SIR SHADI LAL ENTERPRISES LIMITED

BOARD OF DIRECTORS	:	Shri Onke Aggarwal-Chairman Shri Rajat Lal-Managing Director Shri Vivek Viswanathan-Joint Managing Director Shri Hemantpat Singhania Smt. Sudha Singhania Smt. Manjula Viswanathan Shri R.L. Srivastava Shri R.C. Sharma Shri P.K. Viswanathan
COMPANY SECRETARY	:	Shri Sunit Malhotra
BANKERS	:	State Bank of India Punjab National Bank
AUDITORS	:	Messrs. Basant Ram & Sons Chartered Accountants A-18, Nizamuddin East, Murli Marg, New Delhi-110 013
REGISTERED OFFICE	:	4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001
MANUFACTURING UNITS	:	Upper Doab Sugar Mills Shamli, Distt. Muzaffarnagar (U.P.) Unn Sugar Complex Block Unn, Distt. Muzaffarnagar (U.P.) Shamli Distillery & Chemical Works Shamli, Distt. Muzaffarnagar (U.P.) Pilkhani Distillery & Chemical Works Pilkhani, Distt. Saharanpur (U.P.)

SIR SHADI LAL ENTERPRISES LIMITED

Regd. Office : 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001

NOTICE FOR THE 76TH ANNUAL GENERAL MEETING

Notice is hereby given that the 76th Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Friday, the 24th September, 2010 at 11.30 a.m. at P.H.D. House, Opposite Asian Games Village, New Delhi-110016 to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon.

2. To declare dividend on Equity Shares for the year ended 31st March, 2010.

3. To appoint a Director in place of Shri R.C. Sharma, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Hemantpat Singhania, who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Smt. Manjula Viswanathan, who retires by rotation and being eligible, offers herself for re-appointment.

6. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

B. SPECIAL BUSINESS:

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

"RESOLVED that the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charging all the immovable and movable properties of the Company, wheresoever situate, present and future and the whole of the undertakings of the Company and/or conferring power to enter upon and take possession of the assets of the Company, in certain events to or in favour of State Bank of India and Central Government for their Term Loan and Sugar Development Fund Loan for modernisation of Unit Unn Sugar Complex as under:-

i)	State Bank of India	Rs. 420 Lacs and Rs. 104 Lacs Bridge Loan
ii)	Central Government (for Sugar Development Fund Loan)	Rs. 336 Lacs

as security for the repayment of the above mentioned loan together with interest at the agreed rate, compound interest, additional interest, commitment charges, premium on prepayment or on redemption, cost, charges, expenses and all other moneys payable by the Company in terms of the loan agreements entered into or to be entered into with State Bank of India and Central Government."

"RESOLVED further that the Board of Directors be and are hereby authorised to finalise agreements and other documents and deeds for creating the aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution, to execute them under the Common Seal of the Company, where necessary, to sub delegate the powers hereby delegated to any person in its absolute discretion and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board of Directors thereof in the best interest of the Company."

"RESOLVED further that the mortgage/charge created/ to be created and/or all agreements/documents executed/to be executed and all acts done in connection with creation of security in the manner stated above by and with the authority of the Board of Directors are hereby ratified and confirmed."

By order of the Board

Place : New Delhi
Dated : 17th July, 2010

Sunit Malhotra
Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the Annual General Meeting.

2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item No.7 set out above is annexed.

3. As per Clause 49 IV (G) of the Listing Agreement with Stock Exchanges, the brief resume and functional expertise of the Non-Executive Directors proposed for re-appointment are annexed to this notice along with the details of the Companies in which they are Directors and the Board Committees of which they are members.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2010 to 16th September, 2010 (both days inclusive).

5. The dividend, if declared at the meeting, will be payable at the specified branches of State Bank of India, in India (as may be approved by the Bank) on or after 1st October, 2010 to those members whose name stand on the Register of members of the Company on 16th September, 2010. In respect of the shares in the Demat mode, the above dividend will be paid on the basis of beneficial ownership as at the end of business hours as per details furnished by the depositories for the purpose.

6. Shareholders are requested to intimate to the Company or to the Share Transfer Agent of the Company, M/s Alankit Assignments Limited, change if any, in their registered addresses.

7. Members who are holding shares in identical order of names in more than one folios are requested to write to the Company or to the Share Transfer Agent of the Company, M/s Alankit Assignments Limited, to enable it to consolidate their holdings in one folio.

8. Members are requested to bring their copies of the Report and Accounts to the meeting.

9. Members, who hold shares in dematerialised form, are requested to bring their depository account number (Client ID No.) for easier identification and recording of attendance at the meeting.

10. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about the intended query atleast seven days in advance of the meeting.

11. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and up to the accounting period ended 31st March, 1995 have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110 019.

12. Pursuant to Section 205A and 205C of the Companies Act, 1956, unpaid/unclaimed dividends for the year 1995-96, 1996-97, 1997-98, 1998-99, interim and final dividend of 1999-2000, 2000-2001 & 2001-2002 have been transferred by the Company to "Investor Education & Protection Fund"(IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed dividend from IEPF by the shareholders.

13. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 and thereafter which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956 as detailed below:

Financial Year	Date of declaration of dividend	Due date for the transfer to IEPF
2003-04	16.09.2004	22.10.2011
2004-05	27.09.2005	02.11.2012
2005-06	25.09.2006	31.10.2013

Shareholders who have not so far encashed/claimed their dividend warrants for the financial year from 2003-2004 to 2005-2006 are requested to approach the Company for re-validation of dividend warrants or for obtaining duplicate dividend warrants. Shareholders are requested to note that no claim shall lie against the company or the said fund in respect of any amounts, which were, unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claim.

14. Section 109A of the Companies Act, 1956, has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the company the particulars of their nominations. Shareholders may please write to the company for the prescribed Nomination Form.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

CONTD.....

ANNEXURE TO NOTICE

(Explanatory Statement under Section 173 (2) of the Companies Act, 1956)

ITEM NO.7

The Company avails financial facilities from Banks and Central Government Sugar Development Fund from time to time. Usually such borrowings, in addition to charge on movable assets, are required to be secured by mortgage/charge on the immovable assets of the Company.

The Company have undertaken two phase programme for modernisation and technology upgradation of the existing Plant and Machinery of the Unit - Unn Sugar Complex at a total cost of Rs. 840 Lacs. To finance the above project, the Company made an application to State Bank of India for term loan of Rs. 420 Lacs and Central Government for Sugar Development Fund loan of Rs. 336 Lacs. The State Bank of India has sanctioned term loan of Rs.420 Lacs and bridge loan of Rs. 104 Lacs pending disbursement of SDF Loan.

The sanction of Central Government for its SDF loan of Rs. 336 Lacs is in process. The above referred financial assistance is to be secured by way of charge on the entire present and future fixed and current assets of the Company in favour of State Bank of India and Central Government as stipulated in the respective agreements. Creation of mortgage/charge as stated in the Resolution, subject to the approval of the existing charge holders, requires approval of shareholders under Section 293 (1) (a) of the Companies Act, 1956.

None of the Directors is concerned with or interested in the resolution.

By order of the Board

Place : New Delhi
Dated : 17th July, 2010

Sunit Malhotra
Secretary

ANNEXURE TO THE A.G.M. NOTICE

INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT REGARDING APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR.

Sl. No.	Name of the Director	Date of Birth	Date of Appointment	Specialised Expertise	Qualification	Directorship of other Companies as on 31.03.2010	Chairman/ Member of Committees of other Companies as on 31.03.2010
1	2	3	4	5	6	7	8
1.	Sh. R.C. Sharma	24.1.1939	22.5.2002	More than 35 years experience in highly responsible position in Police including Central Bureau of Investigation having high degree of professionalism and experience. Presently, working as President of Fore School of Management which is imparting professional management and career development programmes.	M.A. (Economics) B.A. (Economics and Geography) Punjab University Technical Higher Secondary School, Delhi Polytechnic	1. CHL Ltd. 2. H.B. Portfolio Ltd. 3. PCI Ltd. 4. SIS Ltd. 5. Indec Securities and Finance Ltd.	4
2.	Sh. Hemantpat Singhania	15.12.1930	20.12.1955	General Management more than 54 years experience as Director of various companies.	Intermediate	1. K.M. Sugar Mills Ltd. 2. Meenakshi Synthetics Pvt. Ltd. 3. Sharad Carriers Pvt. Ltd	3
3.	Smt. Manjula Viswanathan	07.01.1941	29.12.1975	General Management more than 34 years experience as Director of this Company	M.A.	Nil	Nil

By Order of the Board

Place : New Delhi
Dated : 17th July, 2010

Sunit Malhotra
Secretary

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting the 76th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS:

We feel satisfaction in reporting that notwithstanding the severe setback in the later part of the year, your Company has earned profit during the year. The summarised financial results are presented below:-

(Rs. in Lakhs)

	For the Year ended March 31, 2010		For the Year ended March 31, 2009	
- Net profit before tax and depreciation		2916.16		1601.07
- Less: Provision for depreciation		1456.12		1644.41
Net Profit/Loss(-) before Tax		1460.04		(–) 43.34
- Less/Add:Provision for Taxation:				
Current Year	47.66		–	
Relating to earlier years	40.59		50.00	
Deferred Tax Liability	136.94		456.47	
Fringe Benefit Tax	–	225.19	19.00	525.47
Profit/Loss(-) after Tax		1234.85		(–) 568.81

DIVIDEND:

Your Directors recommend payment of dividend of Rs. 2/- per share (20%) for the year ended 31st March, 2010. The total dividend payout for the year under review, inclusive of corporate tax on dividend distribution, will be Rs.122.44 Lakhs. The balance distributable profit of Rs.1112.41 Lakhs is being transferred to General Reserves to make the total Reserves and Surplus as on 31.03.2010 at Rs.7804.57 Lakhs.

REVIEW OF OPERATIONS:

SUGAR DIVISION:

The manufacturing results of your both the sugar factories for the crushing season 2009-10 as compared to last crushing season are as under :-

	Upper Doab Sugar Mills		Unn Sugar Complex	
	Season		Season	
	2009-10	2008-09	2009-10	2008-09
- Gross Working days	150	135	140	114
- Cane Crushed (Qtls.)	8142391	7018461	4028743	3160934
- Average Cane Crush per Crop day (Qtls.)	54831	51989	28773	27830
- Manufacturing losses (%)	2.24	2.09	2.09	1.96
- Steam Consumption cane (%)	54.18	54.50	50.08	50.56
- Average Sugar recovery (%)	9.03	8.95	9.23	8.95
- Total sugar produced	735392	627842	371858	282904

The cane crushed has improved during the sugar season 2009-10 as against sugar season 2008-09 due to better yield of cane in the area and better crush rate per crop day.

Overall, considering the volatility witnessed by the sugar industry last year, the performance of the company's sugar units has been satisfactory.

CANE DEVELOPMENT:

The Company is giving top priority to develop high sugared and high yielding varieties of sugarcane in the reserved area of the factory. For this purpose, sizable expenses are also incurred on related activities, like development of roads in the area, supply of disease free cane seed & various pesticides at subsidised rates to the farmers besides educating them to grow such varieties of cane which are useful in the different parts of the cane crushing season. This is a continuous process and further steps for betterments are being explored and implemented.

DISTILLERY DIVISION:

The Distilleries could not utilise the optimum capacity mainly due to poor off take of finished goods due to competition, un-remunerative prices, increased discounts, unfavorable excise policy of the State Government. The Country Liquor business became un-remunerative on account

of changes in the Excise Policy. Net realisations on account of sale of Extra Neutral Alcohol and Rectified Spirit were also adversely affected on account of higher rate of Export Duty in the State as compared to the neighbouring States.

Both your Distilleries produced 9840335 BL in the current year as against 8820105 BL in the previous year. Since the margin remained under pressure of Distillery products, your Distillery Units could not contribute to the profitability of the Company.

Your Directors are of the view that it would be in the interest of the company to concentrate on the expansion of sugar business and thus propose to sell Pilkhani Distillery & Chemical Works unit, subject to the requisite approvals from various authorities including yours. Accordingly a MOU has been entered into for the disposal of the said unit. Your approval is proposed to be taken as required under the Companies Act, 1956 through a postal ballot.

DIRECTORS:

The tenure of directorship of Shri K.B. Lal got completed on 30.4.2010 and he resigned from the services of the Company. The Board places on record its gratitude for the valuable services rendered as Sr. Executive Director, Secretary and Director and matured guidance provided by him during his long tenure with the company.

The following Directors of your Company are due to retire by rotation u/s 256 of the Companies Act, 1956. They are eligible for re-appointment and offer themselves for the same:-

1. Shri R.C. Sharma
2. Shri Hemantpat Singhania
3. Smt. Manjula Viswanathan

The required information pursuant to Clause 49 IV (G) of the Listing Agreement regarding experience, qualifications, name of the companies in which the above Directors hold directorship and membership of the Committee of the Board are given in the notice convening this Annual General Meeting against the relevant item of the Agenda.

Necessary resolutions for the re-appointment of the aforesaid Directors have been included in the notice convening the ensuing Annual General Meeting.

None of the Directors of the Company is disqualified from being appointed as Directors as specified in terms of Section 274 (1) (g) of the Companies Act, 1956.

AUDITORS:

M/s Basant Ram & Sons, Chartered Accountants, New Delhi, Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India and hold a valid certificate issued by the 'Peer Review Board' of the said Institute and their proposed re-appointment, if made, will be in accordance within the limits specified u/s 224 (1-B) of the Companies Act, 1956.

AUDITORS' OBSERVATIONS:

There is no adverse observation in the Auditors' Report.

FIXED DEPOSITS:

We report with satisfaction the confidence of the public in placing their fixed deposits with your Company. The total amount of fixed deposits as on 31st March, 2010 was Rs.4962.50 Lakhs as against Rs. 4089.74 Lakhs as on 31st March, 2009. Only a sum of Rs.1.17 Lakhs relating to three depositors was not claimed on due dates upto the end of financial year. The deposits of Rs.0.87 Lakhs relating to two depositors have been claimed and paid subsequently in the current financial year.

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

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules, 1988 are given in 'Annexure 1' and forms part of this Report.

PARTICULARS OF EMPLOYEES:

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are given in 'Annexure 2' and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The detailed performance of both the business segments of the Company for the year ended 31st March, 2010 as required under Clause 49 of the Listing Agreement has been stated in the Management Discussion and Analysis Report in the section on Corporate Governance. Current Year Prospects have also been discussed under this section of Corporate Governance.

CORPORATE GOVERNANCE:

The separate section on "Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is given in 'Annexure -3' and forms part of this Report.

CONTD.....

CORPORATE GOVERNANCE – VOLUNTARY GUIDELINES:

The Board of Directors have taken cognizance of the 'Corporate Governance Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs (MCA) in December 2009. While the guidelines are recommendatory in nature, the Board recognises the importance and need to constantly assess governance practices thereby ensuring a sustainable business environment that generates long term value to all key stakeholders. The Board would consider adopting the relevant provisions of the said guidelines as and when deemed appropriate.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

(i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed by the company.

(ii) that they have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date.

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and the detecting fraud and other irregularities; and

(iv) that they have prepared the Annual Accounts on a going concern basis.

LISTING ARRANGEMENT:

The shares of the Company continue to remain listed with the Bombay Stock Exchange Limited and Delhi Stock Exchange Limited and the annual Listing Fee for the year 2010-2011 has been paid to both the exchanges.

CURRENT YEAR PROSPECTS:

The Sugar scenario has under gone adverse changes in the last quarter of the year. Higher input cost, a two fold increase in the levy sugar quota from 10% to 20% and falling prices have hit the sugar industry hard in the January to March, 2010 quarter. With a steep increase in the sugar production to 18.5 million tonnes against the initial estimates of 15 million tonnes coupled with import of raw and white sugar of about 4.5 million tonnes, the overall availability of sugar is now quite comfortable. The world sugar prices which were more than $750 per tonne in the month of January, 2010 have come down to $425 per tonne now. There is a significant drop in the sugar prices from Rs. 4000/- per qtl. at the end of January, 2010 to Rs. 2700/- per qtl. by the end of June, 2010. The imported sugar in excess of demand has further resulted in downward pressure on the prices of domestic sugar.

The sugar prices are expected to remain weak due to reluctance of the government to roll back the price control measures in place, as also cheaper import and likelihood of higher production of sugarcane and sugar in the coming season 2010-11 which is estimated at around 25 million tonnes against the consumption of 22 million tonnes at present. Sugar production is also expected to go up in the major sugar producing and exporting countries like Brazil, Thailand and Australia. This will further put pressure on the sugar prices and the factories will incur heavy losses unless some positive steps are taken by the Government for the survival of the Industry.

The Central Government has revised the levy sugar price on 21.06.2010 produced in the sugar season 2009-10. The incremental impact of upward revision in levy sugar price amounting to Rs.8,31,85,048/- has been considered and incorporated in the Annual Accounts ended on 31.03.2010.

INDUSTRIAL RELATIONS:

The industrial relations have been cordial at all the plants of the Company during the year.

APPRECIATION:

Your Directors wish to place on record their sincere thanks and appreciation for the devoted services rendered by the employees of the Company at all levels. We also place on record our appreciation to the Financial Institutions, Banks and Government Authorities for their valuable co-operation and support from time to time. We would also like to express our thanks to our Shareholders and Depositors for their continued confidence in the company.

For and on behalf of the Board

Place : New Delhi
Dated : 17th July, 2010

Onke Aggarwal
Chairman

ANNEXURE '1' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

Upper Doab Sugar Mills

- Installation of efficient luminaries as CFL and LED Lamps
- Installation of MCCB and ACB in place of Switch and fuse
- Installation of Energy Saver Equipment at light load
- Installation of light sensors at street and plant's general lights
- Use of delta to star converter starter at variable load pumps
- Stopping the tube wells for water conservation and power savings
- Use of exhaust condensate of clear juice heaters having temperature 112ºC in place of hot water from supply tank of temperature 85ºC in super heated wash system at Auto Centrifugal Machine
- Use of Exhaust steam at transient heaters, B/C melters and soda boiling
- Use of VC-1 vapours in place of exhaust steam for pan washing

Unn Sugar Complex

- Installation of one Evaporator body which enabled to continue operation of evaporation with configuration of DEVC+ Quad, instead of quintuple effect during cleaning time and the frequency was after every 10 to 14 days. This has saved steam by about 1.5%.
- Installation of one Electric Boiler at Sulphur Station for melting of sulphur. Previously live steam was being used to melt sulphur. It has resulted in saving of 1.5% to 1.75% of steam on cane.
- For molasses conditioning, First Vapor used instead of exhaust steam.
- At F.B.D.C. (i.e. Sugar Drier) live steam was being used, now it has been replaced by flash vapor from pan condensate bottle.
- Installation of 4 Nos. of Power Capacitor has resulted in improved power factor from 0.8 to 0.9 thereby saving 12.5% on Amperage loading.
- Installation of TUFR's has saved power by about 10% thereby capacity can be achieved upto 4800 TCD.
- Installation of PRDS system, saved steam energy by about 2% to 3%.
- Installation of DCS control on boilers improved boiler efficiency which has saved more bagasse by about 3% and also has improved the boiler rating by about 4 to 5 MT/Hr. more.
- Installation of Super Heater and Economizer in 20 TPH boiler has improved the thermal efficiency as well as saving in direct steam demand for process by about 1.5% on cane.

CONTD.....

Pilkhani Distillery & Chemical Works

- Automation of the Boiler to achieve fuel economy.
- Installation of VFD on ID, FD, SA & feed conveyor electrical motors to achieve power economy.
- Insulation on the steam condensate tank and pipeline for heat energy saving.
- Installation of Capacitors on high HP motors for electrical energy saving.
- Utilization of PHE for heat energy recovery from spent wash to fresh wash.
- Running of DG sets to avoid steam venting for power balance.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Upper Doab Sugar Mills

- Addition of one cell of cooling tower for efficient working and reduction of Injection pump load.

Unn Sugar Complex

- Installation of Distributed Control System (DCS) on Mills with ACFC Systems.
- Installation of 30 M^3 per hour Boiler Feed Pump to save power.

c) Impact of the measure at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

With the energy conservation measures taken at (a) and additional investment at (b), we have been able to achieve conservation of energy as under :-

- Reduction in steam consumption.
- Reduction in power consumption.
- More efficient utilization of fuels.
- Increased saving in bagasse as By-product.

d) Total Energy Consumption and Energy Consumption per unit of production as per Form 'A' of the Annexure in respect of industries specified in the schedule thereto.

Particulars in respect of Sugar & Distillery Units of the Company as per Form 'A'.

	Sugar Unit Current Year	**Distillery** Current Year	**Sugar Unit** Previous Year	**Distillery** Previous Year
(A) Power and Fuel Consumption :				
1. Electricity :				
a) Purchased (Units)	18,07,607	37,577	20,56,166	3,62,771
Total amount (Rs.)	1,06,89,460	2,47,580	1,16,38,012	28,74,199
Rate/Unit (Rs.)	5.91	6.59	5.66	7.92
b) Own Generation :				
i) Through Diesel Generator (Units)	10,66,036	6,50,592	7,58,738	5,68,067
Unit per Ltr. of Diesel oil	2.98	2.93	3.06	3.06
Cost/Unit (Rs.)	11.32	10.57	12.38	10.47
ii) Through Steam Turbine (Units)	2,65,60,313	55,80,331	2,99,50,452	50,66,162
Unit per pound of Steam	1.750	0.084	1.653	0.084
Cost/Unit (Rs.)	1.74	7.32	1.39	3.41

	Sugar Unit Current Year	Distillery Current Year	Sugar Unit Previous Year	Distillery Previous Year
2. Coal (specify quality and where used) :				
(a) Fire-wood used in Boilers:				
Quantity (MT)	NIL	NIL	NIL	30.26
Total value (Rs.)	NIL	NIL	NIL	78,126
Average Rate per MT (Rs.)	NIL	NIL	NIL	2,581.82
(b) Saw Dust :				
Quantity (MT)	NIL	NIL	NIL	437.82
Total value (Rs.)	NIL	NIL	NIL	5,74,304
Average Rate per MT (Rs.)	NIL	NIL	NIL	1,311.73
(c) Rice Husk :				
Quantity (MT)	NIL	4,724	NIL	NIL
Total value (Rs.)	NIL	1,35,97,007	NIL	NIL
Average Rate per MT (Rs.)	NIL	2,878.56	NIL	NIL
3. Furnace oil :				
Quantity (KL)	NIL	NIL	NIL	NIL
Total value (Rs.)	NIL	NIL	NIL	NIL
Average Rate per KL (Rs.)	NIL	NIL	NIL	NIL
4. Other (own bagasse) :				
Quantity (MT)	2,61,688	23,918	3,23,110	23,960
Total value (Rs.)*	48,88,16,229	4,72,89,984	44,90,38,464	3,68,43,080
Average Rate per MT (Rs.)	1,867.94	1,977.14	1,389.74	1,537.67

*Bagasse, a residual received after crush of cane, is used as fuel in boilers. The notional value of the same has been taken at average sale price for the year.

(B) Consumption per unit of production :

Products	**Sugar**	**Alcohol**	**Sugar**	**Alcohol**
Unit	**Qtls.**	**BL**	**Qtls.**	**BL**
Electricity KWH	31.064	0.513	29.479	0.506
Furnace oil KL	NIL	NIL	NIL	NIL
Fire-wood MT	NIL	NIL	NIL	NIL
Bagasse MT	0.276	0.003	0.291	0.003
Saw Dust	NIL	NIL	NIL	NIL
Rice Husk	NIL	0.001	NIL	NIL

B. TECHNOLOGY ABSORPTION
EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM 'B'

I) Research & Development (R&D)

1. Specific Areas in which R&D carried out by the Company : - Regularly making efforts to develop disease free healthy cane of high sugared high yielding varieties in its area. In this regard help is also sought from various cane research station in the U.P. State.

: - Reduction in raw material consumption by process optimisation.

Contd.....

2. Benefits derived as a results of the above R&D : - It helps in getting adequate cane according to our requirement and to improve the sugar recovery.
   - Better productivity and yields, reduced wastage, reduced cost, reduction of raw material/utilities.

3. Future plan of action : - The Company plans to continue the Research & Development activities so as to achieve the targets of cane crush and high sugar recovery, better productivity and yields, reduced wastage, reduced cost, reduction of raw material/utilities.

4. Expenditure on R&D:

a)	Capital	NIL
b)	Recurring	Rs. 51,84,973
c)	Total	Rs. 51,84,973
d)	Total R&D expenditure as a percentage of total turnover	0.11 %

II. Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

In Unn Sugar Unit, following steps have been taken :-

- To minimize the temperature loss and to supply steam at consistent temperature of 122^0C to boiling house we have installed PRDS system and Auto control de-super heating system.
- At high pressure boiler we have installed DCS control system for controlling of boiler operation, facilitating better feeding of fuel, furnace temperature control and minimising steam pressure variation.
- New evaporator body has enabled us to change the Boiling System of juice more efficiently and economically.
- By installing the 4 Nos. of power capacitor we have been able to reduce the power consumption.
- By installing TUFR on mills, there is saving in power and improvement in crush rate.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- Reduce the steam consumption as well as power consumption.
- More savings in Baggase (By-product).
- Consistency in steam raising and maintaining the consistent temperature of steam.
- Increase in Cane crush rate.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:

a) Technology imported	No Technology has been imported during the last five years.
b) Year of import	
c) Has technology been fully absorbed?	
d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action	

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and service and export plans.	There was no export of Company's own products during the year.
b) Total Foreign Exchange used and earned:	
Used	Rs. 11,784
Earned	Rs. NIL

For and on behalf of the Board

Place : New Delhi
Dated : 17th July, 2010

Onke Aggarwal
Chairman

ANNEXURE '2' TO THE DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 217 (2A) (b) (ii) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED UP-TO-DATE, AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN Rs. 24,00,000 PER ANNUM.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experience (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
1.	Mr. A.K. Aggarwal	51	President	B.Com., Chartered Accountants	27	12-09-2008	27,09,617	Oudh Sugar Mills Ltd. Delhi

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION AT A RATE NOT LESS THAN Rs. 2,00,000 PER MONTH.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experience (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
NIL								

Notes:
1. Remuneration includes Salary, Allowances, Contribution to Provident Fund and value of perquisites etc.
2. The above named employee is a whole-time employee of the company and his nature of employment is non-contractual.
3. The above named employee is not related to any Director of the company.
4. The above named employee alongwith his spouse and dependent children does not hold 2% or more equity shares of the company.

For and on behalf of the Board

Place : New Delhi
Dated : 17th July, 2010

Onke Aggarwal
Chairman

ANNEXURE '3' TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The detailed report on Corporate Governance as prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company's philosophy of Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the company and the conduct of its business with high standards of integrity, ethical behaviour, compliance of law and effective controls in all area of operations including its interaction with employees, shareholders, deposit holders, creditors, customers, bankers and financial institutions and community at large by placing due emphasis on regulatory compliances. The business operations are conducted not to benefit any particular group but for maximising shareholders value in the long run on a sustained basis through ethical business conduct.

(2) BOARD OF DIRECTORS:

Composition and Category:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on March 31, 2010, the Company's Board consisted of 10 members. The present strength of the Board of Directors is 9, out of which 4 are independent Directors. The Chairman of the Board is the Non-Executive Director. The Board meets the requirement of not less than one- third being Independent Directors. All our Directors inform the Company Secretary every year about the Board membership and Board Committee membership the Directors occupy in other companies including Chairmanship. They notify us of any change as and when it takes place. Our Company Secretary places these disclosures before the Board. The category, composition, attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/ membership of Committees of each Director in various Companies is given hereunder:

Sl. No.	Name of Director	Category	Attendance at Board Meetings*	Attendance at last AGM Held on 22/09/2009	No. of other Directorship held		Membership/ Chairmanship in Committees of other Companies	
					Public	Private	Chairman	Member
1.	Sh. Onke Aggarwal Chairman	Non-Executive Independent	5	Yes	-	-	-	-
2.	Sh.Rajat Lal Managing Director	Promoter Executive	5	Yes	-	-	-	-
3.	Sh.Vivek Viswanathan Joint Managing Director***	Promoter Executive	5	Yes	-	-	-	-
4.	Sh.K.B.Lal Sr. Executive Director****	Executive	5	Yes	-	-	-	-
5.	Sh. Hemantpat Singhania	Non-Executive Independent	5	Yes	1	2	3	-
6.	Smt. Sudha Singhania	Non-Executive	5	No	-	1	-	-
7.	Smt.Manjula Viswanathan	Non-Executive	4	Yes	-	-	-	-
8.	Sh. R.L. Srivastava	Non-Executive Independent	5	Yes	1	-	2**	-
9.	Sh.R.C. Sharma	Non-Executive Independent	5	Yes	5	-	-	3
10.	Sh.P.K. Viswanathan	Non-Executive	5	Yes	-	-	-	-

* During the financial year 2009-10 five Board Meetings were held on 23.05.2009, 18.07.2009, 22.09.2009, 19.12.2009 and 27.03.2010. The Company has held atleast one Board Meeting in every three months.

** Shri R.L. Srivastava is a member and chairman of two committees of the same company.

*** Sh. Vivek Viswanathan has been re-appointed as Joint Managing Director of the Company w.e.f. 01.01.2010 for five years.

****Sh. K.B. Lal, Sr. Executive Director ceased to be member of the Board of Directors w.e.f. 01.05.2010.

CONTD.....

Brief profile of all the Directors, nature of their expertise in specific functional area etc. have been put on the Company's Website.

Board Procedure

The Board meets atleast once a quarter to review the quarterly performance and the financial results. The Board meetings are scheduled well in advance and the notice of each Board meeting is given in writing to each Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject. The Agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

The information as specified in Annexure I to clause 49 of the Listing Agreement is regularly made available to the Board. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, capital expenditure budgets, new investments, compliance with statutory / regulatory requirements etc., are considered by the Board. The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minute Book within 30 days from conclusion of the meeting and are confirmed at subsequent meeting.

The Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting

In respect of Directors seeking appointment or re-appointment, the Notice for the Annual General Meeting contains all the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and name of the companies in which they hold Directorship and Membership of any Committee of the Board.

Code of Conduct for Board Members and Senior Management Team

Code of Conduct for the Directors as well as for the members of the Senior Management of the company was adopted in the Board Meeting held on 4th April, 2005. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct states that each individual in the organisation must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and Members of Senior Management and the compliance of the same has been affirmed by them in respect of the Financial Year 2009-10 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put on the Company's Website - www.sirshadilal.com

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2010.

For and on behalf of the Board

Place : New Delhi
Dated : 17th July, 2010

RAJAT LAL
Managing Director

COMMITTEES OF THE BOARD

The Company has constituted following Board level Committees:

(3) AUDIT COMMITTEE:

(a) Composition:

The Board has constituted Audit Committee consisting of following Directors:-

Sl.No.	Name of the Director	Category	Attendance at Audit Committee Meeting *
01.	Sh. R.L. Srivastava, Chairman	Non-Executive Independent Director	6
02.	Sh. Onke Aggarwal, Member	Non-Executive Independent Director	6
03.	Sh. R.C. Sharma, Member	Non-Executive Independent Director	4

All the members of the Audit Committee are financially literate and more than one member possesses accounting and related financial management expertise. The concerned officials responsible for the finance function and the head of internal audit are permanent invitees to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 22.09.2009 to answer shareholders' queries.

Sh. K.B.Lal, Secretary of the Company was Secretary of the Audit Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company and act as Secretary of the Audit Committee w.e.f. 01.05.2010.

The composition of the Audit Committee meets the requirements of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

* During the year six meetings of Audit Committee were held on 25.04.2009, 17.07.2009, 31.07.2009, 22.09.2009, 30.10.2009 and 29.01.2010.

(b) Terms of Reference:

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee includes to exercise powers and discharge functions as stipulated in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The primary purpose of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting processes in order to ensure timely, accurate and proper disclosure and the transparency, integrity and quality of financial reporting. The Audit Committee besides other activities reviews the quarterly/ Annual Financial Results which thereafter goes to Sub-Committee for consideration of unaudited quarterly financial results / Board for approval.

The Audit Committee also reviews Management discussion and analysis of financial conditions and results of operations, Statement of significant related party transactions , Directors responsibility statement included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, Management Letters/ Letters of Internal Control Weaknesses issued by the Statutory Auditors and Internal Audit Reports relating to Internal Control Weaknesses.

CONTD.....

(4) REMUNERATION COMMITTEE:

a) Composition & Terms of Reference:

The Remuneration Committee consisting of the following Non-Executive Independent Directors was constituted/ reconstituted to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration package for Executive Directors.

Sl.No.	Name of the Director	Category	Attendance at Remuneration Committee Meeting *
01.	Sh. Onke Aggarwal, Chairman	Non-Executive Independent Director	1
02.	Sh. R.L. Srivastava, Member	Non-Executive Independent Director	1
03.	Sh. R.C. Sharma, Member	Non-Executive Independent Director	1

*During the year one meeting of the Remuneration Committee was held on 17.07.2009.

Sh. K.B.Lal, Secretary of the Company was Secretary of the Remuneration Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company and act as Secretary of the Remuneration Committee w.e.f. 01.05.2010.

b) Remuneration Policy:

Non-Executive Directors

The remuneration to the Non-executive Directors is decided and approved unanimously by the Board of Directors. The Non-Executive Directors are paid remuneration by way of sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.

The Non-Executive Directors are entitled to commission @ 1% of the Net Profit as approved by the shareholders and sitting fees @ Rs.8000/- for each meeting of the Board or any Committee thereof attended by them. The Board of Directors has since revised Sitting Fee @ Rs. 12,000/- for each meeting of the Board or any Committee thereof attended by the Non-Executive Directors w.e.f. 01.01.2010. All the non-executive Directors are paid equal commission. Those who have worked for part of the year are being paid proportionately.

No commission was paid to the Non-Executive Directors during the year because of inadequacy of profit.

Executive Directors

The remuneration committee has been constituted to frame and implement on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors. The Remuneration Committee also consider, approve and recommend to the Board of Directors the designation and increase in salaries for the Executive Directors, keeping in view the remuneration package offered by the other Corporate Houses of the industry. The policy, inter-alia, provides for the following:

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956
- Revision from time to time depending upon the performance of the company, individual Director's performance and prevailing industry norms.
- No sitting fees.

The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Remuneration Committee.

Presently, as the Company does not have any scheme of stock option plan, therefore the incentive by way of commission on profits is considered for the Directors/Executive Directors in remuneration package.

c) Details of Remuneration to all the Directors for the year ended March 31, 2010

(i) Remuneration to Non-Executive Directors

During the Financial Year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

Sl.No.	Name of the Director	Category	Commission (Rs.)	Sitting fee (Rs.)	Total (Rs.)	For Service contract/ Notice period/ Severance fees	No. of Shares held
01.	Sh. Onke Aggarwal Chairman	Non-Executive Independent	-	140000	140000	Retirement by Rotation	31710
02.	Sh. Hemantpat Singhania	Non-Executive Independent	-	44000	44000	Retirement by Rotation	-
03.	Smt. Sudha Singhania	Non-Executive	-	44000	44000	Retirement by Rotation	46167
04.	Smt. Manjula Viswanathan	Non-Executive	-	36000	36000	Retirement by Rotation	138105
05.	Sh. R. L. Srivastava	Non-Executive Independent	-	104000	104000	Retirement by Rotation	-
06.	Sh. R.C. Sharma	Non-Executive Independent	-	88000	88000	Retirement by Rotation	-
07.	Sh. P.K.Viswanathan	Non-Executive	-	44000	44000	Retirement by Rotation	-
	Total			**500000**	**500000**		

(ii) Managing and Whole-time Directors

Sl.No.	Name of the Director	Category	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service contract/ notice period/ severance fees
01.	Sh.Rajat Lal, Managing Director	Executive	1200000	1171693	-	2371693	Contractual**
02.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	1080000	1093855	-	2173855	Contractual**
03.	Sh. K.B. Lal, Sr. Executive Director****	Executive	960000	967760	-	1927760	Contractual***
	Total		**3240000**	**3233308**	**-**	**6473308**	

* Perquisites include house rent allowance, electricity & fuel charges, medical reimbursement, medi-claim and personal accident insurance premium, Company's Contribution to provident fund and superannuation fund.

** Appointment is for five years period. Notice period is six calendar months, on either side.

*** Appointment was for three years period. Notice period was six calendar months, on either side.

**** Sh. K.B. Lal, Sr. Executive Director ceased to be a member of the Board of Directors w.e.f. 01.05.2010.

5) SHAREHOLDERS COMMITTEES:

The Board of Directors has constituted the following Committees of shareholders:

a) Shareholders/ Investors Grievance Committee.

b) Share Transfer Committee.

c) Sub Committee for consideration of unaudited Quarterly Financial Results.

The Shareholders/Investors Grievance Committee looks after the cordial investor relations and oversees the mechanism for redressing of shareholders and investors complaints like non-receipt of Annual Report, non-receipt of declared dividend warrants and transfer of shares. Share transfers/transmissions are approved by the Share Transfer Committee and are placed at the Board Meeting from time to time.

a) Shareholders/Investors Grievance Committee:

Sl. No.	Name of the Director	Attendance at Shareholders / Investors Grievance Committee	Category
01.	Sh. Hemantpat Singhania, Chairman	–	Non-Executive Independent Director
02.	Smt. Sudha Singhania, Member	–	Non-Executive Director
03.	Smt. Manjula Viswanathan, Member	–	Non-Executive Director

Sh. K.B.Lal, Secretary of the Company was Compliance Officer and Secretary of the Shareholder/Investors Grievance Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company and act as Compliance Officer and Secretary of the Shareholder/Investor Grievances Committee w.e.f. 01.05.2010.

During the year no complaints were received from the shareholders, requiring specific attention of the Committee, therefore, no meeting was held. However, Company received five complaints of routine nature from the shareholders, and all of them were rectified and resolved to the satisfaction of shareholders. There was no investor complaint outstanding as on 31.03.2010.

b) Share Transfer Committee:

Sl.No.	Name of the Director	Designation	Category	Attendance at committee meeting*
01.	Sh. Rajat Lal	Managing Director	Executive Director	4
02.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	4
03.	Sh. K.B. Lal**	Sr. Executive Director	Executive Director	4

* During the year four meetings of Share Transfer Committee were held on 25.04.2009, 18.09.2009, 30.10.2009 and 29.01.2010.

** Sh. K.B. Lal, Sr. Executive Director ceased to be member of Share Transfer Committee w.e.f. 01.05.2010. Sh. K.B. Lal, Secretary of the Company was Secretary of the Share Transfer Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company and act as Compliance Officer and Secretary of the Share Transfer Committee w.e.f. 01.05.2010.

CONTD.....

The Company has registered and delivered to the shareholders all the valid applications received for transfer/transmission of shares during the year within the stipulated time, and there were no shares pending for transfer as on 31.03.2010.

c) Sub-Committee for consideration of Unaudited Quarterly Financial Results.

This Committee looks after and considers Unaudited Quarterly Financial Results (Provisional) on a quarterly basis, after the same has been approved by Audit Committee.

Sl.No.	Name of the Director	Designation	Category	Attendance at sub-committee meeting**
01.	Sh. Rajat Lal	Managing Director	Executive Director	4
02.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	4
03.	Sh. K.B. Lal*	Sr. Executive Director	Executive Director	4
04.	Sh. Onke Aggarwal	Director	Non Executive Independent	4

* Sh. K.B. Lal, Sr. Executive Director ceased to be member of Sub-committee w.e.f. 01.05.2010. Sh. K. B. Lal Secretary of the Company was Secretary of the Sub-Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company and act as Compliance Officer and Secretary of the Sub-committee w.e.f. 01.05.2010.

** During the year four meetings of Sub-Committee were held on 25.04.2009, 31.07.2009, 30.10.2009 and 29.01.2010.

(6) GENERAL BODY MEETINGS:

Location and time where last three Annual General Meetings were held as given below: -

Sl. No.	Particulars of Annual General Meeting	Date	Location of the Meeting	Time
01.	73rd A.G.M. in respect of the year 2006-2007	25.09.2007	P.H.D.House, Opp. Asian Games Village, New Delhi – 110 016.	4.00 p.m.
02.	74th A.G.M. in respect of the year 2007-2008	17.09.2008	P.H.D.House, Opp. Asian Games Village, New Delhi – 110 016.	11.30 a.m.
03.	75th A.G.M. in respect of the year 2008-2009	22.09.2009	P.H.D.House, Opp. Asian Games Village, New Delhi – 110 016.	11.30 a.m.

In the last three Annual General Meetings, one Special Resolution was passed as per details given below:

73rd Annual General Meeting held on 25.09.2007.

Special resolution approving re-appointment of Senior Executive Director-cum-Secretary was passed.

74th Annual General Meeting held on 17.09.2008.

No special resolution was passed.

75th Annual General Meeting held on 22.09.2009.

No special resolution was passed.

There was no Extra Ordinary General Meeting held from the date of last Annual General Meeting.

No business, which required the members' approval through Postal Ballot, was transacted during the Financial Year 2009-10.

(7) DISCLOSURES:

a) Related Party Transactions

There are no transactions of the company of material nature with promoters, directors, management, subsidiaries or relatives etc. which would have potential conflict with the interests of the company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts - Schedule-16, forming part of the Annual Report.

b) Disclosure of Accounting Treatment in preparation of Financial Statements

In the preparation of the financial statements, the Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India. There are no cases, wherein treatment different from that prescribed in Accounting Standards has been followed.

c) Risk Management

Business risk evaluation and management is an on going process within the Company, which is periodically reviewed by the Board of Directors for determining its effectiveness.

d) There have been no instances of non-compliance, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

e) The Company has fully complied with all the mandatory requirement of Clause 49 of the Listing Agreement of the Stock Exchange. The company has submitted the quarterly compliance status report to the Stock Exchanges within the prescribed time limit.

f) Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time, further the Company has adopted non-mandatory requirement of Clause 49 of Listing Agreement viz. Remuneration Committee of the Board which has been constituted to recommend/ review the remuneration package for the Executive Directors.

g) The Company does not have any subsidiary Company.

(8) MEANS OF COMMUNICATIONS:

The Company's quarterly financial results are normally published in the "Money Maker" in English and "Bhagyodaya" in Hindi, News Papers. The quarterly/half yearly/annual financial results of the Company are regularly submitted to the Delhi Stock Exchange Limited and Bombay Stock Exchange Limited where the shares of the Company are listed.

The Company's financial results are also displayed on the Company's website – www.sirshadilal.com

The Company has not issued any Press Release or made any presentation to the investors or analysts about its financial results during the year.

(9) MANAGEMENT DISCUSSION & ANALYSIS:

An Overview

Your Company's operations are broadly divided into two business segments i.e. "Sugar" and "Alcohol.". The by-product molasses is used in the distilleries for manufacture of alcohol & ethanol. The segment-wise performance has already been reported vide Note No.13 of Schedule-16 attached to the Annual Accounts under report.

The segment-wise detailed management discussion and analysis is stated below:

i) SUGAR

The sugar is an Agro-based Industry. The duration of crushing season and recovery of sugar from sugarcane depend upon the climatic conditions of the geographical area of sugar factory. The sugar industry is subject to number of controls by the State and Central Government, which includes allotment of cane area, fixation of effective rate of sugarcane price, levy sugar price and periodical quantity of release of sugar for sale.

Industry Overview

The sugar production has been very cyclical with few years of high production followed by years of low production. Cycles are lead either by cane arrears or climatic factors. The production of sugar fluctuates in response to crop to crop return, acreage yield and recovery percentage of cane.

The domestic sugar stock position continues to remain tight, for the second year running, however demand supply mismatch showed a reduction following increase in sugar production from 145 Lacs M.T. in the Sugar Season 2008-09 to around 185 Lacs M.T. in the Sugar Season 2009-10, although, it is still well short of the annual domestic off- take of around 230 Lacs M.T. Thus, even in Sugar Season 2009-10, India remains dependent on imports. While India had imported around 35 Lacs M.T. in Sugar Season 2008-09, the imports for Sugar Season 2009-10 are expected to be around 30 – 40 Lacs M.T.

Cane Pricing

During the winter session of the Parliament, the Central Government announced its decision to replace the Statutory Minimum Price (SMP) (which is the bare minimum cane price that all sugar mills in the country are required to pay to the cane cultivators) with a 'Fair and Remunerative Price (FRP) regime which was to factor in the production costs, returns from alternative crops and prevailing sugar prices at the ex-factory as well as consumer end while fixing cane prices. The amendment was proposed as a step by the Central Government towards checking inflationary trends in prices and ensuring equitable distribution of essential commodities. The FRP was different from existing SMP mechanism in that while a substantial part of the cane price in the SMP regime was to be paid at the end of the sugar year as a profit sharing element depending upon the inherent profits of the full year (commonly referred to as Clause 5 A) in the FRP regime entire thing was to be paid to the farmer upfront. The initial FRP proposal had also included a clause which would have required all state governments who wished to continue with the SAP regime to bear the differential between SAP and FRP, should the SAP so declared by them be higher than FRP. The FRP was fixed at Rs 129.84 per quintal (at a base recovery of 9.5% and a premium of Rs 1.37 per quintal for every 0.1 % increase over the basic recovery rate) for Sugar Year 2009-10.

CONTD.....

The promulgation of FRP ran into serious political difficulties with strong opposition from both farmers as well as state governments. While farmers objected to the FRP on the grounds of the same being un-remunerative, the state governments opposed it as they wished to retain the flexibility of having higher SAP without having to bear the cost of doing so. Finally, Central Government went ahead with the FRP regime but dropped the clause regarding SAP. Thus, there has been effectively no change in the cane pricing regime with the FRP replacing SMP and SAP remaining legally valid (in line with a judgment given by Supreme Court) in all states which have enabling legislations. While FRP remains valid, the current FRP is merely of academic interest for Sugar Year 2009-10 as:

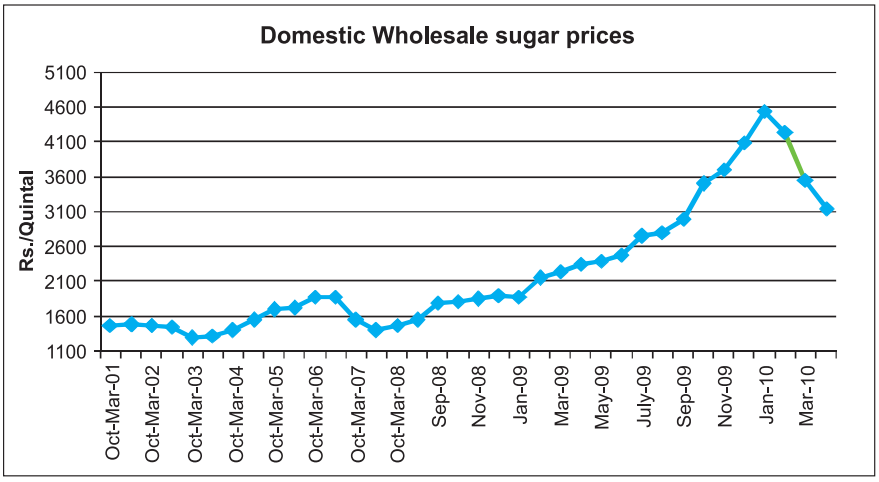
- Several states had SAPs in excess of FRP.
- In most states- both SAP and non-SAP states, farmers and millers mutually agreed to cane prices which are not only in excess of FRP but in some cases even higher than SAP.

The average cost of cane for season 2009-10 in case of Shamli Sugar unit is Rs. 253.19 per Qtl. as against Rs. 153.27 per qtl. in previous season. In case of Unn Sugar unit average cost is Rs. 257.09 per Qtl. as against Rs. 154.38 per Qtl. in previous season.

Realisation of Sugar

The domestic sugar industry prices had shown a hardening trend since Q4 of Sugar Season 2007-08 in anticipation of tightening of the domestic supply-demand scenario. For instance, North Indian sugar prices (ex-mill, net of excise) which were around Rs. 1450 per Qtl in Q1/Q2 of Sugar Season 2007-08 crossed Rs. 1700 per Qtl. in August-September 2008. With Sugar Season 2008-09 sugar production showing a significant decline, this resulted in a sustained uptrend in prices which reached a peak of Rs. 4000 per Qtl. by end of January, 2010. This price rise was driven by anticipation of continued depressed production domestically as well as a surge in international sugar prices to which the domestic sugar prices got linked given the dependence on sugar imports. However, since end of February, 2010 there was a significant drop in sugar prices, which fell to as low as Rs. 2800 per Qtl. by end of April, 2010 and have moved sideways since then. This was driven by a number of factors. Firstly, there was an upward revision in production estimates for the current sugar season ending September, 2010. Secondly, there was a significant drop in international sugar prices , which in turn was driven mainly by increased production in Brazil as well as lower dependence on imports by India following higher production. In addition, a number of measures taken by Central Government to curb sugar prices also played a role. These measures included continued zero duty on imports, allowing bulk consumers to import sugar freely, tight inventory restrictions imposed by the government on buyers and changes in release norms (from monthly to weekly) for free sale sugar.

Domestic Sugar Prices



(Source: Industry data - ICRS Report)

Going forward, any significant strengthening of domestic sugar prices in the future upto November,2010 (i.e. before the next season's production enters the market) is unlikely unless Central Government relaxes the measures taken by it earlier to curb sugar prices. However, given the political sensitivities to any move which would cause increase in sugar prices (and contribute further to inflationary pressures) it is uncertain whether such a move will be made. Further, it is expected that the prices are likely to be subdued in the Sugar Season 2010-11, given expectations of further increase in production in the Sugar Season 2010-11.

Opportunities, Threats, Risks and Concerns.

Sugar industry in India is cyclical in nature & primarily faces the following risks:

Sugarcane is the principal raw material used for the production of sugar. Business depends on the availability of sugarcane and any shortage of sugarcane may adversely affect operations. A variety of factors beyond our control may contribute to a shortage of sugarcane in any given harvest period. Some of the main factors that could contribute to a shortage of sugarcane are set forth below:

i) Diversion from cane production to other cash crops;

ii) Adverse weather conditions, crop disease;

iii) Drop in Drawal rate and

iv) Unremunerative cane procurement price declared by the State Government and/or Central Government.

The market price for sugar is function of demand and supply. Fluctuations in demand and supply are due to various reasons, including:

i) changes in the availability and price of sugarcane;

ii) variances in the production capacities of our competitors;

iii) the availability of substitutes for the sugar products and

iv) International Demand and Supply.

The wholesale price of sugar has a significant impact on our profits. Like other agricultural commodities, sugar is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond control. In addition, approximately 15% to 30% of total worldwide sugar production is traded on exchanges and is thus subject to speculation, which could affect the price of sugar worldwide and our results of operations. As a result, any prolonged decrease in sugar prices could have a material adverse effect on our Company.

The Industry and Company is subject to environmental regulations and may be exposed to liability as a result of our handling of hazardous materials and potential costs for environmental compliance.

The Industry is regulated and the Company operates in a regulated environment. Central and State Government policies and regulations, affect the agricultural sector and related industries and affect our operations and our profitability. Ethanol business is highly dependent on Government policy. Sugarcane price is controlled by the State Government and is generally increased every year. This is a systemic risk, which cannot be alleviated unless the industry is completely decontrolled.

At present, what has created pressure on industry profitability is that most mills have crushed cane in Sugar Season 2009-10 at extremely high prices. Most North Indian mills had contracted cane at around an average of Rs. 240/- Rs. 250/- per quintal, while these rates made economic sense when they were contracted – given the prevailing expectations of low sugar production and high sugar prices – given the current prices, this has resulted in pressures on profitability from February, 2010 onwards.

Going forward, as far as the medium to long-term outlook is considered, as in the past, the long-term prices and profitability of Indian sugar companies would continue to remain volatile and dependent on domestic and international supply-demand trends. These in turn would depend on agroclimatic conditions in major producing countries and crude oil price trends, which determine the diversion of cane crop to ethanol. Consequently, the price trends in international markets would be the key determinants of future profitability. Further, government/court action in ensuring a rational linkage between cane prices and sugar prices will also be a key to long-term viability of sugar operations, especially in states governed by SAP.

Performance and Outlook

SHAMLI SUGAR UNIT

The Crushing Season started on 02.12.2009 and closed on 30.04.2010. During the Crushing Season 2009-2010 we crushed 8142391 Qtls. of sugar cane at an average recovery of 9.03% producing 735392 Qtls. of Sugar in 150 days of working. Last Sugar Season 2008-09 started on 30.11.2008 and closed on 13.04.2009. During the last Sugar Season 2008-09 we had crushed 7018461 Qtls of Sugar Cane with an average recovery of 8.95% and produced 627842 Qtls. of Sugar in 135 days of working. The average cane crush per day was 54831 Qtls. in 2009-10 season as compared to 51989 Qtls. in 2008-09 season.

UNN SUGAR COMPLEX

The Crushing Season started on 03.12.2009 and closed on 22.04.2010. During the Crushing Season 2009-2010 we crushed 4028743 Qtls. of sugar cane at an average recovery of 9.23% producing 371858 Qtls. of Sugar in 140 days of working. Last Sugar Season 2008-09 started on 30.11.2008 and closed on 23.03.2009. During the last sugar season 2008-09, we had crushed 3160934 Qtls of Sugar Cane with an average recovery of 8.95% and produced 282904 Qtls. of Sugar in 114 days of working. The average cane crush per day was 28773 Qtls. in 2009-10 season as compared to 27830 Qtls. in 2008-09 season.

Contd.....

(ii) ALCOHOL

The Distillery Industry in the State of Uttar Pradesh is going through a difficult phase due to unfavourable policies of the State Government. The Country Liquor business has become un-remunerative. Net realization on account of sale of Extra Neutral Alcohol and Rectified Spirit have also been adversely effected on account of higher rate of Export Duty levied in the State as compared to the neighbouring States.

In case of Pilkhani Distillery, we have a bottling arrangement with M/s. United Spirits Limited, which has resulted in better capacity utilization of bottling capacity as compared to the other Distilleries in the State of Uttar Pradesh,whose bottling capacities are not fully utilized.

Human Resources initiatives and Industrial Relations

The Company has, as always, stood by its commitment of harnessing and developing its people resources in the best possible manner for achievement of its business goals and objectives. All through the year the level of people engagement has been of the highest order, which has impacted the process of business growth and up-gradation of various systems in a significant way.

Training and Development

The process of training and development has continued with a view to upgrading skills and competencies of people. Employees across all levels including Senior, and Middle Management have been through various developmental programs customized to meet the individual and organizational needs. The organization has continuously worked towards providing an enabling work environment, which encourages people to acquire newer skills and knowledge so as to make them more effective, productive and tuned to the environmental changes.

Internal Control systems and their adequacy

The Company is conscious of the importance of internal processes and controls. Your company has designed internal control systems to handle the requirements of businesses of the company across various locations in regard to all business transactions – sales order to collections, purchase orders to payments, employee payments, expense payments, material and assets accounting etc.

We have an in-house internal audit department which carries out internal audit of all business areas which assess the design and implementation of all business processes and systems, in addition to transaction audit. Observations made by internal audit are reviewed and discussed by the Audit Committee. The management gives lot of emphasis on continuous upgradation of business processes systems and adherence to the designed systems and processes.

(10) GENERAL SHAREHOLDERS INFORMATION:

a) Annual General Meeting:

Date,Time and Venue of Next Annual General Meeting	:	24th September, 2010 at 11.30 a.m. P.H.D. House, Opposite Asian Games Village, New Delhi - 110 016

b) Financial Calendar (2010-2011):

Financial reporting for the quarter ending 30th June, 2010	:	End of July, 2010
Financial reporting for the quarter ending 30th Sept., 2010	:	End of October, 2010
Financial reporting for the quarter ending 31st Dec., 2010	:	End of January, 2011
Financial reporting for the quarter ending 31st March, 2011	:	End of April, 2011
c) Date of Books closure	:	14th September, 2010 to 16th September, 2010 (Both days inclusive).
d) Dividend payment date	:	1st October, 2010
e) Listing on Stock Exchange	:	Delhi Stock Exchange Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi-110002.

: Bombay Stock Exchange Ltd.
25th Floor, P.J. Tower, Dalal Street,
Mumbai - 400001.

The Company has paid the listing fee to both the Stock Exchanges for the financial year 2010-11.

f) Stock Code : 19174 of Delhi Stock Exchange Ltd.
: 532879 of Bombay Stock Exchange Ltd.

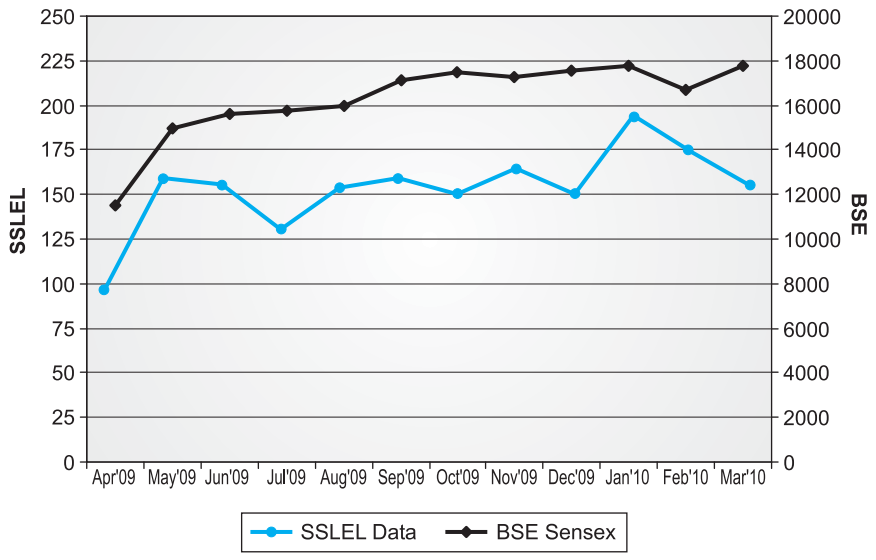
g) Corporate Identity Number (CIN) : Our Corporate Identity No. is L51909DL1933PLC009509, allotted by the Ministry of Company Affairs, Government of India and our Company Registration No. is 9509.

h) Market Price Data :

The Market Price Data and Volume from 1st April, 2009 to 31st March, 2010 on the Bombay Stock Exchange Limited, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2009	96.05	54.55	8096
May, 2009	158.90	98.05	27066
June, 2009	155.45	107.00	35952
July, 2009	130.00	104.00	32581
August, 2009	153.85	108.00	50839
September, 2009	159.00	123.10	16425
October, 2009	149.95	117.40	16953
November, 2009	165.00	128.60	19398
December, 2009	149.90	122.00	24091
January, 2010	193.90	141.00	331487
February, 2010	174.00	135.00	48764
March, 2010	154.50	121.05	258728

i) BSE Sensex , Crisil Index etc. : Performance of share price of your company in comparison to BSE Sensex during the period 01-04-2009 to 31-03-2010 is given below:



CONTD.....

j) Registrar & Transfer Agent : M/s Alankit Assignment Ltd., Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055 have been acting as the Registrar and Share Transfer Agent for shares of the company.

k) Share Transfer System : The transfer of shares in physical form is processed by the Secretarial Department of the Company on the basis of data forwarded by the Share Transfer Agent, M/s Alankit Assignment Ltd. within the time prescribed. The Share Transfer Committee/Board of Directors approves transfer of shares in physical form, transmission of shares, transposition of name, consolidation of share certificates and issue of duplicate share certificates in lieu of the lost/misplaced share certificates. The Share Transfer Committee of the Board of Directors meet as and when required to consider and approve the share transfer/ transmission applications.

In case of shares in Electronic form the transfers are processed through Share Transfer Agent by NSDL/CDSL through respective Depository participants and the details on a regular basis are placed before the Share Transfer Committee of the Board of Directors/ Board of Directors.

l) Distribution of Shareholding and Shareholding pattern as on 31.03.2010

(i) Distribution of Shareholding:

Category	No. of Shareholders	%age	Physical	NSDL Demat	CDSL Demat	Total No. of Shares	%age
1 to 500	2117	79.737	790	918	409	206427	3.932
501 to 1000	226	8.512	112	81	33	158579	3.020
1001 to 2000	118	4.444	61	43	14	165894	3.160
2001 to 3000	60	2.260	22	25	13	150629	2.869
3001 to 4000	32	1.205	12	16	4	113187	2.156
4001 to 5000	12	0.452	6	5	1	54853	1.045
5001 to 10000	38	1.431	23	10	5	245956	4.685
10001 and above	52	1.959	27	25	0	4154475	79.133
Total	**2655**	**100.000**	**1053**	**1123**	**479**	**5250000**	**100.000**

(ii) Shareholding Pattern:

		Physical Form		Demat Form		Total	
		No. of Shares	(%age)	No. of Shares	(%age)	No. of Shares	(%age)
A.	**Promoters' Holding**						
1.	Indian Promoters	1534194	29.223	1303238	24.824	2837432	54.046
2.	Foreign Promoters	–	–	–	–	–	–
	Total (A)	**1534194**	**29.223**	**1303238**	**24.824**	**2837432**	**54.046**
B.	**Non-Promoters Holding**						
(i)	**Institutional Investors**						
1.	Mutual Funds and UTI	–	–	–	–	–	–
2.	Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions)	–	–	579332	11.035	579332	11.035
3.	FIIs	–	–	–	–	–	–
	Sub-total (B-i)	**–**	**–**	**579332**	**11.035**	**579332**	**11.035**
(ii)	**Non-Institutional**						
1.	Private Corporate Bodies	83422	1.589	207820	3.958	291242	5.548
2.	Indian Public	787035	14.991	732255	13.948	1519290	28.939
3.	NRIs	2277	0.043	20427	0.389	22704	0.432
	Sub total (B-ii)	**872734**	**16.623**	**960502**	**18.295**	**1833236**	**34.919**
	Total (B)	**872734**	**16.623**	**1539834**	**29.330**	**2412568**	**45.954**
	Grand Total (A+B)	**2406928**	**45.846**	**2843072**	**54.154**	**5250000**	**100.000**

m) Dematerialisation

The Shares of the Company can be held in dematerialised mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN No. of the Company is INE 117 H 01019. As on 31.3.2010, 54.154% of the Equity Shares of the company were in dematerialised form and the balance 45.846% shares in physical form.

Status of Dematerialisation / Physical Shares as on March 31, 2010

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	**2680733**	**51.062**	**1123**
Central Depository Services (India) Limited	**162339**	**3.092**	**479**
TOTAL DEMATERIALISED	**2843072**	**54.154**	**1602**
PHYSICAL	**2406928**	**45.846**	**1053**
GRAND TOTAL	**5250000**	**100.000**	**2655**

n) Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, Conversion Dates and likely impact on equity : **The Company has not issued any GDRs/ADRs/Warrants Conversion or any Convertible Instruments**

Unclaimed Dividend:

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of 7 years from the date they became due for payment are required to be transferred by the Company to the Investor Education & Protection Fund (IEPF) administered by the Central Government, given below, are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF :

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2003-04	16.09.2004	22.10.2011
2004-05	27.09.2005	02.11.2012
2005-06	25.09.2006	31.10.2013

CONTD.....

o) Plant Location :

i) Upper Doab Sugar Mills,
SHAMLI – 247776,
Distt. Muzaffarnagar (U.P.)

ii) Unn Sugar Complex,
Block Unn,
Distt. Muzaffarnagar (U.P.)

iii) Shamli Distillery & Chemical Works,
SHAMLI – 247776,
Distt. Muzaffarnagar (U.P.)

iv) Pilkhani Distillery & Chemical Works,
PILKHANI – 247032,
Distt. Saharanpur (U.P.)

p) Address for Correspondence

REGISTERED OFFICE	**SHARE TRANSFER AGENT**
4-A, Hansalaya, 15, Barakhamba Road, NEW DELHI-110001	M/s Alankit Assignments Ltd., 'Alankit House' 2-E/21, Jhandewalan Extn. NEW DELHI-110055.
Telephones: 011-23316409 011-23321827 011-23310414 Fax: 011-23722193	Telephones: 011-23541234 011-42541234 Fax: 011-42540064

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

q) Secretarial Audit for reconciliation of capital : As stipulated by SEBI, a practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares of the Company are listed. The Auditor certifies that the total listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL & CDSL) and total number of shares in physical form.

(11) Compliance Certificate of the Auditors : The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report on Corporate Governance.

The certificate from the Statutory Auditors will be sent to the listed Stock Exchanges alongwith Annual Report of the Company.

(12) CEO/CFO Certification : Pursuant to Clause 49 of the Listing Agreement, the CEO/CFO have submitted the desired certificate to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 17th July, 2010.

For and on behalf of the Board

Place : New Delhi
Dated : 17th July, 2010

Onke Aggarwal
Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Shareholders

SIR SHADI LAL ENTERPRISES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with Delhi Stock Exchange and Bombay Stock Exchange Ltd. have been complied with in all material respect by the Company.

4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by Shareholders/Investor Grievance Committee.

5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BASANT RAM & SONS
Chartered Accountants
(Registration No. 000569N)

H.K. Chadha
Partner
Membership No. 6470

Place : New Delhi
Dated : 17th July, 2010

AUDITORS' REPORT

To,

The Shareholders of

Sir Shadi Lal Enterprises Limited

1. We have audited the attached Balance Sheet of Sir Shadi Lal Enterprises Limited as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure 'A' statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;

   iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   v) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the other notes thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;

      b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and

      c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For BASANT RAM & SONS
Chartered Accountants
(Registration No. 000569N)

H. K. Chadha
Partner
Membership No. 6470

Place : New Delhi
Dated : 17th July, 2010

ANNEXURE 'A' TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report of even date to the Shareholders of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2010)

i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets except that cost and todate depreciation written off for certain assets, was available for group of assets.

b) The Company's programme of physical verification of all its fixed assets once in three years, is in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. We are informed that in accordance with the programme, no physical verification of fixed assets was carried out during the year under report.

c) In our opinion, there was no substantial disposal of fixed assets during the year.

ii. a) During the year, the inventories have been physically verified by the management except material sent for job work and lying with third party. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.

iii. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 except demand loans/ fixed deposits.

c) The demand loans/fixed deposits were taken from eighteen parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved in the transactions during the year was Rs. 33.64 crores and the year end balance of such loans/deposits was Rs. 30.73 crores.

d) In our opinion, the rate of interest and other terms and conditions of demand loans/fixed deposits taken from Directors / Managing Director and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

e) The Company is regular in repayment of principal amount of demand loans/fixed deposits and interest thereon.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and information and as per the explanations given to us, we have neither come across nor have been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control system.

v. a) In our opinion and according to the information and explanations given to us, the contracts and arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.

b) In our opinion and according to the information and explanations given to us, that during the year there were no transactions exceeding value of Rupees five lacs that need to be entered into the Register in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act, 1956.

vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information and explanations given to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other

CONTD.....

Tribunal, relevant to Sections 58A, 58AA or the other relevant provisions of the Act.

vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

viii. We have broadly reviewed the Books of Account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and we are of the opinion, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix. a) According to the information and explanations given to us and according to the books and records examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable with appropriate authorities.

b) According to the records of the Company and the information and explanations given to us, there are no amounts in respect of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute, other than mentioned in 'Annexure-1' to this report.

x. The Company does not have accumulated losses as at the end of the Financial Year 31st March, 2010. The Company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.

xi. In our opinion and according to the information and explanations given to us by the Management, the Company has not defaulted in repayment of dues to any Financial Institution or Bank or Debentureholders.

xii. According to the information and explanations given to us by the Management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/societies are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 4(xv) of the Order, are not applicable to the Company.

xvi. According to the information and explanations given to us, in our opinion, the term loans have been applied for the purpose for which they were raised.

xvii. According to the information and explanations given to us and based on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis (excluding Working Capital) have been used for long term investment.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us, the Company has not issued any debentures during the year and did not have any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.

xx. The Company has not raised any money by public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For BASANT RAM & SONS
Chartered Accountants
(Registration No. 000569N)

H. K. Chadha
Partner
Membership No. 6470

Place : New Delhi
Dated : 17th July, 2010

(Annexure –1 as referred to in para ix (b) of Annexure 'A' to the Auditors' Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2010)

Following are the particulars of disputed dues (provided /considered contingent liability, as appropriate) as on 31.3.2010 on account of Income-Tax, Sales-Tax, and Excise matters that have not been deposited on account of dispute:-

Name of the Statute	Nature of the Dues	Amount (Rs.in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Income Tax Act	Tax demand	138.43	2003-2004	A.O.
	Tax demand	46.40	2004-2005	A.O.
	Tax demand	78.89	2005-2006	CIT (A)
	Tax demand	79.63	2006-2007	CIT(A)
Sales Tax Act	Entry Tax	93.83	2004-2005	High Court at Allahabad
	Entry Tax	24.62	2005-2006	High Court at Allahabad
	Interest	16.53	2005-2006	High Court at Allahabad
	Entry Tax	247.07	2005-2006	High Court at Allahabad
	Interest	155.65	2005-2006	High Court at Allahabad
	Entry Tax	222.80	2006-2007	High Court at Allahabad
	Interest	109.17	2006-2007	High Court at Allahabad
Sales Tax Act	Tax demand	21.62	2002-2003	High Court at Allahabad
	Tax demand	12.38	2004-2005	Jt. Commissioner (Appeals) Commercial Taxes, MZN
	Tax demand	25.02	2003-2004	Commercial Tax Tribunal, MZN
	Tax demand	69.28	2005-2006	Dy. Commissioner (Assessment) Commercial Tax, Shamli
	Interest	43.64	2005-2006	Dy. Commissioner (Assessment) Commercial Tax, Shamli
	Tax demand	216.80	2006-2007	Dy. Commissioner (Assessment) Commercial Tax, Shamli
	Interest	106.23	2006-2007	Dy. Commissioner (Assessment) Commercial Tax, Shamli
Central Excise Tax	Modvat Credit	0.41	2003-2004 2004-2005	High Court at Allahabad/Lucknow
U.P. Molasses Control Act	Administrative Charges	3.85	1996-1997	High Court at Allahabad/Lucknow
		0.46	1997-1998	High Court at Allahabad/Lucknow
		18.65	2008-2009	High Court at Allahabad/Lucknow
		43.03	2009-2010	High Court at Allahabad/Lucknow
Central Excise Act	Penalty/Reversal of Modvat Credit/ Service Tax	6.64	2004-2005 to 2007-2008	Central Excise and Service Tax (Appellate) Tribunal, New Delhi
U.P. Excise Act	Penalty for Low recovery	1.85	1991-1992	Excise Commissioner, Allahabad

We have been informed that apart from above, there are no dues in respect of Wealth-tax, Service-tax, Custom-Duty which have not been deposited on account of any dispute.

For BASANT RAM & SONS
Chartered Accountants
(Registration No. 000569N)

H. K. Chadha
Partner
Membership No. 6470

Place : New Delhi
Dated : 17th July, 2010

BALANCE SHEET

AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	5,25,00,000	5,25,00,000
Reserves & Surplus	2	78,04,57,572	66,92,16,322
		83,29,57,572	**72,17,16,322**
Loan Funds			
Secured Loans	3	1,44,30,76,146	1,95,38,20,875
Unsecured Loans	4	51,70,76,655	45,26,91,411
		1,96,01,52,801	2,40,65,12,286
Total Funds Employed		2,79,31,10,373	3,12,82,28,608
Deferred Tax Assets		(5,92,28,349)	(7,29,22,760)
Total		**2,73,38,82,024**	**3,05,53,05,848**
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		2,04,73,91,509	2,01,67,02,665
Less: Depreciation		99,71,53,716	85,25,58,023
Net Block		1,05,02,37,793	1,16,41,44,642
Capital work in Progress		1,69,676	1,69,676
		1,05,04,07,469	**1,16,43,14,318**
Investments	6	1,88,030	1,38,030
Current Assets, Loans & Advances	7		
Inventories		2,14,03,04,692	2,23,05,11,728
Sundry Debtors		7,79,91,652	6,00,48,232
Cash and Bank Balances		13,19,68,252	13,93,07,735
Other Current Assets		4,61,01,312	5,50,15,729
Loans and Advances		3,36,98,750	4,10,94,944
		2,43,00,64,658	**2,52,59,78,368**
Less: Current Liabilities & Provisions	8		
Current Liabilities		38,70,71,207	24,73,41,766
Provisions		35,97,06,926	38,77,83,102
		74,67,78,133	**63,51,24,868**
Net Current Assets		1,68,32,86,525	1,89,08,53,500
Total		**2,73,38,82,024**	**3,05,53,05,848**
Contingent liabilities and Notes Forming Part of Accounts	16		

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants

H.K. CHADHA
Partner
Membership No. 6470

Place : New Delhi
Date : 17th July, 2010

P.K. GOYAL
Vice President (Accounts) Cum Dy. Secretary

VIVEK VISWANATHAN
Joint Managing Director

SUNIT MALHOTRA
Secretary Cum Vice President (Taxation)

RAJAT LAL
Managing Director

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME :			
Gross Sales		4,64,65,12,575	4,13,87,34,554
Less : Excise Duty paid on Sales/Transfer		59,22,98,717	1,10,49,68,219
		4,05,42,13,858	3,03,37,66,335
Other Income	9	18,39,92,232	16,52,80,677
Variation in opening & closing stocks of Finished & Semi-finished goods	10	(10,89,83,314)	(2,13,97,350)
		4,12,92,22,776	**3,17,76,49,662**
EXPENSES :			
Raw Materials	11	2,81,07,60,224	1,95,03,24,504
Manufacturing Expenses	12	40,70,40,858	42,40,16,499
Salaries, Wages & Benefits	13	33,83,39,731	28,30,23,138
Administrative, Selling & Other Expenses	14	12,07,02,178	11,00,22,529
Interest & Finance Charges	15	16,05,36,100	25,02,96,173
		3,83,73,79,091	**3,01,76,82,843**
Profit Before Depreciation & Tax		29,18,43,685	15,99,66,819
Depreciation		14,56,11,582	16,44,41,323
Profit/(Loss) for the year		14,62,32,103	(44,74,504)
Less : Net excess of previous year's Expenditure over Income		2,28,408	(1,40,121)
Profit/(Loss) before Tax		**14,60,03,695**	**(43,34,383)**
Provision for Taxation *		88,24,114	50,00,000
Provision for Deferred Tax Liability (Refer note no.11 in Schedule 16)		1,36,94,411	4,56,46,606
Fringe Benefit Tax		–	19,00,000
Profit/(Loss) after Tax		**12,34,85,170**	**(5,68,80,989)**
Less : Proposed Dividend		1,05,00,000	–
Tax on proposed Dividend		17,43,920	–
Net Surplus / (Deficit) transferred to General Reserve		**11,12,41,250**	**(5,68,80,989)**
Number of Shares		**52,50,000**	**52,50,000**
Earning per share		**23.521**	**(-) 10.834**

* Provision for taxation includes Rs. 40,59,040 relating to earlier years (Previous year Rs. 50,00,000).

Note : (1) Sales include Rs. 14,79,63,827 Inter-unit transfers (Previous Year Rs. 11,12,36,802).
(2) Figure in Bracket ( ) denote minus figure.

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants

H.K. CHADHA
Partner
Membership No. 6470

Place : New Delhi
Date : 17th July, 2010

P.K. GOYAL
Vice President (Accounts) Cum Dy. Secretary

VIVEK VISWANATHAN
Joint Managing Director

SUNIT MALHOTRA
Secretary Cum Vice President (Taxation)

RAJAT LAL
Managing Director

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

SCHEDULE - 1 : SHARE CAPITAL

		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
Authorised :				
2,00,00,000 Equity Shares of Rs. 10/- each		20,00,00,000		20,00,00,000
		20,00,00,000		**20,00,00,000**
Issued, subscribed and paid-up :				
52,50,000 Equity Shares of Rs. 10/- each fully paid-up		5,25,00,000		5,25,00,000
- 6,50,000 Equity Shares of Rs. 10/- each issued for cash	65,00,000		65,00,000	
- 49,57,018 Equity Shares of Rs. 10/- each allotted as fully paid up Bonus Share by capitalization of General Reserve & Capital Redemption Reserve	4,95,70,180		4,95,70,180	
	5,60,70,180		5,60,70,180	
Less : 3,57,018 Equity shares of Rs. 10/- each bought back	35,70,180		35,70,180	
	5,25,00,000		5,25,00,000	
		5,25,00,000		**5,25,00,000**

SCHEDULE - 2 : RESERVES & SURPLUS

		As at 31.03.2010 Rs.		As at 31.03.2009 Rs.
General Reserves :				
As per last Balance Sheet	66,56,46,142		72,25,27,131	
Surplus/(Deficit) transferred from Profit & Loss Account	11,12,41,250	77,68,87,392	(5,68,80,989)	66,56,46,142
Capital Redemption Reserve		35,70,180		35,70,180
		78,04,57,572		**66,92,16,322**

SCHEDULE - 3 : SECURED LOANS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
A) From Banks :		
I. Cash Credit : (Secured against first pari passu charge by way of Hypothecation of entire current assets including Finished & Semi-finished stocks, raw materials, stores and receivables of the Company in favour of State Bank of India and Punjab National Bank and by way of Collateral Security on second pari passu charge on fixed assets of the Company at Shamli, Pilkhani and Unn.)	84,88,96,133	1,16,07,07,262
II. Term Loan		
a) State Bank Of India (Secured against first pari passu charge with Sugar Development Fund on the fixed assets of the company at Shamli and collaterally secured on first pari passu charge with Punjab National Bank on fixed Assets of Pilkhani Distillery Unit) (Repayable within one year Rs. 59,32,000 Previous year Rs. 59,32,000)	1,83,34,463	2,43,19,311
b) State Bank Of India (Repayable within one year Rs. 7,50,00,000 Previous year Rs, 7,50,00,000)	28,40,57,537	35,98,82,979
c) Punjab National Bank (Repayable within one year Rs. 1,00,00,000 Previous year Rs. 3,00,00,000) (Secured against first pari passu charge of State Bank of India with Punjab National Bank on the entire Fixed Assests of Unn Sugar Unit and by way of Collateral Security on first pari passu charge on Fixed Assets at Pilkhani and second pari passu charge on Fixed Assets at Shamli)	4,04,24,789	15,14,70,501
III. Financial Assistance to Sugar undertaking Scheme 2007		
a) State Bank Of India (Repayable within one year Rs. 7,89,96,000 Previous year Rs. 65,83,000)	15,30,05,659	15,90,81,105
b) Punjab National Bank (Repayable within one year Rs. 3,22,50,000 Previous year Rs. 26,87,500) (Secured against residual charge on the Fixed Assets of Sugar Unit at Shamli and Unn)	6,51,57,565	6,51,59,717
B) Sugar Development Fund : (Secured against first pari passu charge on the Fixed Assets of the Company at Shamli and second pari passu charges on the entire current assets of the Company.) (Repayable within one Year Rs. NIL Previous Year Rs. NIL)	3,32,00,000	3,32,00,000
	1,44,30,76,146	**1,95,38,20,875**

SCHEDULE - 4 : UNSECURED LOANS

	As at 31.03.2010 Rs.		As at 31.03.2009 Rs.	
Fixed Deposits :				
From Directors		25,94,89,000		24,26,51,000
(Repayable within one Year Rs. 3,30,39,000 Previous Year Rs. 23,76,01,000)				
From others	23,67,61,000		16,63,23,000	
(Repayable within one Year Rs. 9,56,82,000 Previous Year Rs. 8,01,00,000)				
Interest accrued and due on other Deposits repayable within One Year	34,518	23,67,95,518	40,597	16,63,63,597
Loan from Directors		1,58,43,209		3,93,83,225
Earnest Money and Security Deposits		49,48,928		42,93,589
		51,70,76,655		**45,26,91,411**

SCHEDULE- 5 : FIXED ASSETS

Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As per last balance sheet 31.03.2009	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2010	Depreciation written off upto 31.03.2009	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FIXED ASSETS										
Land (Free hold)	2,52,58,423	–	–	2,52,58,423	–	–	–	–	2,52,58,423	2,52,58,423
Land (Lease hold)	13,97,05,665	–	–	13,97,05,665	–	–	–	–	13,97,05,665	13,97,05,665
Buildings	24,81,95,555	1,97,554	–	24,83,93,109	6,31,33,785	1,31,16,624	–	7,62,50,409	17,21,42,700	18,50,61,770
Plant & Machinery	1,57,51,43,719	3,04,49,272	11,01,505	1,60,44,91,486	77,29,32,241	12,92,40,146	6,45,404	90,15,26,983	70,29,64,503	80,22,11,478
Railway sidings & Trolley lines	19,202	–	–	19,202	19,076	–	–	19,076	126	126
Furniture & Fixtures	55,83,432	8,82,649	49,436	64,16,645	43,43,896	6,57,492	43,634	49,57,754	14,58,891	12,39,536
Vehicles	1,17,68,164	8,20,661	5,10,351	1,20,78,474	68,93,498	13,98,772	3,26,851	79,65,419	41,13,055	48,74,666
Fixed Assets on rented Land	1,10,28,505	–	–	1,10,28,505	52,35,527	11,98,548	–	64,34,075	45,94,430	57,92,978
Total :	**2,01,67,02,665**	**3,23,50,136**	**16,61,292**	**2,04,73,91,509**	**85,25,58,023**	**14,56,11,582**	**10,15,889**	**99,71,53,716**	**1,05,02,37,793**	**1,16,41,44,642**
Previous Year	2,00,39,07,074	1,85,94,066	57,98,475	2,01,67,02,665	69,32,41,548	16,44,41,323	51,24,848	85,25,58,023		
Work in Progress									1,69,676	1,69,676
Total :									**1,05,04,07,469**	**1,16,43,14,318**

Notes:

1. Title deeds of land of the aggregate book value of Rs. 1,39,525 at Shamli are lodged as security with IFCI Ltd. Similarly title deeds of land of the aggregate book value of Rs. 1,97,671 at Pilkhani and book value of Rs. 2,46,41,300 of Unn Sugar Complex are lodged as security against loans with State Bank Of India, New Delhi.
2. The rights in the lease hold land includes Rs. 13,97,05,665 the transfer of which in the name of the Company is still in process.

SCHEDULE- 6 : INVESTMENTS
(Other than Trade Investments)

	As at 31.03.2010		As at 31.03.2009	
	Face Value Rs.	Book Value Rs.	Face Value Rs.	Book Value Rs.
1 In Government Securities (at cost) :				
a) National Savings Certificates	1,88,000	1,88,000	1,38,000	1,38,000
2 In Shares Fully paid-up (at cost) :				
a) Shamli Co-operative Cane Development Union Limited (One Share)	10	10	10	10
b) Saharanpur Co-operative Cane Development Union Limited (One Share)	10	10	10	10
c) Indo International Distillers Association Pvt. Ltd. (58,500 Shares of Rs. 10/-each)	5,85,000	10	5,85,000	10
		1,88,030		**1,38,030**

NOTES :

1. Government Securities of the book value of Rs. 1,88,000/- are lodged as security with different government departments for which confirmations from respective departments are still awaited (Previous Year Rs. 1,38,000/-).
2. All the above investments are unquoted.
3. The book value of 58500 shares of M/s Indo International Distillers Association Pvt.Ltd. has been valued at nominal value of Rs. 10/-.

SCHEDULE- 7 : CURRENT ASSETS, LOANS & ADVANCES

			As at 31.03.2010 Rs.			As at 31.03.2009 Rs.
CURRENT ASSETS :						
a) Stores and Stocks as per Inventories certified and valued by the management :						
Stores and Spares at average cost		10,24,90,458			8,99,90,906	
Loose Tools and Implements at average cost		33,93,346			29,07,537	
Finished Stocks at lower of cost and net realisable value		1,95,07,69,287			2,08,39,86,875	
Semi - finished stocks at estimated cost		3,97,94,624			2,00,25,161	
Raw materials at average cost		4,38,56,977	2,14,03,04,692		3,36,01,249	2,23,05,11,728
b) Sundry Debtors (Unsecured) :						
Debts outstanding for a period more than six months :						
Considered Good		1,13,55,066			8,81,309	
Considered Doubtful	1,77,26,725			2,51,67,352		
Less : Provision for doubtful debts	1,77,26,725	–		2,30,86,793	20,80,559	
Other debts considered good		6,66,36,586	7,79,91,652		5,70,86,364	6,00,48,232
c) Cash and Bank Balances :						
Cash, Drafts and Stamps		12,13,998			16,78,637	
Balance with Scheduled Banks in current Account		5,66,65,153			9,82,66,142	
Balance with Scheduled Banks in Savings Bank Account		3,28,24,489			3,45,18,434	
Balance with scheduled Banks in Fixed Deposits*		4,12,64,612	13,19,68,252		48,44,522	13,93,07,735
d) Other Current Assets :						
Interest accrued		73,11,340			6,04,341	
Claims pending settlement		1,37,782			78,932	
Security Lodged		56,48,612			73,50,214	
Interest subsidy on Buffer Sugar Stocks		–			1,83,81,526	
Interest on excise loan recoverable		3,30,03,578	4,61,01,312		2,86,00,716	5,50,15,729
LOANS & ADVANCES :						
(Unsecured Considered good unless other wise specified)						
Due from a Co-operative Society bearing no interest		50,000			50,000	
Loan to employees		83,000			2,28,000	
Advances recoverable in Cash or in Kind or for value to be received :						
Considered good		68,57,542			1,08,08,687	
Considered Doubtful	2,18,348			2,35,548		
Less : Provision for doubtful advances	2,18,348	–		2,18,348	17,200	
Recoverable or adjustable from Govt.Departments :						
Income Tax paid (Net)		1,22,40,942			59,040	
Sales Tax paid		14,00,000			14,00,000	
Excise Duty Deposited		98,96,311			2,46,77,913	
Prepaid Expenses		31,70,955	3,36,98,750		38,54,104	4,10,94,944
Total			**2,43,00,64,658**			**2,52,59,78,368**

* Includes Rs. 43,91,500 as Security with various Government Departments(Previous year Rs. 47,94,522), Rs. 20,000 with Banks as margin money (Previous year Rs. 50,000)

SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2010 Rs.		As at 31.03.2009 Rs.	
A. CURRENT LIABILITIES :				
Sundry Creditors - Small Scale Industries*	10,24,886		2,32,324	
- others	35,71,78,638		22,62,83,978	
Interest accrued but not due	2,77,68,553		1,94,10,245	
Unclaimed Dividends	10,99,130	38,70,71,207	14,15,219	24,73,41,766
B. PROVISIONS FOR :				
Fringe Benefit Tax (Net)	25,956		25,956	
Proposed Dividend	1,05,00,000		–	
Tax on Dividend	17,43,920		–	
Expenses	19,17,64,197		20,62,71,124	
Gratuity	2,90,91,456		2,38,64,857	
Leave Salary	2,17,52,002		1,56,31,897	
Excise Duty on closing stock of Finished Goods	10,48,29,395	35,97,06,926	14,19,89,268	38,77,83,102
		74,67,78,133		**63,51,24,868**

* Refer Note No. 14 in Schedule ' 16 '

Signature to Schedules 1 to 8 and 16 forming part of the Balance Sheet.

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants

H.K. CHADHA
Partner
Membership No. 6470

Place : New Delhi
Date : 17th July, 2010

P.K. GOYAL
Vice President (Accounts)
Cum Dy. Secretary

VIVEK VISWANATHAN
Joint Managing Director

SUNIT MALHOTRA
Secretary
Cum Vice President (Taxation)

RAJAT LAL
Managing Director

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

SCHEDULE-9 : OTHER INCOME

		For the year ended 31.03.2010 Rs.		For the year ended 31.03.2009 Rs.
Interest Earned-Gross				
(Tax deducted at source Rs. 15,52,816 (Previous year Rs. 2,75,414)				
i) From Banks	1,12,00,234		9,05,698	
ii) From Others	68,37,121	1,80,37,355	2,26,152	11,31,850
Rent realized		1,95,409		1,57,265
Profit on sale of Fixed Assets		3,92,996		4,74,087
Unclaimed Credit Balances written back		98,516		1,56,590
Sundry Receipts		9,68,178		5,63,813
Sale of Scrap		62,13,973		59,13,416
Bottling charges		1,84,37,423		56,26,302
Interest subsidy on Buffer Sugar Stock		–		1,14,97,428
Income from agricultural activity		7,05,122		4,84,399
Refund of Sales Tax paid in earlier years		3,15,000		–
Provision for bad & doubtful debts provided in earlier years written back		59,33,836		10,49,865
Miscellaneous Sales :				
i) Sale of Bagasse	11,40,18,788		11,81,55,797	
ii) Sale of Press Mud	1,08,53,016		1,41,48,697	
iii) Sale of Bio-Compost	78,22,620	13,26,94,424	59,21,168	13,82,25,662
		18,39,92,232		**16,52,80,677**

SCHEDULE-10 : VARIATION IN OPENING AND CLOSING STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS

		For the year ended 31.03.2010 Rs.		For the year ended 31.03.2009 Rs.
Stocks at commencement :				
Finished Goods				
Manufactured Goods	2,08,28,68,778		2,04,25,59,434	
Traded Goods	11,18,097	2,08,39,86,875	3,92,05,989	2,08,17,65,423
Semi-finished Goods		2,00,25,161		2,21,78,725
		2,10,40,12,036		2,10,39,44,148
Add: Finished/Semi- finished Stocks Purchased	–		3,15,99,208	
Traded Goods	3,26,95,062	3,26,95,062	1,32,97,412	4,48,96,620
		2,13,67,07,098		2,14,88,40,768
Less : Stocks at Close :				
Finished Goods				
Manufactured Goods	1,94,84,98,485		2,08,28,68,778	
Traded Goods	22,70,802	1,95,07,69,287	11,18,097	2,08,39,86,875
Semi-finished Goods		3,97,94,624		2,00,25,161
		1,99,05,63,911		2,10,40,12,036
Excess of Closing Stocks over opening Stocks		(14,61,43,187)		(4,48,28,732)
Less:				
Variation in Excise Duty of Closing Stocks over opening Stocks		(3,71,59,873)		(2,34,31,382)
Net variation in Opening & Closing Stocks of Finished & Semi-Finished Goods		**(10,89,83,314)**		**(2,13,97,350)**

Note : Figure in Bracket ( ) denote minus figure.

SCHEDULE-11 : RAW MATERIALS

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Raw Materials at Commencement	3,36,01,249	2,76,08,763
Add : Purchases during the year	2,82,10,15,952	1,95,63,16,990
	2,85,46,17,201	1,98,39,25,753
Less : At Close	4,38,56,977	3,36,01,249
Raw Materials consumed	**2,81,07,60,224**	**1,95,03,24,504**

Note : Purchases include Rs. 14,79,63,827 Inter - unit transfers (Previous Year Rs. 11,12,36,802).

SCHEDULE- 12 : MANUFACTURING EXPENSES

		For the year ended 31.03.2010 Rs.		For the year ended 31.03.2009 Rs.
Stores consumed		4,82,17,089		5,82,14,934
Power & Fuel		8,80,15,567		6,47,59,890
Packing & Forwarding		14,74,75,533		19,14,67,661
Repairs :				
Plant & Machinery	10,25,66,903		9,07,25,935	
Buildings	1,05,01,270		1,07,73,637	
Others	47,88,202	11,78,56,375	44,03,121	10,59,02,693
Cane & Road Development		51,84,973		31,59,385
Expenses for Agriculture Activity		2,91,321		5,11,936
		40,70,40,858		**42,40,16,499**

SCHEDULE- 13 : SALARIES, WAGES & BENEFITS

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Salaries, Wages & Bonus	30,01,71,344	24,73,94,077
Contribution to Provident Fund and Family Pension Fund etc.		
(Including Rs.3,88,800 for Managerial Personnel (Previous year Rs. 3,74,400)	2,39,18,063	2,06,61,977
Contribution to Approved Superannuation Fund		
(Including Rs. 4,86,000 for Managerial Personnel (Previous Year Rs.4,68,000)	4,86,000	4,68,000
Provision/Contribution to Approved Gratuity Fund	1,02,70,239	1,11,19,862
Staff Welfare	34,94,085	33,79,222
	33,83,39,731	**28,30,23,138**

SCHEDULE-14 : ADMINISTRATIVE, SELLING & OTHER EXPENSES

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Rent	12,31,056	24,60,204
Rates & Taxes	60,40,453	1,16,63,681
Insurance	25,80,908	35,58,837
Travelling & Vehicles	1,10,18,699	1,03,22,822
Legal & Professional	69,51,144	52,75,104
Postage, Telegram and Telephones	20,78,445	21,40,043
Stationery & Printing	20,58,135	23,33,019
Subscription and Advertisement	13,58,695	24,27,642
General Charges	67,10,531	60,45,397
Managerial Remuneration :		
Salary	32,40,000	31,20,000
Perquisites (in addition to Rs. 8,74,800 towards Provident Fund & Superannuation Contribution-Previous Year Rs. 8,42,400)	23,58,508	22,90,704
Directors Fee	5,00,000	4,56,000
Directors Travelling	4,50,810	3,61,235
Charity & Donations	1,93,801	68,502
Bad Debts & Claims written off	8,51,177	39,953
Provision for Bad & Doubtful debts	5,73,768	1,53,698
Fines & Penalties	2,30,041	3,37,667
Audit Fee	2,50,000	2,50,000
Loss on Sale & Disposal of :		
Fixed Assets	1,49,259	5,03,817
Other Assets	29,32,114	14,80,459
Transportation & Selling	58,46,198	2,20,12,717
Commission on Sales	1,73,13,999	3,26,22,585
Discount on Sales	4,57,84,437	–
Transit loss on sales	–	98,443
	12,07,02,178	**11,00,22,529**

SCHEDULE-15 : INTEREST AND FINANCE CHARGES

		For the year ended 31.03.2010 Rs.		For the year ended 31.03.2009 Rs.
Interest :				
Fixed Deposits/Term Loans	10,80,66,699		10,30,83,151	
(Including Rs. 2,68,71,880 paid to Managerial Personnel				
Previous Year Rs. 1,40,33,130)				
Other Interest	4,60,76,917	15,41,43,616	14,27,51,905	24,58,35,056
(Including Rs. 30,58,348 paid to Managerial Personnel				
Previous year Rs. 1,11,76,442)				
Bank Charges		63,92,484		44,61,117
		16,05,36,100		**25,02,96,173**

Signature to Schedules 9 to 15 and 16 forming part of the Profit & Loss Account.

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 17th July, 2010

P.K. GOYAL
Vice President (Accounts)
Cum Dy. Secretary

VIVEK VISWANATHAN
Joint Managing Director

SUNIT MALHOTRA
Secretary
Cum Vice President (Taxation)

RAJAT LAL
Managing Director

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

SCHEDULE - 16 : CONTINGENT LIABILITIES & NOTES

16. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR :

		As on 31.03.2010 Rs.	As on 31.03.2009 Rs.
(a)	In respect of Statutory Liabilities :		
	(i) Subjudice Income tax determined by Income tax department	3,43,34,261	3,28,10,709
	(ii) Subjudice Sales tax and Entry Tax including interest	13,66,70,705	2,04,54,368
	(iii) Excise Duty	11,37,896	7,02,377
(b)	In respect of alleged claim of interest on arrears of late payment of cane price	73,08,696	73,08,696
(c)	In respect of alleged lease rent of land demanded by Northern Railway	2,32,71,109	2,23,42,872
(d)	In respect of administrative charges on inter-unit transfer of Molasses contested by the Company	72,49,515	22,96,436
(e)	In respect of labour cases in dispute, the amount of which is not ascertainable		
(f)	In respect of alleged claim of Stamping fee on vats amount of which is not ascertained as the detail has not been provided by Excise Department		

16. (B) NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT :

1. Significant Accounting Policies :

(a) Fixed Assets : Fixed assets are recorded at acquisition/ construction cost less depreciation thereon. Interest on the term loans related to acquisition of fixed assets is capitalized upto the period such assets are ready for use.

(b) Depreciation :
(i) Depreciation is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
(ii) Depreciation on Fixed Assets on Rented land are amortized over the lease period.
(iii) The exact written down value of some of the articles of meagre value written off under the head "Sales and Adjustments during the year" being not ascertainable, depreciation charged thereon in the previous years has been adjusted this year on proportionate basis.

(c) Inventory Valuation :
(i) Raw materials and stores & spares are valued at average cost.
(ii) Stock-in-process is valued at estimated cost.
(iii) Finished stocks are valued at "Lower of Cost and net Realisable Value" as prescribed by Accounting Standard-2 issued by the Institute of Chartered Accountants of India except that the by product of Molasses has been valued at lower of estimated cost and net realisable value because its cost price is not ascertainable.

(d) Other Current Assets : Current Assets, Loans and Advances are accounted for at their net realizable value.

(e) Investments : Investments are accounted for at cost as reduced by amount written off.

(f) Sales	:	Sales are recognized when supply of goods takes place and include Excise Duty but exclude Sales Tax.
(g) Recognition of Income/ Expenditure	:	Income/Expenditure are accounted for on accrual basis.
(h) Provisions, Contingent Liabilities and Contingent Assets	:	Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

2. The Company has provided the cane price liability for the season 2007-08 @ Rs. 125/- per qtl. for general variety and Rs. 130/- per qtl. for early maturing variety as per the State Advised Price (SAP) for the financial year ending 31.03.2008. Thereafter on an appeal, the Supreme Court has passed an interim order directing the Sugar Mills to pay @ Rs. 110/- per qtl. The Company has, however, decided not to provide the cane price liability in excess of Rs.110/- per qtl. for sugar cane purchased during the period from 01.04.2008 to the end of the season 2007-08 amounting to Rs.402.40 lacs. The necessary adjustments shall be made on the final order of the Supreme Court.

3. The VAT became applicable from 01.01.2008 in Utter Pradesh, amount paid over this score upto 31.03.2009 was treated as adjustable against payment of VAT in Sugar Units. As per clarification of concerned Government Department & legal opinion obtained during this year, the benefit of VAT shall not be available for such adjustement, hence this amount of Rs. 28,19,346/- has been charged to relevant revenue heads of current year, though this expense relates to previous year.

4. The Central Government has revised the levy sugar price on 21.06.2010 produced in the sugar season 2009-2010. The impact of difference of increase in levy sugar price amounting to Rs. 8,31,85,048 has been considered and incorporated in the annual accounts ended on 31.03.2010 on the basis of above notification.

5. **Retirement Benefits :**

A. Defined Benefit Plans :

Provision made this year in the accounts in compliance with AS-15 (Revised) on account of Company's liability at the end of the year towards Gratuity and Leave encashment benefit payable to the employee is on the basis of actuarial valuation arrived at by using projected unit credit method.

B. Defined Contribution Plan :

(i) Contribution to employees provident fund :

Liability towards provident fund contribution is charged as accrued in accordance with applicable statue and deposited with the Regional Provident Fund Commissioner/Approved Provident Fund Trust.

(ii) Contribution to Superannuation Fund :

Contribution to superannuation fund of key managerial personnel are made at predetermind rates to the superannuation fund trust and charged to the Profit and Loss account.

There are no other obligations other than the contribution payable to the superannuation fund trust.

6. Estimated amount of contracts remaining to be executed on Capital Account is Rs. NIL (Previous year Rs. 80,500) against which advance of Rs. NIL has been made (Previous Year Rs. 20,125).

7. In absence of balance confirmations from certain creditors, debtors and security logded shown in Schedule '7' and '8', the Auditors have relied upon the figures appearing in the books of the Company.

8. Income Tax assessments have been completed upto the Accounting year 2006-2007 (Assessment Year 2007-2008). The Company has gone in appeal against certain such assessment orders and have been legally advised that in view of expected reliefs the provision for Income Tax made in accounts is considered adequate.

9. Certain 'C' forms in respect of inter-state sale will be collected in due course of time. Liability on account of Sales-Tax may arise on such inter-state sales relating to which 'C' forms are not received.

CONTD.....

10. Additional information pursuant to the Provisions of Part II of the Schedule VI of the Companies Act, 1956.

Managerial Remuneration under Section 198 of the Companies Act, 1956 paid/provided.

		For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
a)	Salary	32,40,000	31,20,000
b)	Commission on profits	–	–
c)	Provident Fund & Superannuation Fund	8,74,800	8,42,400
d)	Perquisites	23,58,508	22,90,704
		64,73,308	62,53,104
e)	Directors Fee	5,00,000	4,56,000
		69,73,308	**67,09,104**

A)	**Computation of profits U/S 309 (5) read with Section 198 & 349 of the Companies Act, 1956 :**				
	Profit/(Loss) as per Profit & Loss Account (Before Tax)		14,60,03,695		(43,34,383)
	Add: Managerial Remuneration Paid/provided*	69,73,308		67,09,104	
	- Loss on sale of Assets	1,49,259		5,03,817	
	- Wealth tax paid	2,60,690		1,70,506	
	- Provision for leave encashment of Sr. Executive Director	1,12,000		1,12,000	
	- Provision for Bad & Doubtful debts	5,73,768	80,69,025	1,53,698	76,49,125
			15,40,72,720		33,14,742
	Less: Excess of expenditure over income of earlier years		(46,88,67,876)		(47,21,82,618)
	Net profit for Managerial personnel commission		**(31,47,95,156)**		**(46,88,67,876)**
	Commission to Managerial personnel :				
	Because of inadequacy of Profit, no commission is payable.				
	* Managerial Remuneration is exclusive of provision for gratuity and leave salary for which seperate actuarial Valuation has not been provided by Actuary.				

B)	**Auditors' Remuneration :**			
(I)	**Statutory Auditors**			
(a)	For Statutory Audit	2,50,000		2,50,000
(b)	For Tax Audit	60,000		60,000
(c)	For Audit of Trusts	15,000		15,000
(d)	For certification	70,000		70,000
(e)	Service Tax	40,685		39,552
		4,35,685		**4,34,552**
(f)	Reimbursement of Expenses	–		3,761
(II)	**Cost Auditor**			
(a)	For cost Audit	51,000		40,000
(b)	Service Tax	4,635		4,944
(c)	Out of pocket Expenses	12,600		12,600
		68,235		**57,544**

C) Particulars of Capacity, Production, Stock and Sales of Salable Products :

	Opening Stocks		Production	Purchases		Turnover		Closing Stocks		Licensed Capacity	Installed Capacity
	Quantity Qtls.	Value Rs.	Quantity Qtls.	Quantity Qtls.	Value Rs.	Quantity Qtls.	Value Rs.	Quantity Qtls.	Value Rs.	(As Certified by the Management)	
For the Year ended 31.03.2010											
Sugar										Not	11250 MT
Manufactured Goods	9,83,807	1,87,84,73,626	9,44,500			13,04,800	3,57,95,72,676	6,23,507	1,78,83,33,233	Applicable	Cane
Traded Goods											crushed
											Per Day
Molasses											
Manufactured Goods	2,37,493	12,28,43,125	5,26,252			4,70,039	19,64,81,829	2,92,624	7,23,51,173		
Distillery Products										40 Lakh	40 Lakh
Manufactured Goods		8,15,52,027					83,89,15,713		8,78,14,079	Gallons	Gallons
Traded Goods		11,18,097			3,26,95,062		3,15,42,357		22,70,802	Per Annum	Per Annum
Other Sales							13,26,94,424				
For the Year ended 31.03.2009											
Sugar										Not	11250 MT
Manufactured Goods	12,47,418	1,94,54,41,233	11,15,338			13,78,949	2,43,12,61,731	9,83,807	1,87,84,73,626	Applicable	Cane
Traded Goods	27,495	3,82,86,636				27,495	4,24,56,317				Crushed
											Per Day
Molasses											
Manufactured Goods	3,14,101	5,91,29,617	6,07,810			6,35,981	25,80,79,113	2,37,493	12,28,43,125		
Distillery Products										40 lakh	40 lakh
Manufactured Goods		3,79,88,584			3,15,99,208		1,39,31,53,730		8,15,52,027	Gallons	Gallons
Traded Goods		9,19,353			1,32,97,412		1,37,83,663		11,18,097	Per Annum	Per Annum
Other Sales							13,82,25,662				

NOTES :

1. Quantitative figures of Distillery products are not ascertainable, because the basic product of spirits is converted later into various strengths with water dilution.
2. Closing stock of Molasses arrived at after adjustment of excess of 2,541 qtls. and wastage of 1,082 Qtls.(Previous year 48,438 Qtls., out of which normal wastage 9,156 qtls. & abnormal wastage due to bursting of tank 39,282 qtls.)
3. Turnover includes inter-unit transfer of Rs. 14,79,63,827 (Previous year Rs. 11,12,36,802).

Contd.....

		For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
D)	**Other Information :**		
(a)	Value of imports calculated on CIF basis during the year	NIL	NIL
(b)	Expenditure in Foreign Currency	11,784	41,601
(c)	Value of imported/indigenous raw materials, spare parts, components consumed :		

		Quantity Qtls.		Quantity Qtls.	
(I)	**Raw Materials including expenses thereon :**				
(i)	Sugarcane (100% indigenous)	1,05,70,861	2,62,47,16,202	1,24,79,843	1,81,34,74,078
(ii)	Molasses (100% indigenous)	4,44,947	17,99,27,223	3,94,569	13,17,66,445
(iii)	Malt (100% indigenous)	2,942	61,16,799	2,089	50,83,981
(iv)	Cane Juice (100% indigenous)	NIL	NIL	NIL	NIL
(II)	**Spare Parts and components :**	**% of total consumption**		**% of total consumption**	
(i)	Indigenous	100	2,90,82,162	100	3,45,88,787
(ii)	Imported	NIL	NIL	NIL	NIL

(d)	Amount remitted during the year in		
	Foreign Exchange on account of Dividend	NIL	NIL
(e)	Earning in Foreign Currency	NIL	NIL

11. Deferred Tax Assets at the year end comprising timing difference on account of :

		As at 31.03.10 Rs.	As at 31.03.09 Rs.
(a)	Depreciation	8,82,49,407	9,96,59,093
	Less : - Expenditure/Provisions allowable on account of :		
	- Employees Benefits	60,01,703	60,23,580
	- Taxes, duties, cess etc.	2,83,56,052	73,26,031
	- Provision for Bad & doubtful debts.	1,95,024	52,242
	- Assessed loss under Income Tax Act' 1961.	11,29,24,977	15,91,80,000
	Net deferred tax Assets	5,92,28,349	7,29,22,760

(b) In accordance with "Accounting Standard-22" the company has recognized the deferred tax liability of Rs. 1,36,94,411 which has been adjusted in Profit & Loss account.

12. Related parties' Disclosures :

I Relationship

	A Key Management personnel :	**Designation**
1.	Mr. Rajat Lal	Managing Director
2.	Mr. Vivek Viswanathan	Joint Managing Director
3.	Mr. K.B. Lal	Sr. Executive Director

	B Relatives of Key Management Personnel	**Relation with Key Management Personnel**
1.	Smt. Sudha Singhania	Sister of Shri Rajat Lal
2.	Smt. Poonam Lal	Wife of Shri Rajat Lal
3.	Sh. Rahul Lal	Son of Shri Rajat Lal
4.	Ms. Pooja Lal	Daughter of Shri Rajat Lal
5.	Sh. P.K. Viswanathan	Father of Shri Vivek Viswanathan
6.	Smt. Manjula Viswanathan	Mother of Shri Vivek Viswanathan
7.	Smt. Radhika	Sister of Shri Vivek Viswanathan
8.	Smt. Nirmala Lal	Wife of Shri K.B. Lal
9.	Sh. Kapil Bhushan Lal	Son of Shri K.B. Lal
10.	Smt. Aradhana	Daughter of Shri K.B. Lal
11.	Smt. Minoo	Daughter of Shri K.B. Lal
12.	Smt. Anjana Aggarwal	Daughter of Shri K.B. Lal

II Transactions of Expense/Income carried out during the year

		Remuneration Rs.	**Directors' Fee** Rs.	**Interest on Deposits/Loans** Rs.	**Total** Rs.
A.	**Key Management Personnel :**	64,73,308	–	2,99,30,229	3,64,03,537
		(62,53,104)	(–)	(2,52,09,572)	(3,14,62,676)
B.	**Relatives of Key Management Personnel**	55,450	1,24,000	36,42,152	38,21,602
		(–)	(80,000)	(21,89,444)	(22,69,444)
	TOTAL (A+B) :	**65,28,758**	**1,24,000**	**3,35,72,381**	**4,02,25,139**
		(62,53,104)	(80,000)	(2,73,99,016)	(3,37,32,120)

III. Transactions of Loans and Deposits during the year

		Opening Balance As on 01.04.2009 Rs.	**Received** Rs.	**Repaid** Rs.	**Closing Balance As on 31.03.2010** Rs.
1	**Loans**				
	- Key Management Personnel	3,80,58,192	4,31,98,909	6,89,89,223	1,22,67,878
		(14,63,18,795)	(13,16,07,175)	(23,98,67,778)	(3,80,58,192)
	- Relatives of Key Management Personnel	12,93,720	27,75,071	5,27,675	35,41,116
		(48,98,974)	(53,43,349)	(89,48,603)	(12,93,720)
2	**Deposits**				
	- Key Management Personnel	23,26,01,000	24,28,39,000	23,26,01,000	24,28,39,000
		(23,92,000)	(23,26,01,000)	(23,92,000)	(23,26,01,000)
	- Relatives of Key Management Personnel	2,44,88,000	2,34,60,000	1,46,58,000	3,32,90,000
		(1,72,97,000)	(1,82,54,000)	(1,10,63,000)	(2,44,88,000)

Note : Figures in ( ) denote Previous Year figures.

CONTD.....

13. Segment Reporting :

The Company's operation predominantly relates to manufacture and sale of Sugar and Alcohol products. Accordingly the Sugar and Alcohol products primarily comprises the basis for primary and secondary for segment information :

SEGMENT INFORMATION-BUSINESS SEGMENT :	**Sugar Amount Rs.**	**Alcohol Amount Rs.**	**Total Amount Rs.**
Particulars			
-Segment Revenue including Excise Duty			
External Revenue	3,59,38,46,620	87,04,58,069	4,46,43,04,689
	(2,58,91,49,808)	(1,40,69,37,393)	(3,99,60,87,201)
Inter-segment	18,22,07,886	–	18,22,07,886
	(14,26,47,353)	(–)	(14,26,47,353)
Total	**3,77,60,54,506**	**87,04,58,069**	**4,64,65,12,575**
	(2,73,17,97,161)	**(1,40,69,37,393)**	**(4,13,87,34,554)**
-Segment Result before interest & tax Profit/Loss(-)	39,19,16,394	(-) 5,44,22,444	33,74,93,950
	(27,01,79,486)	(34,84,583)	(27,36,64,069)
Less : Unallocated expenses (Net of Unallocable Income)			3,73,46,639
			(3,21,63,397)
Less : Finance Charge			15,41,43,616
			(24,58,35,055)
Profit/Loss (-) before tax			**14,60,03,695**
			(-) (43,34,383)
- Segment assets	3,01,30,02,497	42,70,55,102	3,44,00,57,599
	(3,19,28,74,352)	(46,67,03,512)	(3,65,95,77,864)
Unallocated Assets			4,06,02,558
			(3,08,52,852)
Total Assets			**3,48,06,60,157**
			(3,69,04,30,716)
- Segment Liabilities	63,32,79,936	5,50,99,292	68,83,79,228
	(52,72,40,261)	(6,84,50,013)	(59,56,90,274)
Unallocated Liabilities			5,83,98,905
			(3,94,34,594)
Total Liabilities			**74,67,78,133**
			(63,51,24,868)
Segment capital expenditure	2,76,64,260	37,66,778	3,14,31,038
	(1,03,08,816)	(65,90,351)	(1,68,99,167)
Unallocated capital Expenditure			9,19,098
			(16,94,899)
Total capital expenditure			**3,23,50,136**
			(1,85,94,066)
-Segment Depreciation	11,91,27,398	2,50,64,158	14,41,91,556
	(13,47,67,822)	(2,84,24,370)	(16,31,92,192)
Unallocated Depreciation			14,20,026
			(12,49,131)
Total Depreciation			**14,56,11,582**
			(16,44,41,323)

Note : Figures in ( ) denote Previous year figures.

14. Regarding the status of Suppliers the Small Scale Industrial undertakings to whom amounts are due for more than thirty days have been determined based on the information available with the Company are as follows :
(a) M/s Aay Cee Engineering Works, (b) M/S Alpha Control Instruments Pvt.Ltd., (c) M/s Arosol Chemicals Pvt. Ltd., (d) M/s Akar Implex Pvt. Ltd. , (e) M/s Century Instrument Pvt. Ltd., (f) M/s DBR Cooling Tower Pvt. Ltd., (g) M/s Rocky Engineering & Repairing Works, (h) M/s Vikram Chemicals Industries, (i) M/s Vikas Pump & Projects.
15. The Company, during the year, has reviewed the Carrying Value of the assets for finding out the impairment, if any. The review has not revealed any impairment of assets in terms of Accounting standard-28 issued by the Institute of Chartered Accountants of India.
16. Certain previous year figures have been rearranged to make them comparable with current year figures.
17. Figures have been rounded off nearest to rupee.
18. Cash Flow statement for the year ended 31st March, 2010 is enclosed in the statement annexed to these accounts as Annexure I.

19. Balance Sheet abstract and Company's General Business Profile :

I REGISTRATION DETAILS :

REGISTRATION NUMBER	9509	STATE CODE	55
BALANCE SHEET DATE	31-03-2010		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. LAKHS)

PUBLIC ISSUE	RIGHT ISSUE
NIL	NIL
BONUS ISSUE	**PRIVATE PLACEMENT**
NIL	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. LAKHS)

	TOTAL LIABILITIES	TOTAL ASSETS
	27338.82	27338.82
SOURCES OF FUNDS	PAID UP CAPITAL	RESERVES AND SURPLUS
	525.00	7804.57
	SECURED LOANS	UNSECURED LOANS
	14430.76	5170.77
	DEFERRED TAX ASSETS	
	(592.28)	
APPLICATION OF FUNDS	NET FIXED ASSETS	INVESTMENTS
	10504.08	1.88
	NET CURRENT ASSETS	MISCELLANEOUS EXPENDITURE
	16832.86	NIL
	ACCUMULATED LOSSES	
	NIL	

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. LAKHS)

	TURNOVER*	TOTAL EXPENDITURE
	41292.23	39832.19
	PROFIT(+)/LOSS(-) BEFORE TAX	PROFIT(+)/LOSS(-) AFTER TAX
	(+)1460.04	(+)1234.85
	EARNING PER SHARE IN RS.	DIVIDEND RATE %
	23.521	20

*AFTER ADJUSTMENT OF OTHER INCOME AND VARIATION IN STOCKS.

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	17011111.09
PRODUCT DESCRIPTION	CANE SUGAR (OTHER)
ITEM CODE NO. (ITC CODE)	22087000.00
PRODUCT DESCRIPTION	COUNTRY LIQUOR
ITEM CODE NO. (ITC CODE)	22071000.00
PRODUCT DESCRIPTION	RECTIFIED SPIRIT AND OTHERS

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2010

ANNEXURE-1

	Year ended 31st March, 2010 (Rs. in lakhs)	Year ended 31st March, 2009 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax as per Profit & Loss Account	1,460.04	(43.34)
Adjustments for : Depreciation	1,456.12	1,644.41
Interest (Net)	1,361.06	2,447.03
Bad debts & claims written off (Net)	14.25	1.94
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	(2.44)	0.30
Prior period adjustment (Net)	2.28	(1.40)
Unclaimed Credit Balances Written Back	(0.99)	(1.57)
Stores Written off	29.32	14.80
Operating Profit before working capital changes	4,319.64	4,062.17
Adjustment for : Trade and other receivables	158.31	(166.94)
Inventories	872.75	(62.02)
Trade Payables	(2,196.90)	(790.50)
Cash generated from operations	3,153.80	3,042.71
Prior period adjustment (Net)	(2.28)	1.40
Interest paid	(676.09)	(1,614.98)
Direct tax paid (Net)	(210.06)	(71.54)
Net Cash from operating activities	2,265.37	1,357.59
B. CASH FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (net of advance)	(323.50)	(169.77)
Sale of fixed assets	8.89	6.43
Investment in Securities	(0.50)	(0.99)
Interest received	113.30	31.92
Net Cash used in investing activities	(201.81)	(132.41)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from fixed Deposit/Directors Loan	637.30	1,439.41
Proceeds from Term Loan/Repayment of Finance Liability	(1,989.34)	(1,092.75)
Dividend paid	(3.16)	(1.64)
Interest paid	(781.76)	(869.88)
Net Cash used in Financing Activities	(2,136.96)	(524.86)
Net increase in Cash and Cash equivalents	(73.40)	700.32
Opening balance of Cash and Cash equivalents	1,393.08	692.76
Closing balance of Cash and Cash equivalents	1,319.68	1,393.08

Note : Figures in ( ) denote Cash Outgo

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants

H.K. CHADHA
Partner
Membership No. 6470

Place : New Delhi
Date : 17th July, 2010

P.K. GOYAL
Vice President (Accounts) Cum Dy. Secretary

VIVEK VISWANATHAN
Joint Managing Director

SUNIT MALHOTRA
Secretary Cum Vice President (Taxation)

RAJAT LAL
Managing Director

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan