

PICCADILY SUGAR & ALLIED INDUSTRIES LIMITED CHAIRMAN'S SPEECH AT 17th ANNUAL GENERAL MEETING

It gives me great pleasure to extend a warm welcome to all of you at the 17th Annual General Meeting of the Company. As you will be aware of all the activities and performance of the company as per the 17th Annual Report already with you.

Review of the operations of Distillery

The unit has produced 1010497 cases of Punjab medium Liquor and produced / purchased Rectified spirit & Extra Natural Alcohol 2900187 (Bulk Liters), Denature Spirit 43659 (Bulk Liters) till 31st March 2010

The unit has recorded a turnover of 3667.06 Lacs and earned a profit of Rs.546.65 lacs

The Distillery of the company was commissioned in the year 2004 and since then it has been continuously improving the various grades of spirits ENA/ RS. The company has ambitious plans to enter into Indian made Foreign Liquor (IMFL) Section by introducing its own brands names in the market.

The company has already constructed one big lagoon along with two small lagoons for spent wash and later on to be converted in to bio compost. Further the company is installing Evaporator plant, to provide clean water for irrigation & remaining residue will be used for Biocompost.

A letter of Intent (LOI) has been issued to the company by th Deptt of Excise & Taxation, Haryana for setting up of a distillery in the state of Haryana .

Review of the operations of Sugar Mill

The Sugar Mill did not commence the crushing operations during the season 2009-2010 due to non availability of sugar cane & adverse conditions prevailing in the entire state of Punjab. The farmers of the Punjab have diverted to other crops like wheat, rice etc as sugar cane is 12 months crop. This has resulted in

lower availability of sugar cane which has led to steep increase in the purchase price of the sugar cane & decline in the capacity utilization of the Sugar mills.

The Sugar Mill has recorded a turnover of Rs.5.5 Lacs & incurred a Loss of Rs.278.50 Lacs during the year

Rehabilitation Scheme

The Company was declared as Sick industrial company within meaning of clause "O" of sub section 1 of the section 3 of the Sick Industrial Companies (Special Provisions) Act 1985. Company had entered into One Time Settlement with State Bank of Patiala for its dues and has already made the payment of entire dues as per settlement.

The Hon' able Board for Industrial & Financial Reconstruction, New Delhi has also approved the Scheme for the rehabilitation of the company on 1/4/2010 and one of the remedial measures envisages 50% reduction in the paid up capital ,as a result of this the value of each equity share of Rs 10/-will be reduced to Rs.5/- whereafter two equity shares of Rs 5/- each shall be consolidated into one Equity Share of Rs 10/-. Hence new shares in the ratio of 1 share for every 2 shares held by a shareholder are being issued by the company.

Acknowledgement

I wish to express my appreciation of the good work put in by all and grateful to all colleagues on the board, for their valuable guidance and support.

Above all thank you our esteemed shareholders and farmers for your unstinted support to the management in its efforts to build even better future.

Ladies and Gentlemen: In the end I thank for your presence and valuable participation

CHAIRMAN