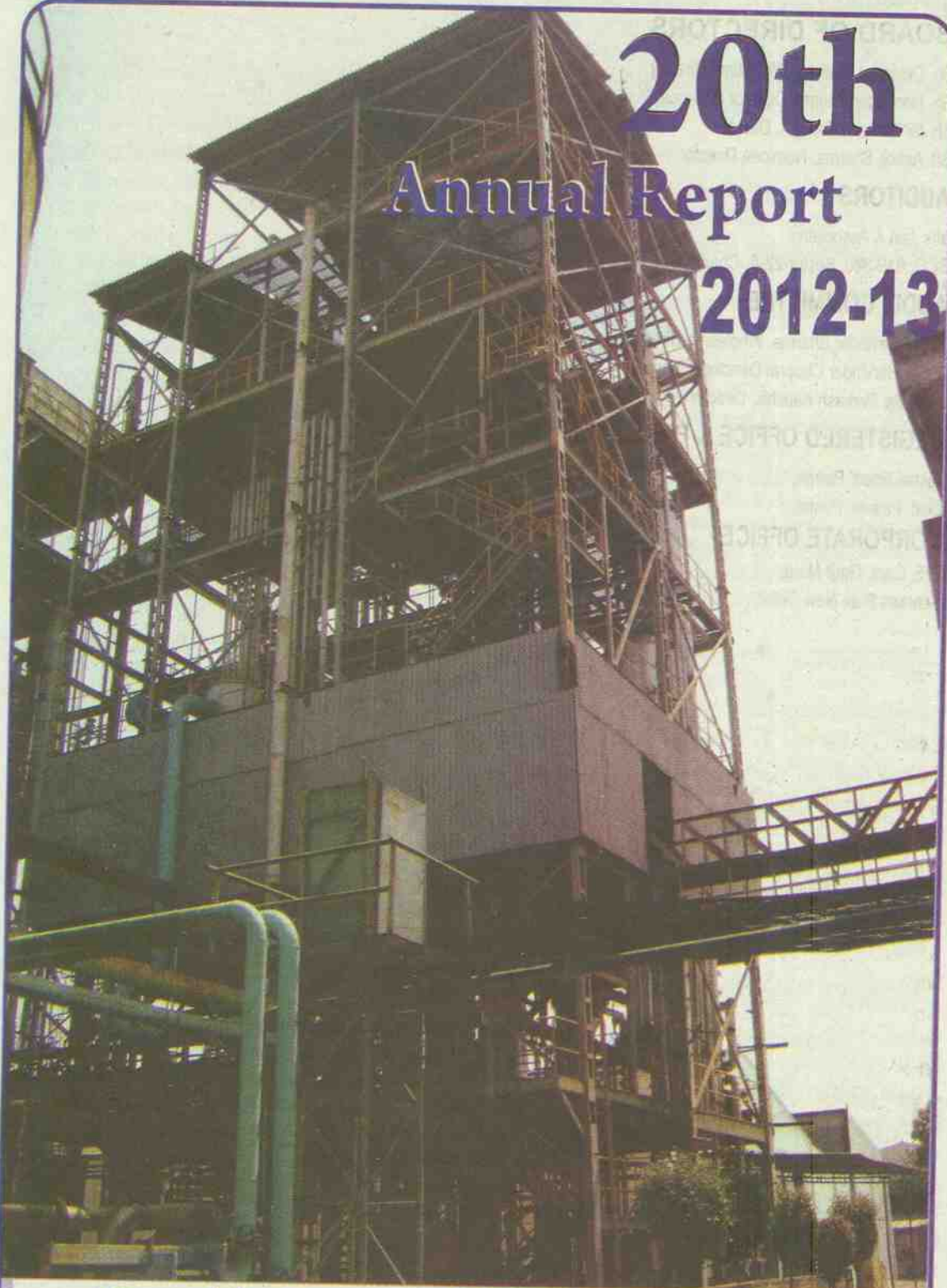


PICCADILY SUGAR & ALLIED INDUSTRIES LTD.

20th Annual Report 2012-13



Piccadily Sugar & Allied Industries Ltd.

BOARD OF DIRECTORS

Sh. Devinder Sharma, Wholetime Director
 Sh. Harvinder Chopra, Director (Finance)
 Sh. Jai Parkash Kaushik, Director
 Sh. Ashok Sharma, Nominee Director

AUDITORS

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

AUDIT COMMITTEE

1. Sh. Devinder Sharma, Wholetime Director
2. Sh. Harvinder Chopra, Director (Finance)
3. Sh. Jai Parkash Kaushik, Director

REGISTERED OFFICE & FACTORIES

Jakhai Road, Patran,
 Distt. Patiala, Punjab

CORPORATE OFFICE

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

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Share holders of the company will be held on, Monday 30th September, 2013 at 10.30 A.M. at Registered office of the company i.e. Jakhhal Road , Patran, Distt. Patiala, Punjab to transact the following business:-

As Ordinary Business

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit & Loss account of the company for the year ended on that date and the Auditor's and Director's report thereon.
- 2) To appoint a Director in place of Sh. Jai Parkash Kaushik, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Sh. Harvinder Chopra, who retires by rotation and being eligible offers himself for re-appointment
- 4) To appoint Auditors and fix their remuneration.

As Special Business

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

"Resolved that in accordance with the provisions of sections 198, 269, 309 and read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, or any statutory modification(s) or reenactment thereof, the company hereby approves the appointment and terms of remuneration of Sh. Devinder Sharma, Whole time Director of the company for the period from 2nd August 2013 to 1st August 2016 upon the terms & conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Sh. Devinder Sharma.

Further resolved that the Board be & is here by authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution"

By order of the Board

Sd/-

Nikhilesh Verma

(Company Secretary)

Place: Chandigarh

Dated 14/08/2013

Notes:-

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy forms duly signed and completed must be received at the registered office of the company not less than 48 hours before the time and date fixed for the meeting.**
2. The Register of Members and shares transfer books of the company will remain closed from 21st September 2013 to 30th September 2013.
3. Shareholders are requested to advise the company immediately of any changes in their address.
4. Members are requested to bring at the meeting their copies of the Annual Report.
5. Members desiring of any information as regards to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change of address to the Company/Registrar and Share Transfer Agent.

ANNEXURE TO THE NOTICE- EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item no. 5**

Sh. Devinder Sharma, aged 47 years, is a graduate, has been reappointed as Whole time Director of the company by the Board of Directors in its meeting held on 29/05/2013 for a period of three years. He has got more than two decades experience in the various capacities in Hotel, Textile & Engineering industry. Moreover he is also associated with the company from the last three years. Sh. Devinder Sharma has got the capability in building and maintaining man power management, organizing the activities and achieving targets.

The main terms and conditions relating to appointment of Sh. Devinder Sharma, Whole time Director are as follows:

- 1) Period: 2nd August 2013 to 1st August 2016
- 2) Nature of Duties: The Whole time Director shall devote whole time & attention to the business of the company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the company.
- 3) A. Remuneration
 - a) Salary Rs 50,000 per month with annual increments as may be decided by the company
 - b) Benefits, perquisites and allowances as will be determined by the Board from time to time. Reimbursement of expenses incurred on traveling, telephone expenses shall not be considered as perquisite.
 - c) Performance linked incentiveB. Minimum remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Whole time Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, benefits and perquisites, performance incentive as approved by the Board of Directors.
- 4) (i) The Whole time Director shall not become interested or otherwise concerned through his spouse and children or any selling agency of the company.
(ii) The appointment may be terminated by either party by giving to other party two months notice for such termination or the company paying two months remuneration in lieu thereof

DIRECTOR'S REPORT

Dear Share Holders,
Your Directors have the pleasure in presenting their 20th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL RESULTS:

Particulars	(Rs. In lacs)	
	31st March '13	31st March '12
Total Income	2146.78	3513.19
Increase/(decrease) of Stock in trade	80.72	(75.47)
Profit before Interest & Depreciation	168.18	894.43
Less : Interest	28.31	27.87
Depreciation	298.64	265.10
Profit / (Loss) before Tax	(158.77)	601.46
Net Profit/Net (Loss)	(69.01)	618.94

Review of the operations of Sugar Mill

The Sugar mill did not commence the crushing operations during the season 2012-13 due to low quantity of sugar-cane & adverse conditions prevailing in the entire state of Punjab. Farmers of the Punjab have diverted to other crops like wheat, rice etc.

The Sugar Mill has recorded a turnover of 77.49 Lacs during the year.

Review of the operations of Distillery

The unit has produced 580692 cases of Punjab medium Liquor (PML), 2315156 (Bulk Liters) Extra Neutral Alcohol (ENA), 137724 (Bulk Liters) Denature Spirit till 31st March 2013

The unit has recorded a turnover of 2069.29 Lacs.

Indian Sugar Industry

During the season 2012-2013 (October-September) sugar output is expected to be around 24.60 million tones. (Source ISMA Journal)

Both the top sugar industry bodies- Indian Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories have said that country's sugar production will likely to exceed demand in the current marketing year. The country needs around 22-23 million tone for annual consumption, while the government has projected output at 24.5 to 25.00 million tones. Despite a marginal fall so far, sugar production has exceeded consumption, preventing a flare up in the commodities price.

Directors

Sh. Harvinder Chopra, Director (Finance) & Sh. Jai Parkash Kaushik, Director of the Company retires by rotation and are eligible for the re-appointment.

During the year Sh. Kartikeya Sharma has resigned from the Board of Directors of the Company.

Dividend

Due to accumulated losses, your directors express their inability to recommend dividend for the year ended 31st March 2013

Auditors

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

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

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

Cost Auditors

The Central Government has approved the appointment of Sh. Sanjeev K Bansal, Cost Accountant for the financial year 2013-2014 to conduct cost audit for its Sugar unit & Distillery unit.

Corporate Governance

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

Personnel

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

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

Director's Responsibility Statement

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

1. All the applicable accounting standards have been followed in the preparation of the accompanying account.
2. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2013 and of the Profit & Loss of the Company for the said period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. The Directors have prepared the Annual Account on ongoing concern basis.

Acknowledgement

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

For Piccadily Sugar & Allied Industries Limited

Place : Chandigarh

Date : 14/08/2013

Sd/-

(Devinder Sharma)

Wholetime Director

Sd/-

(Jai Parkash Kaushik)

Director

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR 2012-2013

Information as per section 217(1) (e) read with Companies (Disclosure of particulars in the report of Board of Director's) Rules 1988 and forming part of the Directors Report for the year ended 31st March 2013

1. CONSERVATION OF ENERGY

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

	2012-13	2011-12
1 ELECTRICITY		
A Purchased	KWH	KWH
Unit	1084825	1035765
Total Units	8273032	6380312
Total Amount(Rs.)	7.63	6.16
Rate per unit(Rs.)		
B. OWN GENERATION		
i) Through Diesel Generator	KWH	KWH
Unit	97278	442395
Total Unit	4.98	4.08
Units per Liter of Diesel Oil	9.22	9.38
Cost Per Unit (Rs.)		
ii) Through stream Turbine/Generator	KWH	KWH
Unit	000	000
Total Units		
Units per Ton of fuel(Bagasse)		
Cost Per Unit (Rs.)		
2. Coal/Furnace Oil	N.A	N.A
3. Other	N.A	N.A
4. Consumption of Per Unit of Production		
Sugar (Qtls)	0	1410
Electricity (Units)	0	-
Distillery (cases)	580692	718142
Rectified Spirit / ENA in BL	2315156	3255709
Electricity(Units) in cases	2.04	2.06
Other(Specify) Rectified Spirit /ENA (in BL)	0.51	0.45

B. Technology Absorption

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning: Nil
Foreign Exchange Outgo: Nil

For Piccadily Sugar & Allied Industries Limited

Sd/-

(Devinder Sharma)
Wholetime Director

Sd/-

(Jai Parkash Kaushik)
Director

Place : Chandigarh
Date : 14/08/2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Government has loosened its tight grip on the sugar sector by announcing on 4th April 2013, the partial decontrol of sugar industry. For almost four decades the sector was being completely repressed by archaic rules & regulations which crippled the sector financially and subverted its competitiveness in a fast growing economy. It was reaching a tipping point and the viability of the sector was doubted.

In such a tough situation, the Governments decision to remove the levy sugar burden on the sugar mills and to do away with regulated release mechanism has given the sector much needed lifeline. The sugar industry is expected to recuperate its annual loss of around Rs.3000 crores due to levy sugar withdrawal and also save on inventory costs as it does not have to carry forward extra sugar for indefinite period.

Though the industry is much relieved at the partial decontrol of the sector on sugar sales side, but the bigger goal is complete freedom from the Government both at State & Center level on sugarcane side controls too. The state Governments still control the sugar sector through minimum distance criterion between sugar mills, cane area reservation and control over sugar cane prices. An arbitrary high cane price in the country with no linkage to the price realization of sugar or any of its principal by-products is wrecking the financial health of sugar mills.

Future prospects

The Dr. Rangarajan committee which was set up by the Prime Minister in January 2012 to study and recommend reforms in sugar sector, also recommended reforms in sugarcane side controls in the second phase. One of the recommendations of the committee is to rationalize the pricing of sugarcane and it has favored a revenue sharing in the ratio of 70:30 between sugar cane growers and sugar mills on sugar and its byproducts. The Government has recommended that the recommendations of Dr Rangarajan committee relating to Cane Area reservation, Minimum distance criteria, and adoption of the Cane price formula be considered by the State Governments for adoption & implementation, as considered appropriate by them

Distillery

The Distillery Unit produces Extra Neutral Alcohol (ENA), Punjab Medium Liquor (PML) and Denatured Sprit (DS). Company produces Malta, Saunfia, Raspbery on 50 degree Strength & Yari dosti, Rocky whisky, Marshal Rum and Gin no 1 on 65 degree strength

Company has purchased a plot of land at Industrial Model Township (IMT) Bawal, Distt. Rewari, Haryana measuring 1.95 acres at a purchase price of Rs 3.98 crores from Haryana State Industrial & Infrastructure Development Corp. Ltd. Company proposes to set up a Grain based distillery. LOI for setting up distillery has already been taken by the company.

The Distillery unit meets with 100% pollution control norms.

