distt. - Patiala (Punjab)

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31.12.2021

Sr.	PARTICULARS	(Rs. In Lakhs, Except EPS Data)					
		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1.	Revenue from Operations						
	Gross Sales	991.04	903.84	598.82	2605.19	1763.68	2799.20
	Other Operating Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue from Operations	991.04	903.84	598.82	2605.19	1763.68	2799.20
	Other Income	53.05	11.14	5.99	113.34	66.94	544.93
	Total Income	1044.08	914.78	604.80	2718.53	1830.61	3344.14
2.	Expenses						
	(a) Cost of Materials consumed	270.76	281.40	215.99	784.70	696.28	1004.40
	(b) Purchase and related cost of stock in trade	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	32.86	(107.32)	(61.87)	(104.77)	(130.22)	(43.16)
	(d) Excise duty on sale of goods	151.25	134.44	125.11	369.59	290.07	423.77
	(e) Employee benefits expense	48.68	43.52	53.92	141.08	150.72	205.60
	(f) Finance costs	9.16	9.51	12.97	29.30	37.47	49.45
	(g) Depreciation and amortization expense	72.61	90.02	71.08	248.89	250.86	350.93
	(h) Power, fuel etc.	23.28	26.74	21.76	69.19	59.74	80.98
	(i) Other expenses	391.31	423.74	246.88	1163.05	732.40	1231.14
	Total Expenses	999.90	902.03	685.84	2701.02	2077.32	3303.12
3.	Profit/(loss) before exceptional items and tax (1-2)	44.18	12.75	(81.03)	17.51	(246.71)	41.02
4.	Exceptional Items	0.00	0.13	0.00	0.13	4.86	4.86
5.	Profit/(loss) before tax (3+4)	44.18	12.88	(81.03)	17.64	(241.85)	45.88
6.	Tax Expense						
	- Current Tax	2.16	0.00	0.00	2.16	0.00	5.58
	- Deferred Tax	35.33	(10.70)	(17.05)	7.66	(20.79)	(53.35)
	- Tax adjustment related to earlier year	0.00	0.00	0.00	0.00	0.00	2.58
7.	Net Profit (5-6)	6.69	23.58	(63.98)	7.81	(221.06)	91.07
8.	Other Comprehensive income						
	A (i) items that will not be reclassified to profit & loss	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) income tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
	B (i) items that will be reclassified to profit & loss	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
9.	Total comprehensive income (after tax)	6.69	23.58	(63.98)	7.81	(221.06)	91.07
10.	Paid up equity share capital (FV Rs. 10 each)	2325.45	2325.45	2322.10	2325.45	2322.10	2322.10
	Basic / Diluted -Earnings/(Loss) Per Share (Rs.)						
	- Basic	0.03	0.10	(0.28)	0.03	(0.95)	0.39
	- Diluted	0.03	0.10	(0.28)	0.03	(0.95)	0.39

PLACE: CHANDIGARH
 DATE: 08.02.2022



Harvinder Singh Chopra
 Harvinder Singh Chopra
 (Director)
 DIN No. 00129891

PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.

Regd. Office : Jakhal Road, Patran
Distt. - Patiala (Punjab)

NOTES TO THE STANDALONE FINANCIAL RESULTS :

- 1 The above standalone financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and other relevant amendments thereafter.
- 2 The above standalone financial results have been reviewed by the Audit Committee and then approved by Board of Directors in their meeting held on 7th february,2022.
- 3 Since the company operates in only one segment, segment reporting requirement are not applicable to the company.
- 4 In the view of COVID 19 pandemic, Company has taken into account its possible impact and considered internal and external information known to the management upto the date of approval of financial results in preparation of these results of the quarter and to assess and finalize the carrying amount of its assets and liabilities. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts.
- 5 The previous period/year's figures have been regrouped wherever necessary to confirm to this period's classification.

For and on behalf of the Board


Harvinder Singh Chopra
(Director)
DIN No. 00129891

PLACE: CHANDIGARH
DATE:08/02/2022



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**Independent Auditor's review Report on the Quarterly Unaudited Consolidated
Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to
TO THE BOARD OF DIRECTORS OF
PICCADILY SUGAR & ALLIED INDUSTRIES LIMITED**

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of **PICCADILY SUGAR & ALLIED INDUSTRIES LIMITED** ("the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") for the quarter ended December 31st, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, as amended read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is





substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular No. CIR/CFD/CMD1/44/2019 date March 29, 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the result of the following entity:

Subsidiary:

- a) Six Trees Drinks Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to Note 4 to the Consolidated unaudited Ind As financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the company's operations and result as assessed by the management. Our conclusion is not modified in respect of this matter.





7. The accompanying statement includes the unaudited interim financial result statement and other financial information, in respect of:
- One Subsidiary whose unaudited interim financial results reflect group's share of total revenues of **Rs.0**, total net loss after tax of **Rs.8772** total comprehensive Loss of **Rs.8772** for the quarter ended December 31st,2021, as considered in the statement which have been reviewed by their respective independent Auditors.

The independent auditor's reports on interim financial results of these entities have been furnished to us by the management and our conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and associate is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

8. Our conclusion on the statement in respect of matters stated in Para 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

FOR AGGARWAL SAHIL & ASSOCIATES
Chartered Accountants
Firm's Registration No-026978N



Sahil Aggarwal
(Partner)
(Membership No. 523581)

Place : Chandigarh
Date : 08/02/2022

UDIN: 22523581AAWQAH9152

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PICCADILY SUGAR AND ALLIED INDUSTRIES LTD.
 Regd. Office : Jakhai Road, Patran
 Distt. - Patiala (Punjab)

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months ended 31.12.2021

Sr.	PARTICULARS	(Rs. In Lakhs, Except EPS Data)					
		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1.	Revenue from Operations						
	Gross Sales	991.04	903.64	598.82	2605.19	1763.68	2799.20
	Other Operating Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue from Operations	991.04	903.64	598.82	2605.19	1763.68	2799.20
	Other Income	53.05	11.14	5.99	113.34	66.94	544.93
	Total Income	1044.08	914.78	604.80	2718.53	1830.61	3344.14
2.	Expenses						
	(a) Cost of Materials consumed	270.78	281.40	215.99	784.70	686.28	1004.40
	(b) Purchase and related cost of stock in trade	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	32.86	(107.32)	(61.87)	(104.77)	(130.22)	(43.16)
	(d) Excise duty on sale of goods	151.25	134.44	125.11	369.59	290.07	423.77
	(e) Employee benefits expense	48.68	43.52	53.92	141.08	150.72	205.60
	(f) Finance costs	9.16	9.51	12.97	29.30	37.47	49.45
	(g) Depreciation and amortization expense	72.61	90.02	71.08	248.89	250.86	350.93
	(h) Power, fuel etc.	23.28	26.74	21.76	69.19	59.74	80.98
	(i) Other expenses	391.33	423.75	246.90	1163.10	732.46	1231.55
	Total Expenses	999.92	902.04	685.86	2701.08	2077.38	3303.53
3.	Profit/(loss) before exceptional items and tax (1-2)	44.16	12.74	(81.05)	17.46	(246.76)	40.60
4.	Exceptional items	0.00	0.13	0.00	0.13	4.86	4.86
5.	Profit/(loss) before tax (3+4)	44.16	12.86	(81.05)	17.58	(241.91)	45.46
6.	Tax Expense						
	- Current Tax	2.16	0.00	0.00	2.16	0.00	5.58
	- Deferred Tax	35.35	(10.70)	(17.06)	7.69	(20.80)	(53.33)
	- Tax adjustment related to earlier year	0.00	0.00	0.00	0.00	0.00	2.58
7.	Net Profit (5-6)	6.65	23.56	(64.00)	7.72	(221.11)	90.63
8.	Other Comprehensive income						
	A (i) items that will not be reclassified to profit & loss	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) income tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
	B (i) items that will be reclassified to profit & loss	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00
9.	Total comprehensive income (after tax)	6.65	23.56	(64.00)	7.72	(221.11)	90.63
10.	Paid up equity share capital (FV Rs. 10 each)	2325.45	2325.45	2322.10	2325.45	2322.10	2322.10
	Basic / Diluted -Earnings/(Loss) Per Share (Rs.)						
	- Basic	0.03	0.10	-0.28	0.03	(0.95)	0.39
	- Diluted	0.03	0.10	-0.28	0.03	(0.95)	0.39

PLACE: CHANDIGARH
 DATE: 08.02.2022



Harvinder Singh Chopra
 Harvinder Singh Chopra
 (Director)
 DIN No. 00129891

9

Piccadilly Sugar and Allied Industries Ltd.
Regd. Office : Jakhai Road, Patran
Distt. - Patiala (Punjab)

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS :

- 1 The above Consolidated financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and other relevant amendments thereafter.
- 2 The above consolidated financial results have been reviewed by the Audit Committee and then approved by Board of Directors in their meeting held on 07th February, 2022.
- 3 Since the Company operates in only one segment, segment reporting requirement are not applicable to the company.
- 4 In the view of COVID 19 pandemic, Group has taken into account its possible impact and considered internal and external information known to the management upto the date of approval of financial results in preparation of these results of the quarter and to assess and finalize the carrying amount of its assets and liabilities. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts.
- 5 The previous period/year's figures have been regrouped wherever necessary to confirm to this period's classification.

PLACE: CHANDIGARH
DATE:08/02/2022

For and on behalf of the Board


Harvinder Singh Chopra
(Director)
DIN No. 00129891



①

MATERIAL DEVELOPMENTS

To our knowledge, no circumstances have arisen since March 31, 2021 which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

ACCOUNTING RATIOS

Following are the Key Accounting Ratios for the financial year ended March 31, 2021 and for the nine (9) months period ended December 31, 2021:

Particulars	Nine months period ended December 31, 2021	Financial Year ended March 31, 2021
Earnings Per Share (EPS) (Basic) (Rs.)#	0.03	0.39
Earnings Per Share (EPS) (Diluted) (Rs.) #	0.03	0.39
Return on Net Worth (%)	0.48%	5.62%
Net Asset Value per Equity Share (Rs.)	7.01	6.98
EBITDA (Rs. in Lakhs)	295.27	449.12
EBITDA to revenue (%)	11.33%	16.04%

Not Annualized

Note: The financial figures mentioned in the above table are based on Audited Financial Statements of the Company for the financial year ended March 31, 2021 and unaudited financial results (limited reviewed by Statutory Auditors of the Company) for the 09 months period ended December 31, 2021.

Formula:

- Earnings Per Share (Basic):** Net Profit after tax for the year/period attributable to Equity Shareholders divided by weighted average number of equity shares outstanding during the period.
- Earnings Per Share (Diluted):** Net Profit after tax for the year/period attributable to Equity Shareholders divided by diluted weighted average number of equity shares outstanding during the period.
- Return on Net Worth:** Net Profit after tax for the year/period attributable to Equity Shareholders divided by Net Worth. For the purpose of calculation of Net Worth, we have considered Equity Share Capital and Reserve & Surplus and ignored the redeemable preference shares.
- EBITDA:** Profit before exceptional items and tax plus finance costs plus depreciation and amortisation expense less other income.
- EBITDA (%):** [EBITDA/ Operating Income]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our Unaudited Financial Results for the 09 (nine) months ended December 31, 2021 and Audited Financial Statements for the financial year ended March 31, 2021 prepared in accordance with the provisions under the Companies Act, 2013 and Indian Accounting Standard (Ind AS), including the notes and schedules thereto, included in the section titled "Financial Information" on page [•]. You should also read the section titled "Risk Factors" on page [•], which discusses a number of factors and contingencies that could impact our financial condition and results of operations, and the section titled "Our Business" on page [•] which presents important information about our business.

Unless otherwise specified in this section or unless the context otherwise requires, the following discussion is based on our Unaudited Financial Results for the 09 (nine) month ended December 31, 2021 and Audited Financial Statements for the financial year ended March 31, 2021 and financial information for the year ended March 31, 2020 which is derived from the comparatives of the Audited Financial Statements for the financial year ended March 31, 2021 and in relevant parts, on internally prepared statistical information available to our management and publicly available information.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. In this section, any reference to "we", "us" or "our" is to Piccadily Sugar & Allied Industries Limited.

Business Overview

Our Company was originally incorporated as a public limited in the name and style of "Piccadily Sugar and Allied Industries Limited" under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on March 15, 1993, by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. Our Company received the certificate for commencement of business on March 17, 1993, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

The Corporate Identification Number of our company is L15424PB1993PLC013137.

The Company had set up the Sugar Mill at Village Himjheri, Jakhhal Road, Patran, Distt. Patiala in the State of Punjab in the year 1994. The Sugar Mill manufactured white crystal sugar from sugar cane cultivated in the surrounding rural areas. The Sugar Mill of the Company is non-operational since 2011.

Further the Company had set-up two Distilleries. In the year 2003-04 the first distillery was set up at Village Himjheri, Jakhhal Road, Patran, Distt. Patiala in the State of Punjab and the second distillery was set up at Plot No. 358, Sector 3, IMT Phase II, Bawal, Rewari Haryana-122050. The distilleries manufacture Rectified Spirit, Extra Neutral Alcohol (ENA) from molasses/rice/wheat.

Currently, the Company is engaged in production of various brands of country liquor and Indian-made foreign liquor at its existing distilleries at Patran and Bawal.

On the basis of our Unaudited Financial Results for the 09 (nine) month ended December 31, 2021 and Audited Financial Statements for the financial year ended March 31, 2021, our total revenue from Operations for FY 2021, FY 2020 and 09 (nine) month ended December 31, 2021 was Rs. 2,799.20 Lakh, Rs. 4,361.37 Lakh and Rs. 2605.19 Lakh respectively and our net profit/(loss) for FY 2021, FY 2020 and 09 (nine) month ended December 31, 2021 was Rs. 91.07 Lakh, Rs. 1.88 Lakh and Rs. 7.72 Lakh respectively.

Our key strengths

We believe the following are our key strengths:

- Rich experience of our Promoters and Management
- Profitability
- Brand Recognition

For further details, kindly refer the section titled "Risk Factors" beginning on page [•] of this Draft Letter of Offer and the chapter titled "Our Business" beginning on page [•] of this Draft Letter of Offer.

Our key strategies

For details of our business strategy, kindly refer to the chapter titled "Our Business" beginning on page 57 of this Draft Letter of Offer.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Impact of Covid-19

An outbreak of Covid-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the Covid-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to Covid-19, our business operations during initial few months of FY 2020-21 was adversely affected. Our company has taken necessary steps to restart the business operations in gradual manner. Further, India had experienced second wave of infections that has significantly increased the number of persons impacted by COVID-19 during April- June 2021. The Government of India and state governments in India have re-imposed state-wise partial lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections and new variants of the virus. This has also affected the business operation of our company during Q1 of FY 2021-22. Recently, Omicron variant, a new variant of Covid-19 virus has been discovered across the world and we are taking a cautious approach towards the same. The Centre has asked state governments to closely monitor the emerging hotspots and clusters of Covid-19, and breakthrough and re-infection cases in view of the newly detected Omicron variant of the virus.

Except the impact on account of Covid-19 disclosed as above, no circumstances have arisen since the date of the last Financials (quarter and 09(nine month ended December 31 , 2021) as disclosed in this Draft Letter of Offer which materially and adversely affects or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Restated Financial Statements as disclosed in this Draft Letter of Offer. Except the impact on account of Covid-19, there is no development subsequent to December 31 , 2021 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "Risk Factors" on page [●] of this Draft Letter of Offer. Our financial condition and results of operations are affected by various factors of which the following are of particular importance:

- We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.
- Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.
- Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.
- Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.
- A slowdown in economic growth in India and globally could cause our business to suffer.

Our Significant Accounting Policies:

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2021, as required by Ind AS 1 and other applicable standards, see section titled "Financial Information" on page [●].

Change in accounting policies:

There has been no significant changes in the accounting policies during the FY 2020-2021.

Reservations, Qualifications and Adverse Remarks

There are no reservations or qualifications or adverse remarks in the auditors' report for FY 2020-21.

Related Party Transactions

For details, please see the chapter titled "Financial Statements" beginning on page [●].

SUMMARY AND COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY

The following discussion on the financial operations and performance should be read in conjunction with the financial statements/results of the company.

Amount in Rs. Lakh

Particulars	9 months period ended December 31, 2021		FY ended March 31, 2021		FY ended March 31, 2020	
	Amount (Rs. in Lakh)	% of Total Revenue	Amount (Rs. in Lakh)	% of Total Revenue	Amount (Rs. in Lakh)	% of Total Revenue
Revenue from Operations	2605.19	95.83%	2,799.20	83.70%	4,361.37	97.06%
Other Income	113.34	4.17%	544.93	16.30%	132.25	2.94%
Total Revenue	2718.53	100.00%	3,344.14	100.00%	4,493.62	100.00%
Cost of Good Sold (i.e net of Change in Inventories of Stock in Trade)	679.93	25.01%	961.25	28.74%	1,710.09	38.06%
Excise Duty on Sale of Goods	369.59	13.60%	423.77	12.67%	472.33	10.51%
Employee Benefits Expenses	141.08	5.19%	205.60	6.15%	281.91	6.27%
Finance Cost	29.3	1.08%	49.45	1.48%	60.08	1.34%
Other expenses (including Manufacturing and selling expenses)	1232.24	45.33%	1,312.12	39.24%	1,876.39	41.76%
Depreciation and amortization expenses	248.89	9.16%	350.93	10.49%	363.27	8.08%
Total Expenditure	2,701.03	99.36%	3,303.12	98.77%	4,764.06	106.02%
Profit before Tax and before exceptional items	17.50	0.64%	41.02	1.23%	(270.44)	-6.02%
Exceptional items: Profit (Loss) on sale of Fixed assets	0.13	0.00%	4.86	0.15%	294.29	6.55%
Profit before Tax and after exceptional items	17.63	0.65%	45.88	1.37%	23.84	0.53%
Current Tax (Including tax adjustment for earlier years)	2.16	0.08%	8.16	0.24%	-	0.00%
Deferred Tax	7.66	0.28%	(53.35)	-1.60%	21.96	0.49%
Total tax expenses	9.82	0.36%	(45.19)	-1.35%	21.96	0.49%
Profit for the period	7.81	0.29%	91.07	2.72%	1.88	0.04%

Financial Performance Highlights for 09 months period ended December 31, 2021

Total revenue

The company's total revenue during the 09 months period ended **December 31, 2021** was Rs. 2718.53 Lakh. The revenue from operation was Rs. 2605.19 Lakh which comprised 95.83% of company's total revenue for the 9 months period ended **December 31, 2021**. The other income of Rs. 113.34 Lakh is 4.17% of total revenue of the Company.

Total expense

The total expenditure (excluding exceptional items) during the 09 months period ended **December 31, 2021** was Rs. 2701.03 Lakh. The total expenditure represents 99.36 % of the total revenue. The total expenses are represented by cost of goods sold of Rs. 679.93Lakh (25.01% of total revenue), excise duty paid on sale of goods of Rs. 369.59 Lakh (13.60 % of total revenue), employee benefit expenses of Rs. 141.08 Lakh (5.19 % of total revenue), other expenses (including Manufacturing and selling expenses) of Rs. 1232.24 Lakh (45.33 % of total revenue), finance cost of Rs. 29.3 Lakh (1.08 % of total revenue) and depreciation & amortization of Rs. 248.89 Lakh (9.16 % of total revenue).

Profit / (loss) after tax

The net profit after tax during the 09 months period ended December 31, 2021 was Rs. 7.81 Lakh representing 0.29 % of the total revenue of the Company.

COMPARISON OF HISTORICAL RESULTS OF OPERATIONS

FINANCIAL YEAR ENDED ON MARCH 31, 2021 COMPARED TO YEAR ENDED ON MARCH 31, 2020

1) Total Revenue

Our total revenue decreased to Rs. 3,344.14 Lakh for the year ended on March 31, 2021, as compared to Rs. 4,493.62 Lakh for the year ended on March 31, 2020. Our total revenue during FY 2020-21 has decreased by 25.58% as compared to FY 2019-20.

2) Total Expenditure

Our total expenditure decreased to Rs. 3,303.12 Lakh for the year ended on March 31, 2021 as compared to Rs. 4,764.06

Lakh for the year ended on March 31, 2020. Total expenditure for the year ended on March 31, 2021 stood at 98.77% of the total revenue as compared to 106.02% for the year ended on March 31, 2020. In absolute terms, total expenditure during FY 2020-21 has decreased by 30.67% as compared to FY 2019-20.

3) Revenue from operations

Our revenue from operations decreased to Rs. 2,799.20 Lakh for the year ended on March 31, 2021, as compared to Rs. 4,361.37 Lakh for the year ended on March 31, 2020. Operating Revenue for the year ended on March 31, 2021 stood at 83.07% of the total revenue as compared to 97.06% for the year ended on March 31, 2020. In absolute terms, Operating Revenue during FY 2020-21 has decreased by 35.82% as compared to FY 2019-20. The Operating Revenue has decreased mainly on account of Covid-19 disruptions.

4) Other income

Our Other Income increased to Rs. 544.93 Lakh for the year ended on March 31, 2021, as compared to Rs. 132.25 Lakh for the year ended on March 31, 2020. Other Income for the year ended on March 31, 2021 stood at 16.30% of the total revenue as compared to 2.94% for the year ended on March 31, 2020. The Other Income during the year ended March 31, 2021 as well as year ended March 31, 2020 was mainly on account of other non-operating income and truck hire charges.

5) Cost of Goods sold (i.e net of Change in Inventories of Stock in Trade)

Cost of Goods sold as a percentage of total income was 28.74% during the year ended March 31, 2021 as compared to 38.06% during the year ended March 31, 2020. In absolute terms, Cost of Goods sold was Rs. 961.25 Lakh during the year ended March 31, 2021 as compared to Rs. 1,710.09 Lakh during the year ended March 31, 2020 representing a decrease of 43.79% in FY 2020-21 as compared to FY 2019-20. The decrease is mainly on account of corresponding decrease in operating revenue and other related factors.

6) Employee Benefit Expenses

Employee Benefit Expenses as a percentage of total income was 6.15% during the year ended March 31, 2021 as compared to 6.27% during the year ended March 31, 2020. In absolute terms, Employee Benefit Expenses was Rs. 205.60 Lakh during the year ended March 31, 2021 as compared to Rs. 281.91 Lakh during the year ended March 31, 2020 representing an decrease of 27.07% in FY 2020-21 as compared to FY 2019-20.

7) Other Expenses (including Manufacturing and selling expenses)

Other expenses as a percentage of total income was 39.24% during the year ended March 31, 2021 as compared to 41.76% during the year ended March 31, 2020. In absolute terms, Other Expenses was Rs. 1,312.12 Lakh during the year ended March 31, 2021 as compared to Rs. 1,876.39 Lakh during the year ended March 31, 2020 representing a decrease of 30.07% in FY 2020-21 as compared to FY 2019-20. The decrease is mainly on account of corresponding decrease in operating revenue and other related factors.

8) Profits Before Tax and after exceptional items

Profits before tax as a percentage of total income was 1.37% during the year ended March 31, 2021 as compared to loss before tax of 0.53% during the year ended March 31, 2020. In absolute terms, Profit before tax was Rs. 45.88 Lakh during the year ended March 31, 2021 as compared to profit before tax of Rs. 23.84 Lakh during the year ended March 31, 2020 representing an increase of 92.41% in FY 2020-21 as compared to FY 2019-20

9) Profits After Tax

Profits After tax as a percentage of total income was 2.72% during the year ended March 31, 2021 as compared to 0.04% during the year ended March 31, 2020. In absolute terms, Profit after tax was Rs. 91.07 Lakh during the year ended March 31, 2021 as compared to profit before tax of Rs. 1.88 Lakh during the year ended March 31, 2020.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and traded on BSE Limited from April 28, 1994.

Stock Market Data of the Equity Shares

a) The high, low and average market prices of the equity shares of the company during the preceding three years:

Financial Year	High (Rs.)	Date of high	No. of shares traded on date of high	Total volume traded on date of high (in Rs.)	Low (Rs.)	Date of low	No. of shares traded on date of low	Total volume traded on date of low (in Rs.)	Average price for the year (Rs.)*
2019-20	7.65	17-Jan-20	14339	102741	3.26	24-Mar-20	21780	72928	5.56
2020-21	7.07	24-Jun-20	33231	212275	3.26	05-Nov-20	2062	7158	4.64
2021-22	21.10	12-Jan-2022	86318	1731646	4.62	13-Apr-21	7366	35527	13.63

*Sum of total turnover for the period divided by number of shares traded during the period.

b) Monthly high and low prices for the six months preceding the date of filing the Draft Letter of Offer with BSE Limited:

Month	Date of high	High (Rs.)	Volume (No. of shares)	Total volume traded on date of high (in Rs.)	Date of low	Low (Rs.)	Volume (No. of shares)	Total volume traded on date of low (in Rs.)	Average price for the month (Rs.)*
Oct-21	05-Oct-21	14.50	7271	101978	28-Oct-21	11.55	1963	23050	13.38
Nov-21	25-Nov-21	13.96	23080	311258	16-Nov-21	11.75	7341	88292	12.90
Dec-21	16-Dec-21	17.88	40328	705707	06-Dec-21	11.97	15293	189286	15.49
Jan-22	12-Jan-22	21.10	86318	1731646	04-Jan-22	15.85	71602	1231242	18.17
Feb-22	08-Feb-22	19.40	24491	440289	22-Feb-22	13.70	7553	106092	16.61
Mar-22	14-Mar-22	18.80	28950	520988	07-Mar-22	13.34	13149	192326	16.43
Apr-22**	07-Apr-22	20.30	144288	2745139	07-Apr-22	15.65	144288	2745139	18.28

					01-Apr-22	15.65	10469	171907	18.28
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*Sum of total turnover for the period divided by number of shares traded during the period.

** From April 01, 2022 till April 07, 2022

c) Total number of days of trading during the preceding six months: Total Number of days traded during Oct 01, 2021 till Apr 07, 2022- 129 days

d) Market Price of equity shares immediately after the date on which the resolution of the Board of Directors approving the issue: The closing market price of the Equity Shares of the Company on BSE Limited, as on August 20, 2021# (being a working day immediately after the date on which resolution of Board of Directors was passed for approving Rights Issue) was Rs.14 (Rupees Fourteen only).

As on August 20, 2021, since August 19, 2021 was Muharram.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company and its Subsidiaries are subject to various legal proceedings from time to time mostly arising in the ordinary course of their business. Except as described below, we are not involved in any material legal proceedings and our Company is not aware of any proceedings that are threatened, which if determined adversely, may have, or have had, a material adverse effect on our business, properties, financial condition or results of operations of our Company. We believe that none of the contingencies, either individually or in the aggregate, would have a material adverse effect on our financial condition, results of operations or cash flows.

Our Company has an existing “Policy for determination of materiality of events or information” framed in accordance with Regulation 30 of the SEBI Listing Regulations (“Policy of Materiality”). Notwithstanding the criteria including the quantitative criteria provided in the Policy of Materiality adopted by our Company, for good governance, our Company has disclosed in this section all outstanding civil and tax proceedings involving our Company and its Subsidiaries where the value involved in such proceedings exceeds Rs. 2,80,00,000 (Rupees Two Crores Eighty Lakhs only) (being 10% of the consolidated revenue for the financial year ended March 31, 2021) and any other litigation involving our Company and/or Subsidiaries which may be considered material by your Company for the purposes of disclosure in this section of this Draft Letter of Offer.

Further other than as disclosed in this section, there are no outstanding litigation involving our Company and/or our Subsidiaries with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (iv) any pending matters, which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Subsidiaries, and (v) tax matters.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

I. Litigations involving our Company

A. Proceedings involving issue of moral turpitude or criminal liability

(a) Criminal Litigations initiated against our Company

NIL

(b) Criminal Litigations initiated by our Company

NIL

B. Matters involving material violations of statutory regulations by our Company

NIL

C. Economic Offences where proceedings have been initiated against our Company

NIL

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

(a) Civil litigations initiated against our Company

1. Gram Panchayat v/s M/s Piccadilly Sugar & Allied Ind. (CS NO 158 OF 2020)

The Gram Panchayat of village Hariau Khurd by passing a resolution dated 18.01.2019 had authorized its Sarpanch and gave him the authority to take appropriate legal action against PSAIL on behalf of Gram Panchayat.

On 06.06.1991, agricultural land of Gram Panchayat situated at Village Hariau Khurd measuring 991 Kanal 6 Marla, was proposed to be acquired by PSAIL for construction of Sugar Mill. Compensation to the tune of Rs. 50,000/- per acre along with all statutory benefits as admissible under the Land acquisition Act were awarded by the Collector Land Acquisition. Dissatisfied by the compensation, Gram Panchayat filed reference u/s 18 of Land Acquisition Act in district court of Patiala. This reference was dismissed by A.D.J. Patiala vide order dated 06.01.1999. Gram Panchayat filed an appeal in the Hon'ble High Court of Punjab and Haryana where compensation was enhanced to the extent of Rs. 1,36,500/- per acre for Chai besides other statutory benefits, vide order dated 05.11.2012.

Gram Panchayat has filed an execution petition before Hon'ble District Judge, Patiala and the same is pending. An amount of Rs. 6,76,08,112.70/- is also pending as per order dated 05.11.2012.

Gram Panchayat claims that PSAIL is trying to alienate/dispose of the suit land in favour of New Anaj Mandi/Mandi Township Patran and in this regard, PSAIL has moved application dated 27.01.2020 before S.D.M. Patran and sworn an affidavit dated 27.01.2020. Gram Panchayat contests in the district court of Samana that if PSAIL succeeds in transferring the land, it would be impossible for Gram Panchayat to execute the award passed by High Court dated 05.11.2012. Therefore, a suit on the above claims is pending in District Court, Samana.

Present status- Piccadilly has filed a written statement in the District Court of Samana denying all the allegations. The next date of hearing is April 12, 2022.

2. Hamjhari S.C.L.O. Society v/s Satya Devi and Other (CS NO 728 OF 2019)

Hamjhari S.C.L.O. Society claims that it is the owner of land in Distt. Patiala admeasuring 113 Kanals- 14 Marlas, as per jamabandi for the years 2013-2014, which is under illegal and unauthorized possession of PSAIL.

The value of the suit for the purposes of Jurisdiction is 30times of the land revenue and for the purpose of court fee is 10 times of land revenue (but no land revenue is being assessed on the land) and for the purpose of relief of declaration is Rs. 200/- and for the payment injunction is Rs.130/- hence a court fee stamp of Rs.150/- is affixed on the plaint.

Present status- Hamjhari Society has moved an application for permanent injunction in the district court of Samana, seeking restriction of PSAIL, their agents and attorneys from alienating, transferring and disposing of the land in question in any manner.

On the next date of hearing, a Written Statement has to be filed by Piccadilly. Also, fresh munadi would be issued to Piccadilly on payment of munadi fees. The next date of hearing is May 27, 2022.

(b) Civil litigations initiated by our Company

1. Piccadilly Sugar Ind L.td v/s Triveni Engineering & Industries Ltd. & Ors. (RSA NO 425 OF 2015) and Union bank of India v/s Triveni Engineering & Industries Ltd & Ors. (High court) (RSA NO 5988 OF 2014)

Triveni Engineering & Industries Ltd. filed a suit for recovery of Rs. 3,54,16,750/- from Piccadilly Sugar and Allied Industries Limited. An agreement was signed between the Parties which contained an arbitration clause. Piccadilly contends that because of this clause, Triveni must resort to arbitration and civil suit was not maintainable. Piccadilly proved that no machinery was supplied by Triveni on time and there was a breach of contract on part of Triveni. Since time was the essence of contract, and there being breach by Triveni, the said suit is liable to be dismissed.

The lower courts failed to appreciate that time was the essence of contract and passed an award in favour of Triveni.

Present Status- Piccadilly has filed an Regular Second Appeal (RSA) in Hon'ble High Court of Punjab and Haryana to set aside the judgments of the lower courts. The next date of hearing is August 30, 2022.

Union bank of India v/s Triveni Engineering & Industries Ltd & Ors. (High court) (RSA NO 5988 OF 2014) is a batch matter with Piccadilly Sugar and Allied Industries Limited v/s Triveni Engineering & Industries Ltd. & Ors. (The facts are in continuation of the above mentioned matter). Union Bank of India has appealed against the dismissal of the first appeal filed by Piccadilly in the matter of Piccadilly Sugar Ind L.td v/s Triveni Engineering & Industries Ltd. & Ors. At the request of Triveni, the bank had issued 3 bank guarantees in favour of Piccadilly. In terms of a clause of bank guarantee, the contract between bank and Piccadilly was an independent contract and in case of invocation of bank guarantee, bank was legally bound to pay a guaranteed amount to Piccadilly without any reservation or demur. During the pendency of contract, dispute arose between Triveni & Piccadilly regarding supply of machinery. Piccadilly requested the bank to invoke a bank guarantee and the bank honoured the bank guarantee. Triveni had challenged this invocation in the High Court of Punjab & Haryana. A decree was passed in favour of Triveni.

Present status- Therefore, Union Bank of India has filed Regular Second Appeal (RSA) which is pending with the Hon'ble High Court of Punjab & Haryana. The amount due at on date is Rs. 1,99,97,038.96 (Rupees One Crore Ninety Nine Lakhs Ninety Seven Thousand Thirty Eight and Paise Ninety Six only)

2. Piccadilly Sugar and Allied Industries Limited v/s P.S.I.D.C. Ltd. (High court) (FAO NO 4053 OF 2009)

In the instant matter, a First Appeal Order (FAO) was made against order of Additional District Judge, Chandigarh (order dated 02.05.2009). In this order, the Ld. Judge had modified the arbitral award but as per the provisions of Arbitration & Conciliation Act, the Ld. Judge could only accept or set aside the award. He had no power to modify the award of the Arbitrator. The pending amount that has been admitted is Rs. 4,60,00,000 (Four Crores Sixty Lakhs Only).

Present status- The appeal is pending in the Hon'ble High Court of Punjab & Haryana.

3. Union Bank of India v/s Triveni Engineering (OA NO 690 OF 2017 OA NO 828 OF 2013)

Triveni was enjoying financial limits from Union Bank and by letter dated 4th Oct'93, approached the bank for issuance of Bank Guarantees in favour of PSAIL. Bank issued 2 bank guarantees for the amounts of Rs. 65,41,750/-, Rs. 2,06,25,000/- and Rs. 82,50,000/-. All the bank guarantees were issued on behalf of Triveni who signed and executed letters of counter indemnities on 14th Oct'93, undertaking and agreeing to indemnify/pay to the bank all sums which the bank may pay under the guarantees.

The guarantees were for the advance given by PSAIL to Triveni for procurement materials/equipment for the plant agreed to be set up. The amount of guarantees would stand reduced to the extent of advance adjusted against machinery and equipment supplied by Triveni and actually received at site. It was further agreed that

it would not be open to bank to require proof of liability and a mere demand by PSAIL would be sufficient to require the bank to make payment under the guarantees. On 26th Aug'94, Triveni by its letter informed the bank that out of the aforesaid 3 guarantees, supplies had been made against 2 bank guarantees totalling to Rs. 1,47,91,750/-. These bank guarantees stood duly adjusted and discharged. With respect to the remaining bank guarantee, Triveni stated that out of total amount of the BG, a sum of Rs. 24,06,340.36/- had been adjusted by supplies made and the balance of Rs. 1,82,18,659.64/- remained outstanding. PSAIL vide letter dated 5th Sept'94, confirmed to bank the receipt of copy of letter dated 26th Aug'94, informing the bank that the question of reduction in value of quantity of equipment supplied had not been reconciled with PSAIL. The bank was instructed by Triveni vide letter dated 28.10.1994, to renew the 3rd BG for balance amount and rejected the request of PSAIL to renew the guarantee for full amount. By 3 letters dated 29th Oct'94, PSAIL invoked the BG and demanded the full amount.

On 31st Oct'94, the bank issued its pay order for Rs. 3,54,16,750/- being the total amount of the 3 invoked BGs. Bank vide letter dated 17th Nov'94, requested Triveni to make payment but Triveni neglected to do so. Triveni instead of making payment of the said amount, instituted a suit before Hon'ble Delhi High Court against the bank and PSAIL. The suit was returned to be presented to proper court at Chandigarh and Triveni filed a civil suit before Civil Judge, Chandigarh for recovery, declaration and permanent injunction on 09.01.1995. The suit was contested by bank and PSAIL vide judgment and decree dated 21.02.2013. The court held that BGs were wrongly invoked and encashed and since the bank had already made payment of BGs amounting to Rs. 3,54,16,750/- on 31.10.1994 and the said invocation having been rendered illegal vide decree dated 21.02.2013, PSAIL is liable to pay back the said amount to the bank along with interest @9% p.a. As per this decree dated 21.02.2013, the decretal amount comes out to be Rs. 5,37,53,159/- (Rupees Five Crores Thirty Seven Lakhs Fifty Three Thousand One Hundred and Fifty Nine Only) as on 31.07.2013.

Present status- Since the amount due under the guarantee has already been paid by the bank to PSAIL therefore, execution of decree would mean that bank would have to suffer financial loss to the extent of decretal amount. Bank has preferred an appeal against the judgment and decree dated 21.02.2013 which is pending before the Debts Recovery Tribunal, Chandigarh. The next date of hearing in OA NO 690 OF 2017 is May 02, 2022.

(c) Tax Proceedings involving our Company

Sr. No.	Contingent liabilities:	Amount
(a)	Additional Demand raised by Sales tax Authorities pending in appeals	Unascertained
(b)	Estimated amount of Contracts remaining to be executed on capital account and not provide for (net of advance)	Unascertained
(c)	Contingent Liability in respect of Interest on cane cess if any.	Unascertained
(d)	Contingent Liability in respect of Unassessed cases of Income Tax , Sales Tax , Cane Cess , Excise duty	Unascertained

E. Pending action by statutory or regulatory authorities against our Company

NIL

II. Litigations involving our Subsidiaries

A. Proceedings involving issues of moral turpitude or criminal liability

(a) Criminal litigations initiated against our Subsidiaries

NIL

(b) Criminal litigations initiated by our Subsidiaries

NIL

B. Matters involving material violations of statutory regulations by our Subsidiaries

Nil

C. Economic Offences where proceedings have been initiated against our Subsidiaries

NIL

D. Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

(a) Civil litigations initiated against our Subsidiaries

NIL

(b) Civil litigations initiated by our Subsidiaries

NIL

(c) Tax Proceedings involving our Subsidiaries

NIL

E. Pending action by statutory or regulatory authorities against our Company

NIL

III. Action initiated by the SEBI against the Directors of our Company which is outstanding as on the date of this Draft Letter of Offer

NIL

7. MATERIAL DEVELOPMENT SINCE DECEMBER 31, 2021.

Since the date of the last financial statements disclosed in this Draft Letter of Offer, there have not arisen, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page 113 of this Draft Letter of Offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Further, the Company also obtains necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for undertaking a new project. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “Objects of the Issue” at page 46 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorized through a resolution passed by our Board at its meetings held on August 19, 2021 and August 30, 2021 and by the Shareholders in the Annual General Meeting held on September 30, 2021, pursuant to Section 62(1)(a) of the Companies Act.

The Committee of Directors of our Company has, at its meeting held on April 08, 2022, determined the Issue Price as Rs. 10 per Equity Share in consultation with the Lead Manager, and the Rights Entitlement as 5 (Five) Equity Shares for every 9 (Nine) fully paid-up Equity Shares held on the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to its letter dated [●]. Our Company will also be making application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI - Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "**Terms of the Issue**" beginning on page 132 of this Draft Letter of Offer.

Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to BSE for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than Rs. 5,000 Lakh.

However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange. The Lead Manager to the Issue, for and on behalf of the Company, will do an online filing of the Letter of Offer with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, the Lead Manager to the Issue, for and on behalf of the Company, will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on

independent advice / evaluation as to their ability and quantum of investment in the Issue.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Punjab, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth

Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange. The Lead Manager to the Issue, for and on behalf of the Company, will do an online filing of the Letter of Offer with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, the Lead Manager to the Issue, for and on behalf of the Company, will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and BSE.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of

such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY

SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, legal advisor, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated April 06, 2022 from M/s Aggarwal Sahil & Associates, Chartered Accountants, the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its their reports on the Audited Financial Statements, the Unaudited Financial Results and the statement of special tax benefits dated April 06, 2022, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

Except for the abovementioned documents, provided by M/s. Aggarwal Sahil & Associates, Chartered Accountants, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

As of the date of this Draft Letter of Offer, our Company does not have any subsidiary company. Further, none of our associate companies are listed as on date of this Draft Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "Market Price Information" on page 133 of this Draft Letter of Offer.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Mas Services Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer

Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed off within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R- WAP, see "Terms of the Issue" beginning on page 132. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investor Grievances arising out of this Issue Investors may contact the Registrar to the Issue at

Registrar to the Issue

Mas Services Limited

Address: T-34 2nd Floor, Okhla Industrial Area, Phase-2, New Delhi-110020

Tel : +91-11-26387281-83; Fax :+91-11-26387384

E-mail: info@masserv.com

Investor Grievance Email: investor@masserv.com

Website: www.masserv.com

Contact Person: Mr. Nanak Chand

SEBI Registration No.: INR000000049

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Ms. Sapna

Piccadily Sugar and Allied Industries Limited

Jakhhal Road, Patran, Distt Patiala, Punjab - 147001;

Tel: +91-0172-4660993;

Email: piccadilyrightissue@gmail.com, piccadilygroup34@rediffmail.com

Website: www.psailpatran.com

SECTION VIII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.masserv.com.

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have registered their email address with depository or RTA/Company, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, or bounce back cases of email then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have registered their email address with depository or RTA/Company, the Letter of Offer will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, or bounce back cases of email then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form

(provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.psailpatran.com;
- (ii) the Registrar at www.masserv.com;
- (iii) the Lead Manager, i.e. www.tcagroup.in;
- (iv) the Stock Exchanges at www.bseindia.com; and
- (v) the Registrar's web-based application platform at www.masserv.com ("R-WAP").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.masserv.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) The link for the same shall also be available on the website of our Company (i.e., www.psailpatran.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Shareholders in this Issue, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts). Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “**Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**” below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

- (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Shareholders).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circular through R-WAP) shall be treated as incomplete and shall be rejected. For details see “**Grounds for Technical Rejection**” below. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “**Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**” below.

➤ Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full.

➤ **Making of an Application through the ASBA process**

Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- (a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

- (c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (d) Do not submit Application Form using third party ASBA account.

➤ Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process

In accordance with the SEBI Relaxation Circulars, a separate web-based application platform, i.e., the R-WAP facility (accessible at www.masserv.com), has been instituted for making an Application in this Issue by resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Shareholders can access and submit the online Application Form in electronic mode using the R-WAP. Resident Shareholders, making an Application through R- WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Shareholders should enable the internet banking or UPI facility of their respective bank accounts and such Shareholders should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

- (a) Prior to making an Application using the R-WAP facility, the Shareholders should enable the internet banking or UPI facility of their respective bank accounts and the Shareholders should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Relaxation Circulars.
- (b) Resident Shareholders should visit R-WAP (accessible at www.masserv.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in

physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

- (c) Non-resident Shareholders are not eligible to apply in this Issue through R-WAP.
- (d) Shareholders should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Shareholders can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.
- (e) Shareholders who are Renounees should select the category of 'Renounee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.
- (f) The Shareholders shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (g) Verification, if any, in respect of Application through Shareholders' own bank account, shall be done through the latest beneficial position data of our Company containing Shareholders' bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- (h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account opened by our Company with the Escrow Collection Bank(s).
- (i) For guidance on the Application process through R-WAP and resolution of difficulties faced by the Shareholders, the Shareholders are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated Shareholders helpdesk (www.masserv.com.) or call helpline number +91-11-26387281-83.

PLEASE NOTE THAT ONLY RESIDENT SHAREHOLDERS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "RISK FACTORS".

Do's for Shareholders applying through R-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.
- (d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Shareholders applying through R-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Shareholders.

- (c) Do not apply from non-resident account.

➤ **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (j) Name of our Company, being Piccadily Sugar and Allied Industries Limited;
- (iii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iv) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (v) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- (vi) Number of Equity Shares held as on Record Date;
- (vii) Allotment option – only dematerialised form;
- (viii) Number of Equity Shares entitled to;
- (ix) Number of Equity Shares applied for within the Rights Entitlements;
- (x) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (xi) Total number of Equity Shares applied for;
- (xii) Total amount paid at the rate of Rs. 10 per Equity Share;
- (xiii) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (xiv) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (xv) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xvi) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xvii) All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.masserv.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders’ ASBA Accounts on or before the Issue Closing Date.

➤ Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “- Basis of Allotment” mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.
- (d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock

Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

(h) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

(j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and

Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

- (m) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit multiple Applications.
- (s) No investment under the FDI route (i.e. any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.
- (t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

➤ **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and the Letter of Offer.

- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand.
- (o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

Applications by non-resident Shareholders.

- (a) Payment from third party bank accounts.

➤ **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlementment will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “**Procedure for Applications by Mutual Funds**” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure - Intention and extent of participation by our Promoter” mentioned above.

➤ **Procedure for Applications by certain categories of Shareholders**

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly

having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such

application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Shareholders”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee

thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- Basis of Allotment” mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

Shareholders who have applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to M/s MAS Services Limited in case of Application through R-WAP facility. However, no Shareholders, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

➤ Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the

website of the Registrar (i.e., www.masserv.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.psailpatran.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue. If no application is made for allotment of equity shares against the Rights entitlement credited to the demat account, then such rights entitlement would get lapsed. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.masserv.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company in the name of [●], for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested

PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

➤ Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well

➤ Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

➤ Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “On Market Renunciation”); or (b) through an off-market transfer (the “Off Market Renunciation”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by

the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders' ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

For details of mode of payment in case of Application through R-WAP, see “**Making of an Application through the Registrar’s Web-based Application Platform (“R-WAP”) process**” mentioned above.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “**The Issue**” beginning on mentioned above.

➤ **Fractional Entitlements**

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 5 (Five) Equity Shares for every 9 (Nine) fully paid-up Equity Shares held on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (Nine) Equity Shares or is not in the multiple of 9 (Nine) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 10 (Ten) Equity Shares, such Equity Shareholder will be entitled to 5 (Five) Equity Shares and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 9 (Nine) Equity Shares shall have ‘zero’ entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

➤ **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities

from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

➤ **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to BSE for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 507498) under the ISIN: INE544C01023. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the regular ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

➤ **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “**Capital Structure - Intention and extent of participation by our Promoter**” mentioned above.

➤ **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act,2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

➤ **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

➤ **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

➤ **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

➤ **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

➤ **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation being the regional language of Punjab, where our Registered Office is situated.

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with

the Stock Exchanges for making the same available on their websites.

➤ **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.masserv.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Shareholders can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at www.masserv.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY

ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS [#]	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our

Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity

Shareholders have provided their valid e-mail address, Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 1 working day from the date of finalization of Basis of Allotment. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which

Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

➤ Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Shareholders’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.
- d) **Direct Credit** – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders’ bank receiving the credit would be borne by the Shareholders.

f) For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

g) Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

➤ **Refund payment to non-residents**

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

➤ **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated August 25, 2003 with NSDL and an agreement dated May 21, 2003 with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a- vis such information with the Shareholders depository participant, would rest with the Shareholders. Shareholders'

should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders' depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.

5. The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1) Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2) All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Piccadily Sugar and Allied Industries Limited – Rights Issue" on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

Mas Services Limited

Address: T-34 2nd Floor, Okhla Industrial Area, Phase-2, New Delhi-110020

Tel : +91-11-26387281; Fax :+91-11-26387384

E-mail: info@masserv.com

Investor Grievance Email: investor@masserv.com

Website: www.masserv.com

Contact Person: Mr. Nanak Chand

SEBI Registration No.: INR000000049

3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.masserv.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91-11-26387281.

4) The Shareholders can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.masserv.com
- b) Updation of email address/ mobile number in the records maintained by the Registrar or our Company: www.masserv.com
- c) Updation of Indian address can be done by way of an email to investor@masserv.com
- d) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.masserv.com

- e) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.masserv.com

This Issue will remain open for a minimum 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION IX – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

For details of Material Contracts and time and place of their inspection, kindly refer to the chapter Material Contracts and Documents for Inspection on page 164 of this Draft Letter of Offer.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of these contracts and documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

I. Material Contracts for the Issue

- i. Memorandum of Understanding dated April 06, 2022 between our Company and Turnaround Corporate Advisors Private Limited, Lead Manager to the Issue;
- ii. Registrar Agreement dated April 07, 2022 entered into amongst our Company and the Registrar to the Issue;
- iii. Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

II. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Annual Reports of the Company for the past three years.
- iii. Certificate of incorporation dated March 15, 1993;
- iv. Certificate of commencement of business dated March 17, 1993.
- v. Resolutions of the Board of Directors dated August 19, 2021 and August 30, 2021 in relation to the Issue.
- vi. Resolutions of the Shareholders dated September 30, 2021 in relation to the Issue.
- vii. Resolution of the Board of Directors dated April 08, 2022 in relation to approving the quantum of issue, issue price and ratio of rights entitlement.
- viii. Resolution of our Board dated [●], finalizing the terms of the Issue and Record Date.
- ix. Resolution of the Board dated [●] approving and adopting the Letter of Offer
- x. The Audited Financial Statements along with reports dated June 29, 2021 of the Statutory Auditors thereon included in this Draft Letter of Offer
- xi. The Unaudited Financial Results along with report dated November 13, 2021 of the Statutory Auditors thereon included in this Draft Letter of Offer;
- xii. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor, the Registrar to the Issue, Banker to the Company, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer/Letter of Offer in their respective capacities.
- xiii. Statement of Tax Benefits dated April 06, 2022 from the Statutory Auditor included in the Draft Letter of Offer/Letter of Offer.

- xiv. Tripartite Agreement dated August 25, 2003 between our Company, NSDL and the Registrar to the Issue.
- xv. Tripartite Agreement dated May 21, 2003 between our Company, CSDL and the Registrar to the Issue.
- xvi. In-principle listing approval dated [●] from BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

(SUNIL KUMAR)
Whole Time Director
DIN: 09527641

Sd/-

(MADHU SHARMA)
Director
DIN: 07149078

Sd/-

(HARVINDER SINGH
CHOPRA)
Independent Director
DIN: 00129891

Sd/-

(JAI PARKASH KAUSHIK)
Independent Director
DIN: 02354480

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

(ANIL KUMAR JAIN)
Chief Financial Officer
PAN: AGQPJ7827G

Date: April 08, 2022

Place: New Delhi