

**16<sup>TH</sup>**  
**ANNUAL REPORT**  
**2 0 0 9 - 2 0 1 0**

**DOON VALLEY**

**DOON VALLEY RICE LIMITED**

# DOON VALLEY

## BOARD OF DIRECTORS

Shri Naresh Kumar	- Chairman & Managing Director
Shri Dharam Pal	- Director
Shri Imtiaz Ahmad	- Director
Shri Mohit Kumar	- Director

## 16<sup>TH</sup> ANNUAL GENERAL MEETING

Day	: Thursday
Date	: 30 <sup>th</sup> September, 2010
Time	: 9.00 A.M.
Venue	: DOON VALLEY RICE LIMITED Outside Jundla Gate, Karnal - 132001 (Haryana)

## AUDITORS

**A.K.G. & ASSOCIATES**  
*Chartered Accountants*  
Above Shiv Traders,  
Novelty Road, Karnal.

## WORKS & REGD. OFFICE

Outside Jundla Gate,  
Karnal-132 001.

## CORPORATE OFFICE

A-48, II Floor, Wazirpur  
Industrial Area, Delhi-110 052.

CONTENTS	PAGE NO.
Notice .....	2
Directors' Report .....	5
Report on Corporate Governance .....	8
Auditors' Certificate on Corporate Governance .....	11
Auditors' Report .....	12
Balance Sheet .....	16
Profit & Loss Account .....	17
Cash Flow Statement .....	18
Schedules .....	19
Balance Sheet Abstract .....	24

# DOON VALLEY RICE LIMITED

## NOTICE

NOTICE is hereby given that the 16<sup>th</sup> Annual General Meeting of the Company would be held as under:-

**Day** : Thursday  
**Date** : 30<sup>th</sup> September, 2010  
**Time** : 9.00 A.M.  
**Venue** : **Doon Valley Rice Limited**  
Outside Jundla Gate, Karnal-132 001 (Haryana).  
to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, Auditors' Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.
2. To appoint a Director in place of Shri Imtiaz Ahmad, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s A.K.G. & Associates, Chartered Accountants, Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:-  
"RESOLVED THAT Mr. Dharam Pal, who was appointed by the Board of Directors as Additional Director w.e.f. 3<sup>rd</sup> October, 2009, and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:-  
"RESOLVED THAT Mr. Mohit Kumar, who was appointed by the Board of Directors as Additional Director w.e.f. 3<sup>rd</sup> October, 2009, and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Special Resolution**:-  
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 387 and all other applicable provisions, if any, read with the relevant parts of Schedule XIII of the Companies Act, 1956, consent of the Members be and is hereby accorded to the appointment of Mr. Naresh Kumar as "Managing Director" of the Company designated as 'Chairman & Managing Director' for a period of five years with effect from 14.08.2010 without any remuneration.  
**RESOLVED FURTHER THAT** in terms of Section 2(24) of the Companies Act, 1956, Mr. Naresh Kumar, subject to the superintendence, control and direction of the Board shall be entrusted with substantial powers of the management.  
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to file necessary forms/ returns with Registrar of Companies, NCT of Delhi & Haryana and to do all acts, deeds and things to give effect to the above resolution."

By Order of the Board

Place : Karnal  
Date : August 14, 2010

**Mohit Kumar**  
Director

### 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 BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 29<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).
3. The documents mentioned in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Public Holidays, Saturdays and Sundays up to the date of the Annual General Meeting and shall also be available at the venue of the Meeting.
4. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
5. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
6. Information pursuant to Clause 49 of the Listing Agreement(s) pertaining to the Directors proposed to be appointed vide item Nos. 4, 5 & 6 of the Notice, are as follows:

S. No.	Particulars	Shri Intiaz Ahmad	Shri Dharam Pal	Shri Mohit Kumar	Shri Naresh Kumar
1.	Date of Birth	15.07.1952	21.02.1956	06.09.1983	02.07.1955
2.	Date of Appointment	16.03.1995	03.10.2009	03.10.2009	08.11.1994
3.	Qualification	Post Graduate (Arts)	B.Com.	M.B.A.	B.Com
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2009-10.	Please refer Corporate Governance Report 2009-10.	Please refer Corporate Governance Report 2009-10.	Please refer Corporate Governance Report 2009-10.
5	Directorship held in other Public Companies*	Nil	Nil	Nil	Nil
6.	Membership/ Chairmanship of Committees**	Nil	Nil	Nil	Nil
7.	No. of Equity Shares held in the Company	Nil	Nil	Nil	11,32,400
8.	Relationship with other directors	N.A.	N.A	Son-Father relation with Shri Naresh Kumar	Father-Son relation with Shri Mohit Kumar

\*excluding Foreign & Private Limited Companies.

\*\*Includes only Audit and Shareholders/Investor Grievance Committee constituted by the Board of Directors of Companies other than this Company.

**EXPLANATORY STATEMENT**

[Pursuant to Section 173(2) of the Companies Act, 1956]

**Item No. 4 & 5**

The Board of Directors of your Company had co-opted Mr. Dharam pal and Mr. Mohit Kumar and appointed them as Additional Director of the Company with effect from October 3, 2009. As per the provisions of Section 260, they will hold office(s) upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from one of the shareholders of the Company proposing their candidature for the office of Directors pursuant to Section 257 of the Act.

The Board of Directors, therefore recommend passing of the resolution as set out in Item No. 4. & 5.

None of the Directors except Mr. Dharam Pal, Mr. Mohit Kumar as the matter pertains to them and Mr. Naresh Kumar, being relative of Mr. Mohit Kumar are interested or concerned in this resolution.

**Item No. 6**

In terms of the provisions of Section 269 of the Companies Act, 1956, the Company is required to appoint Managerial personnel - Managing Director/ Whole Time Director/Manager. The Board of Directors in its meeting held on August 14, 2010, subject to the provisions, read with the relevant parts of Schedule XIII of the Companies Act, 1956 appointed Mr. Naresh Kumar, 'Director & Non-executive Chairman' as 'Managing Director' of the Company designated as 'Chairman & Managing Director' for a period of five years with effect from August 14, 2010 without any remuneration

Mr. Naresh Kumar is associated with the Company since inception and is a Promoter Director. He brings with him a rich experience in the filed of Rice Industry, its conceptualization, coordination, planning, execution etc. The Board is of the view that his appointment as "Managing Director" would be in the interest of the company.

Further in terms of Section 2(26) of the Companies Act, 1956, Mr. Naresh Kumar, subject to the superintendence, control and direction of the Board, shall be entrusted with substantial powers of the management.

None of the Directors, except Mr. Naresh Kumar and Mr. Mohit Kumar (being relative), may be deemed to be concerned or interested in the proposed Resolution.

The above may be treated as an abstract of the terms of appointment of Mr. Naresh Kumar under Section 302 of the Companies Act, 1956.

The Board of Directors of your Company, therefore, recommends passing of the resolution as an Special Resolution, as set out in the notice, at Item No.6.

By Order of the Board

Place : Karnal  
Date : August 14, 2010

**Mohit Kumar**  
Director

# DOON VALLEY RICE LIMITED

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR (2009 - 2010)		PREVIOUS YEAR (2008 - 2009)	
Profit before Depreciation & Finance Charges		(6.64)		(3.88)
<b>Less :</b> Finance Charges	0.00		0.00	
Depreciation	35.30	35.30	31.99	31.99
Net Profit after Depreciation & Finance Charges		(41.94)		(35.87)
<b>Appropriations</b>				
Provision for Taxation		0.00		0.00
Deferred Tax		(3.32)		(1.36)
General Reserve		0.00		0.00

### DIVIDENDS

Your Directors express their inability to recommend any dividend for the year under review, due to cash losses incurred in the current and previous year.

### CURRENT YEAR WORKING

Your Directors envisage that in the Current year the Company would make efforts to re-start the business operations.

### DISCLOSURE UNDER LISTING AGREEMENT

The Equity Shares of the Company are listed only at the Bombay Stock Exchange Ltd. and the Company has paid the listing fees of the exchange. The Shares of the Company are still in physical form.

### DIRECTORS

Shri Imtiaz Ahmad, Director of the Company, retire by rotation at the ensuing Annual General Meeting & being eligible offers himself for re-appointment.

Mr. Dharam Pal and Mr. Mohit Kumar were appointed as Additional Directors of the Company during the year under review and they hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received notices under Section 257 of the Companies Act, 1956 along with requisite security amount from members proposing Candidature of Mr. Dharam Pal and Mr. Mohit Kumar as Directors of the Company at the ensuing Annual General Meeting.

Mr. Naresh Kumar was appointed as Managing Director of the Company for a period of 5 years w.e.f August 14, 2010 without remuneration, subject to the approval of the Shareholders. Board of Directors recommends his appointment as Managing Director without remuneration.

None of the Directors of the Company is disqualified under Section 274(1)(g) of the Companies Act, 1956

### AUDIT COMMITTEE

The Audit Committee functioned in respect of the matters provided in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review the Audit Committee was re-constituted and comprised of Mr. Imtiaz Ahmed, Chairman, Mr. Dharam Pal and Mr. Naresh Kumar as members of the Committee.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors give hereunder the Directors' Responsibility Statement relating to the Accounts of the Company:

- All the applicable Accounting Standards have been followed in the preparation of the accompanying accounts;
- The Directors have selected such accounting policies and 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 on March 31, 2010 and of the Profit and Loss of the Company for the said period;
- The Directors 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 detecting fraud and other irregularities; and
- The Directors have prepared the Annual Accounts on a going concern basis.

### AUDITORS

The Auditors M/s A.K.G. & Associates, Chartered Accountants, retire at the conclusions of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received the consent and the requisite Certificate under Section 224(1B) of the Companies Act, 1956 from them.

#### FIXED DEPOSITS

During the period under review, your Company has not taken any Fixed Deposit within the meaning of Section 58(A) of the Companies Act, 1956 and the rules made thereunder.

#### CORPORATE GOVERNANCE

In terms of the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of the Annual Report. A report on Corporate Governance along with the Auditors Certificate on its compliance also annexed forming part of the Annual Report.

#### PARTICULARS OF EMPLOYEES

None of the employee of your Company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

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

#### ACKNOWLEDGEMENT

Your Directors appreciated the dedicated services rendered by all concerned associated with the Company at all levels.

Place : Karnal  
Date : August 14, 2010

By Order of the Board  
**Naresh Kumar**  
Chairman & Mg. Director

#### ANNEXURE TO 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 31<sup>ST</sup> MARCH, 2010.

(I) **CONSERVATION OF ENERGY:** The Company has not carried out any production during the year; hence no efforts were required for conservation of energy.

##### A. POWER AND FUEL CONSUMPTION:

	Current Year 2009-10	Previous Year 2008-09
a) Purchased Units	Nil	Nil
Total Amount(Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
b) Own Generation(Through DG Sets)	Nil	Nil
Units (approx.)	Nil	Nil
Units per ltr. Of Diesel Oil	Nil	Nil
Cost/Unit(Rs.)	Nil	Nil
<b>B. CONSUMPTION PER UNIT(M.T.) OF PRODUCTION</b>		
Production Unit(M.T.)	Nil	Nil
Finished Unit (M.T.)	Nil	Nil
Electricity	Nil	Nil

##### (II) TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT

- Specific Areas in which R & D carried out by the Company:  
No R & D activity carried out by the Company during the year.
- Benefit derived as a result of the above R & D. Nil
- Future Plan of Action:  
To compete and enter in the quality conscious markets in the world.

##### (III) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year 2009-10	Previous Year 2008-09
Foreign Exchange Earnings(Rs.)	Nil	Nil
Foreign Exchange Outgo (Rs.)	Nil	Nil

Place : Karnal  
Date : August 14, 2010

By Order of the Board  
**Naresh Kumar**  
Chairman & Mg. Director

# DOON VALLEY RICE LIMITED

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY

Company believes that fairness in corporate procedures, full disclosure in reporting system, total transparency in corporate culture, fiduciary and trustee relationship. The concept of corporate governance hinges on accountability, responsibility, effective monitoring, quality of information, integrity trust & confidence.

In spite of Company's intention to have a well-constituted and complete Board of Directors with a maximum number of independent directors but due to weak financial position of the Company the Board of Directors could not broaden the board.

Company's philosophy is to provide colorless document for fair, unbiased accurate, authentic and factual information in most concise manner.

### 2. BOARD OF DIRECTORS

The Board consists of the following:

- (a) Shri Naresh Kumar 55 years- Chairman & Managing Director, Graduate in Commerce. Over all in charge of managing Finance and identification of Raw Paddy, Augmentation of quality through in depth knowledge of agricultural genetics through human side mechanical processing and quality control.
- (b) Shri Imtiaz Ahmad 58 years- Director, Post Graduate in Arts. He started his career with the Jute Product items, for the last ten years, he is actively involved in food grain items. He has established good contacts in the overseas market.
- (c) Shri Mohit Kumar aged 27 years is a young MBA. He is born and brought up in industrialist family. He is looking after the business of the family since his childhood. He was inducted with a motive to infuse young blood in the Company. He is a Project cum Finance Director of Doon Valley Trust, which runs an educational institutions and also take care of the legal matters of the Company.
- (d) Shri Dharam Pal aged 54 years is an industrialist with an experience of more than 35 years in Rice Industry. He has a grassroot experience of handling the industries and has a vast experience of identifying the grain. He has been inducted with a view to share his expertise for the growth of the Company.

S/Shri Naresh Kumar, is a Promoter Director and S/Shri Imtiaz Ahmad, Dharam Pal are independent Directors. Shri Mohit Kumar being a relative to Mr. Naresh Kumar and to be treated as Persons acting in concert. However, all the above Directors are non-executive as no one draws any remuneration from the Company.

None of the Director of the Company is the Director, Chairman/Member of any other Public Limited Company or any Committee thereof. Shri Naresh Kumar and Shri Mohit Kumar, being Father and Son are related to each other.

Six Board Meetings were held during the year on April 30, June 30, July 30, October 3, 30, 2009 and January 30, 2010. Last Annual General Meeting was held on September 30, 2009. The Annual General Meeting and all the Six Board Meetings were attended by all the Directors.

#### Information Supplied to the Board

The Board has complete access to all information with the Company. The following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board Meetings or is tabled in the course of the Board meeting:

- Annual operating plans & budgets and any updates thereof;
- Capital budget and any updates thereof;
- Quarterly results for the Company and operating divisions and business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board;
- Materially important show cause, demand, prosecution and penalty notices;
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Apart from the above, the Board periodically reviews the compliance reports of all laws applicable to the Company.

**Code of Conduct**

Board has laid down a Code of Conduct for all Board Members and designated Executives of the Company. All the Board members and designates executives have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman cum Director in this regard is given below:

"I hereby confirm that the Company has obtained from all the members of the Board of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2009-10. Naresh Kumar, Chairman & Mg. Director."

**Directors' Remuneration**

None of the Directors has been drawing any remuneration/sitting fees due to weak financial position of the Company.

**3. AUDIT COMMITTEE****(I) Constitution of Audit Committee**

Mr. Imtiaz Ahmad	- Chairman of the Committee	- Non-Executive Director
Mr. Dharam Pal	- Member of the Committee	- Non-Executive Director
Mr. Naresh Kumar	- Member of the Committee	- Non-Executive Director

**(II) Functions of the Committee**

- a) Review of Periodical/Annual Financial Statements before submission to the Board, especially with regard to the changes in accounting policies, major accounting entries, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchange & legal requirements concerning financial statements and related party transactions.
- b) Discussion with Auditors regarding their observation on accounts.
- c) Review of Quarterly Results before submission to the Board.
- d) Discussion with Auditors regarding adequacy & compliance of internal control system.
- e) Recommendation on appointment and removal of external auditor, fixation of audit fee, out of pocket expenses and payment of other services.
- f) To carry out of any other function as per the terms of reference.

**(III) Powers of the Committee**

- a) To investigate into any activity within its terms of reference.
- b) To access the information contained in the Company records.
- c) To seek information from any employee.
- d) To obtain and to have access to outside legal and other professional advice.
- e) To secure attendance of outsiders with relevant expertise.
- f) To bind the Board with its audit report on financial management.

**(IV) Meetings**

During the financial year four meeting of Audit Committee were held on June 30, July 30, October 30, 2009 and January 30, 2010 and were attended by all the Audit Committee members.

**4. SHAREHOLDERS' COMMITTEE****(I) Constitution of Shareholders/Investors Grievances Committee**

Mr. Imtiaz Ahmad	- Chairman of the Committee	- Non-Executive Director
Mr. Dharam Pal	- Member of the Committee	- Non-Executive Director
Mr. Naresh Kumar	- Member of the Committee	- Non-Executive Director

Mr. Naresh Kumar is the Compliance Officer to handle the grievances of the Shareholders/ Investors.

The Committee specifically looks into redressal of shareholders' and Investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of dividend declared, to ensure expeditious share transfer process and to review the status of investors' grievances.



# DOON VALLEY RICE LIMITED

During the year under review 5 meetings of the committee were held and the same was attended by all the concerned directors of the company.

## (II) Shareholders Matters

In compliance with SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated 27.12.2002, the company has appointed M/s Beetal Financial & Computer Services (P) Limited having their office at 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062, as Registrar and Share Transfer Agent of the Company, to look after and be responsible for the entire share registry and shareholders related matters of the company in physical mode. The Company's Shares are not available in Electronic mode. As on date no share transfer is pending. During the year 2009-2010, all the Complaints and requests received from shareholders were redressed.

## 5. GENERAL BODY MEETING

Last three Annual General Body Meetings were held in Karnal on 30.09.2009, 29.09.2008 and 30.09.2007 at 9.00 A.M. All resolutions at these meetings were passed by show of hands. There were no matters required to be dealt/passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956. There is no matter proposed to be dealt/passed by the Company through postal ballot in the ensuing Annual General Meeting.

The Chairman of the Audit Committee was present at AGM on September 30, 2009 to answer the queries of the shareholders.

## 6. DISCLOSURES

No penalty was imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

## 7. MEANS OF COMMUNICATION

Annual Reports of the Company are sent to each shareholder of the Company. Quarterly Results are normally published in Pioneer and Hari Bhoomi newspapers and copies thereof are sent to the Stock Exchanges as per Listing Agreement.

## 8. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis is being included in the Annual Report.

## 9. DISCLOSURE ON RISK MANAGEMENT

The Company had laid down procedure to minimize and to inform Board Members about the risk assessment and management, which is periodically reviewed by the Board.

## 10. GENERAL SHAREHOLDER INFORMATION

AGM Date, Time & Venue	:	30.09.2010, 9.00 A.M. Outside Jundla Gate, Karnal-132 001(Haryana).
Date of Book Closure	:	29.09.2010 to 30.09.2010 (both days inclusive)
Financial Calendar	:	a) 1st Quarter Results – By the mid of Aug. '10. b) 2nd Quarter Results – By the mid of Nov., '10. c) 3rd Quarter Results – By the mid of Jan., '11. d) 4th Quarter Results – By the mid of Aug., '11.
Dividend Payment Date	:	No dividend proposed.
Stock Exchange Listing	:	Bombay Stock Exchange Limited
Registrar & Share Transfer Agent	:	M/s Beetal Financial & Computer Services (P) Limited 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062
Market Price, Date & Performance Comparison	:	During the year under review, Shares of the Company was not traded on Bombay Stock Exchange and no rates were reported during the financial year 2009-2010.
Stock Code	:	531226
Share Transfer Systems	:	All orderly received transfers are processed & registered within 15 days.
Distribution of Shareholding as on March 31, 2010	:	Directors and their relatives hold 55.28% (2998800 Shares) Mutual Funds 2.84% (154000 Shares) Banks 3.14%(170100 Shares) Private Corporate Bodies 4.83% (261900 Shares) NRIs/OCBs 5.29% (286800 Shares) and Gen. Public holds 28.62% (1553000 Shares)
Email Id for investors' Complaint	:	investor.dvrl@gmail.com

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Industry Structures & Developments:** The year 2009 began with economic slow-down prevailing all over the world and this phenomena prevailed almost the whole financial year, however now the economy has started recovery in all the sector including the industrial sector. Our Company could not perform and was unable to improve its financial position due to various factors, which are out of control of the Board and especially due to ongoing dispute between the Company and ex-banker State Bank of India, Spl. Comm. Branch, Karnal.

**Opportunities & Threats :** Indian Rice manufacturers have the potential to emerge as major production base for the global Rice Industry. Considering the large pool of low cost skilled professionals and the fact that the raw materials for the industry are also cheaper making the Indian industry highly cost competitive.

**Outlook :** Though the medium size rice manufacturing companies continue to face stiffing scenario yet they are trying hard just to sustain them.

**Risks & Concerns:** The Competition has resulted in improvement in inefficiently, reduction in cost, wider distribution, adequate availability and lowest Consumer prices of raw materials; such cut throat competition has given way to deterioration in production and sales ethics.

**Internal Control Systems and their ability:** The Board of Directors of the Company has tried to maintain the adequate internal control system and effective monitoring thereof. Optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

Statements in this management discussion and analysis report are based upon the data available with the Company and on certain assumptions having regard to the economic conditions, government policies, political developments etc. within and outside country. The Management does not guarantee the accuracy of the assumptions and projected performance of the Company in future.

**AUDITORS' CERTIFICATE**

To,  
**The Members**  
**Doon Valley Rice Limited.**

We have examined the compliance of conditions of corporate governance by Doon Valley Rice Limited for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion and to the best of our information and according to the explanation given to us; we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investors Grievance Committee.

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 A.K.G. Associates**  
Chartered Accountant

**(A.K. Gupta)**  
Partner  
M.No. 081177

Place : Karnal  
Dated : August 14, 2010

# DOON VALLEY RICE LIMITED

## AUDITORS' REPORT

To

**The Members**

**DOON VALLEY RICE LIMITED**

**KARNAL**

We have audited the attached Balance Sheet of DOON VALLEY RICE LIMITED, KARNAL as at 31<sup>st</sup> March, 2010 Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government in terms of Sec. 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 of the said order.

Further to our comments in Annexure referred to above, report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts, as required by the Law, have been kept by the company so far as appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
4. In our opinion Balance Sheet and Profit & Loss account comply with Accounting Standards referred in Section 211(3C).
5. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on records by the Board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with the notes thereto give the information required by the Companies Act 1956, in the manner so required and give a true and fair view :
  - i) In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2010 and
  - ii) In the case of the Profit & Loss Accounts, loss of the company for the year ended on 31<sup>st</sup> March, 2010.
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended 31<sup>st</sup> March ,2010

**For A.K.G. ASSOCIATES,  
Chartered Accountants**

**(A.K.GUPTA)**  
Partner  
M. No. 081177

Place : KARNAL  
Date : August 14, 2010

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF DOON VALLEY RICE LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.**

1. (a) In our opinion and according to information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) In our opinion and according to information and explanations given to us, the fixed Assets of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies have been noticed on such verification as compared to books of accounts.  
(c) In our opinion and according to information and explanations given to us, no substantial part of fixed assets have been disposed off during the year, which could affect the going concern status of the company.
2. (a) In our opinion and according to information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to information and explanations given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to size of company and the nature of its business.  
(c) In our opinion, the company has maintained proper record of inventory, and according to information and explanation given to us, no material discrepancies were noticed on physical verification conducted by the management.
3. In our opinion and according to information and explanations given to us, the Company has neither granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
4. 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 nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. (a) In our opinion and according to the information and explanations given to us, the transaction that need to be entered into register in pursuance of section 301 of the Act, have been so entered.  
(b) In our opinion and according to the information and explanation given to us, there is no transaction made in pursuance of section 301 of the Act.
6. According to the information and explanation given to us, the company has not accepted any deposits from the public. Hence the compliance of the directives issued by the RBI and provision of 58A, 58AA or any other relevant provision of the Act and the Rules framed there under, does not arise.
7. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
8. The Central Govt. has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
9. (a) As per the record of the Company and according to information and explanations given to us, Company is regular in depositing undisputed statutory dues including Income tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Provident fund and Excise Duty and any other statutory dues with the appropriate authorities.  
(b) According to the information and explanations given to us, no amount of Income tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess is pending on account of dispute.
10. The company have accumulated losses at the end of financial year. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
11. According to information and explanation given to us, the company has not made repayment of the loan taken from State bank of India, Karnal due to the dispute with the Bank, amounting to Rs.7,69,31,562.34. The Company has lodged the claim against the bank amounting to Rs. 15,41,60,780.00 and the matter is subjudice in the court of law.
12. According to information and explanation given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.

## DOON VALLEY RICE LIMITED

14. 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 Companies (Auditor's Report) order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the company had not availed any term loan.
17. In our opinion and according to information and explanation given to us, the funds raised by the company on short-term basis have not been used for long-term investment and vice-versa.
18. In our opinion and according to information and explanation given to us, the company has not made any preferential allotment of shares during the financial year to parties and companies covered in register maintained under section 301 of Act.
19. The Company has not issued any debentures, hence the provision of clause 4(xix) are not applicable to the company.
20. During the financial year, Company has not raised any money by public issues.
21. In our opinion and according to information and explanation given to us, no frauds on or by the company was noticed or reported during the year.

**For A.K.G. & ASSOCIATES**  
Chartered Accountants

Place : KARNAL  
Date : August 14, 2010

**(A. K. GUPTA )**  
Partner  
M. No. 081177  
Pan No-AAACFA4827B

**BALANCE SHEET AS ON MARCH 31, 2010**

	SCHEDULES	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
<b>I. SOURCES OF FUNDS</b>			
<b>1. Share Holders' Funds:</b>			
(a) Share Capital	A	51,764,850.00	51,764,850.00
(b) Reserves & Surplus	B	24,418,930.51	28,281,114.48
<b>Deferred Tax Liability</b>		<b>8,433,531.65</b>	<b>8,766,258.27</b>
<b>2. Loan Funds:</b>			
(a) Secured Loans	C	76,931,562.34	76,931,562.34
		<b>161,548,874.50</b>	<b>165,743,785.09</b>
<b>II. APPLICATION OF FUNDS:</b>			
<b>1. Fixed Assets:</b>			
(a) Gross Block	D	94,162,077.52	94,162,077.52
(b) Less: Depreciation		46,538,574.63	43,008,489.45
(c) Net Block		47,623,502.89	51,153,588.07
<b>2. Investment</b>		<b>75,600.00</b>	<b>75,600.00</b>
<b>3. Current Assets, Loans &amp; Advances:</b>			
(a) Inventories	E	166,650.00	166,650.00
(b) Sundry Debtors		-	-
(c) Cash & Bank Balances		12,288,624.63	8,450,413.04
(d) Other Current Assets		777,108.13	777,108.13
(e) Other Loans & Advances		104,897,340.14	109,413,483.14
		<b>118,129,722.90</b>	<b>118,807,654.31</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
(a) Current Liabilities	F	4,279,951.29	4,293,057.29
(b) Provisions			
<b>NET CURRENT ASSETS</b>		<b>113,849,771.61</b>	<b>114,514,597.02</b>
		<b>161,548,874.50</b>	<b>165,743,785.09</b>
<b>ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>	I		

As per our attached Report of even date.

For and on behalf of the Board of Directors

**A.K.G. & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**Naresh Kumar**  
Chairman & Managing Director

**Imtiaz Ahmad**  
Director

**A.K. GUPTA**  
PARTNER  
M. No. 081177

Place : Karnal  
Dated : August 14, 2010

# DOON VALLEY RICE LIMITED

## PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

	SCHEDULES	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
<b>INCOME</b>			
Sales		–	526,372.00
Other Income		–	385,829.00
Increase/(Decrease) in stock	G	–	71,250.00
		<u>–</u>	<u>983,451.00</u>
<b>EXPENDITURE:</b>			
Purchases		–	429,400.00
Administrative, Selling & Distribution Expenses	H	664,825.41	942,208.15
		<u>664,825.41</u>	<u>1,371,608.15</u>
Cash operating profit		(664,825.41)	(388,157.15)
Depreciation		3,530,085.18	3,199,390.26
Profit before Tax		(4,194,910.59)	(3,587,547.41)
Prior period adjustment		–	–
Profit before tax		4,194,910.59	(3,587,547.41)
Provision for Taxation			
Deferred Tax		(332,726.62)	(135,881.90)
Fringe Benefit Tax		–	15,312.00
Profit after tax		(3,862,183.97)	(3,466,977.51)
Balance brought forward		(19,936,682.16)	(16,469,704.65)
Balance carried to balance sheet		<u>(23,798,866.13)</u>	<u>(19,936,682.16)</u>

### ACCOUNTING POLICIES & NOTES ON ACCOUNTS I

As per our attached Report of even date.

For and on behalf of the Board of Directors

**A.K.G. & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**Naresh Kumar**  
Chairman & Managing Director

**Imtiaz Ahmad**  
Director

**A.K. GUPTA**  
PARTNER  
M. No. 081177

Place : Karnal  
Dated : August 14, 2010

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

	2009-2010 Rupees	2008-2009 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) after tax as per profit & Loss A/c	(4194910.59)	(3602859.41)
<b>Adjustment For:</b>		
Depreciation	3530085.18	3199390.26
Interest/Dividend		(385829.00)
Preliminary/Issue Expenses Written off	-	-
Operating Profit before Working Capital Changes	(664825.41)	(789298.15)
<b>Adjustment For:</b>		
Trade & Other receivables	(677931.41)	(381434.15)
Inventories	-	(71250.00)
Trade payables & Provisions	13815.00	(22035.00)
Cash generated from Operations/Cash Flow before extraordinary Items	(1328941.82)	(1264017.30)
Net cash from Operating Activities	(1328941.82)	(1264017.30)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets		
Interest received	-	385829.00
<b>Net Cash Investing Activities</b>	-	385829.00
<b>Net Cash from Operation &amp; investment Activity</b>	(1328941.82)	(878188.30)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase/(Decrease ) in cash & cash equivalents	3838211.59	(5080209.15)
Cash & Cash Equivalents as at (Opening Balance)	8450413.04	13530622.19
Cash & Cash Equivalents as at (Closing balance)	12288624.63	8450413.04

As per our attached Report of even date.

For and on behalf of the Board of Directors

**Naresh Kumar**  
Chairman & Managing Director

**Imtiaz Ahmad**  
Director

Place : Karnal

Dated : August 14, 2010

**AUDITORS' CERTIFICATE**

We have certified that above cash flow statement of Doon Valley Rice limited derived from the Audited Financial Statements for the year ended March 31, 2010 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of Listing Agreement with Bombay Stock Exchange.

**For A.K.G. Associates**  
Chartered Accountant

Place : Karnal

Dated : August 14, 2010

**(A.K. Gupta)**  
Partner  
M.No. 081177



# DOON VALLEY RICE LIMITED

## SCHEDULES FORMING PART OF THE BALANCES SHEET

	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
<b>SCHEDULE 'A' SHARE CAPITAL</b>		
<b>Authorised:</b>		
60,00,000 Equity Shares of Rs. 10/- each	<u>6,000,000.00</u>	<u>60,000,000.00</u>
<b>Issued, Subscribed &amp; Paid Up:</b>		
54,24,600 Equity Shares of Rs. 10/- each	54,246,000.00	54,246,000.00
Less: Allotment Money in Arrears	<u>2,481,150.00</u>	<u>2,481,150.00</u>
	<u>51,764,850.00</u>	<u>51,764,850.00</u>
<b>SCHEDULE 'B' RESERVE &amp; SURPLUS</b>		
Share Premium A/c	50,552,000.00	50,552,000.00
Less : Premium in Arrears	<u>8,629,108.00</u>	<u>8,629,108.00</u>
	<u>41,922,892.00</u>	<u>41,922,892.00</u>
General Reserve	6,294,904.64	6,294,904.64
Profit & Loss Account	<u>(23,798,866.13)</u>	<u>(19,936,682.16)</u>
	<u>24,418,930.51</u>	<u>28,281,114.48</u>
<b>SCHEDULE 'C' SECURED LOANS</b>		
<b>CASH CREDIT FROM BANK</b>		
(a) Export Packing Credit from State Bank of India, Karnal (Against Hypothecation of Stocks & Debtors)	76,931,562.34	76,931,562.34
	<u>76,931,562.34</u>	<u>76,931,562.34</u>

### SCHEDULE - D : FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on 01.04.2009 (Rs.)	Addition (Rs.)	Deletions (Rs.)	As on 31.03.2010 (Rs.)	Up to 31.03.2009 (Rs.)	For the Year (Rs.)	Upto 31.03.2010 (Rs.)	As on 31.3.2010 (Rs.)	As on 31.3.2010 (Rs.)
	<b>FIXED ASSETS</b>									
1	Land	394,933.00	-	-	394,933.00	-	-	-	394,933.00	394,933.00
2	Building	49,344,741.68	-	-	49,344,741.68	15,283,816.41	1,648,114.37	16,931,930.78	34,060,925.27	32,412,810.90
3	Plant & Machinery	31,309,552.64	-	-	31,309,552.64	18,642,964.44	1,487,203.75	20,130,168.19	12,666,588.20	11,179,384.45
4	Vehicle	4,092,368.30	-	-	4,092,368.30	4,092,368.30	-	4,092,368.30	-	-
5	Computer	783,794.00	-	-	783,794.00	783,794.00	-	783,794.00	-	-
6	Generator	2,108,700.00	-	-	2,108,700.00	1,162,068.77	100,163.25	1,262,232.02	946,631.23	846,467.98
7	EPABX	66,900.00	-	-	66,900.00	35,601.91	3,177.75	38,779.66	31,298.09	28,120.34
8	Furniture & Fixtures	251,660.69	-	-	251,660.69	153,244.86	15,930.12	169,174.98	98,415.83	82,485.71
9	Weight Scale	271,295.11	-	-	271,295.11	148,688.36	12,886.52	161,574.88	122,606.75	109,720.23
10	Office Equipments	90,315.00	-	-	90,315.00	42,366.80	4,289.96	46,656.76	47,948.20	43,658.24
11	Air Conditioner	22,500.00	-	-	22,500.00	12,576.36	1,068.75	13,645.11	9,923.64	8,854.89
12	Boiler	3,670,544.09	-	-	3,670,544.09	1,897,637.09	174,350.84	2,071,987.93	1,772,907.00	1,598,556.16
13	Fax Machine	80,166.00	-	-	80,166.00	40,626.32	3,807.89	44,434.21	39,539.68	35,731.79
14	Storage Tank	9,513.01	-	-	9,513.01	9,513.01	-	9,513.01	-	-
15	Tarpal	281,424.00	-	-	281,424.00	144,185.49	13,367.64	157,553.13	137,238.51	123,870.87
16	Water Cooler	32,354.00	-	-	32,354.00	17,972.40	1,536.82	19,509.22	14,381.60	12,844.78
17	Wooden Crates	66,201.00	-	-	66,201.00	35,782.78	3,144.55	38,927.33	30,418.22	27,273.67
18	Refrigerator	36,500.00	-	-	36,500.00	17,285.64	1,733.75	19,019.39	19,214.36	17,480.61
19	Laboratory Equipment	1,037,762.00	-	-	1,037,762.00	410,560.97	49,293.70	459,854.67	627,201.03	577,907.33
20	Electrical Equipment	210,853.00	-	-	210,853.00	77,435.54	10,015.52	87,451.06	133,417.46	123,401.94
	<b>Total Rs.</b>	94,162,077.52	-	-	94,162,077.52	43,008,489.45	3,530,085.18	46,538,574.63	51,153,588.07	47,623,502.89

**SCHEDULES FORMING PART OF THE BALANCES SHEET (contd...)**

	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
<b>SCHEDULE 'E' CURRENT ASSETS AND LOANS AND ADVANCES</b>		
<b>INVENTORIES</b>		
Closing Inventories of Packing Material	166,650.00	166,650.00
	<u>166,650.00</u>	<u>166,650.00</u>
i) Cash in Hand	3,774,642.08	36,421.08
ii) Bank Balances :		
(a) In Scheduled Bank	8,513,982.55	8,413,991.96
	<u>12,288,624.63</u>	<u>8,450,413.04</u>
<b>OTHER CURRENT ASSETS</b>		
Advance Income Tax & T.D.S.	777,108.13	777,108.13
	<u>777,108.13</u>	<u>777,108.13</u>
<b>LOANS &amp; ADVANCES</b>		
(Unsecured & Considered Good)		
(a) Advances Recoverable in cash or kind	104,714,385.14	109,230,528.14
(b) Security Deposits	182,955.00	182,955.00
	<u>104,897,340.14</u>	<u>109,413,483.14</u>
<b>SCHEDULE 'F' CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>1. CURRENT LIABILITIES :</b>		
(a) Other Liabilities	4,277,635.29	4,277,745.29
(b) FBT Payable	-	15,312.00
(c) TDS Payable	2,316.00	-
	<u>4,279,951.29</u>	<u>4,293,057.29</u>
<b>SCHEDULE 'G' RAW MATERIAL CONSUMED</b>		
Opening Stock	166,650.00	95,400.00
Less: Consumed	-	-
Less: Closing Stock	-	166,650.00
	<u>166,650.00</u>	<u>(71,250.00)</u>

# DOON VALLEY RICE LIMITED

## SCHEDULES FORMING PART OF THE BALANCES SHEET (contd...)

	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
<b>SCHEDULE 'H' ADMINISTRATIVE, SELLING &amp; DISTORTION EXPENCES</b>		
<b>Audit Fees</b>		
Company Audit	22,060.00	18,000.00
Tax Audit	-	-
Service Tax	-	1,854.00
Bank Charges	551.50	55.15
Consultancy Expenses	-	-
Employees Cost	-	-
Electricity & Water Supply	9,240.00	8,877.00
Clearing & Forwarding Exp.	-	-
Fees & Subscription	21,427.00	-
Misc. Expenses	14,591.00	21,100.00
Donation	-	500,000.00
Office Expenses	8,350.00	4,390.00
Postage & Courier Expenses	1,378.00	1,209.00
Printing & Stationery	82,025.00	29,151.00
Rates & Taxes	1,379.00	55,517.00
Interest on fbt	709.00	-
House Tax	13,274.00	-
Conveyance Exp.	7,212.00	6,653.00
Telephone Expenses	3,947.00	3,466.00
Salaries	109,800.00	93,600.00
Sponsorship fees	105,631.91	198,336.00
Electric Repair & maint.	-	-
Travelling Expenses	263,250.00	-
Vat Tax	-	-
	<u>664,825.41</u>	<u>942,208.15</u>

**SCHEDULE - I ACCOUNTING POLICIES & NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of accounting**

- i) The accounts have been prepared on the historical cost basis and on the principles of going concern.
- ii) Accounting Policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**2. Fixed Assets**

Fixed assets are stated at cost less depreciation, cost comprises purchase price and any attributable cost of bringing the asset to working condition for its intended use.

Whenever events indicates that the assets may be impaired, the assets are subject to a test of recoverability based on estimates future cash flows arising from continuing use of assets and its ultimate disposal. A provision for impairment loss is recognised, where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of assets.

**3. Depreciation**

Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions during the year is provided on pro rata basis from the date of addition.

**4. Inventories**

Inventories are valued at the lower of cost & estimated net realizable value and W.I.P at estimated cost.

**5. Revenue Recognition**

All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on accrual basis.

**6. TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognised, subject to the consideration of prudence in respect of Deferred Tax Assets, on timing differences, being the difference between taxable incomes and accounting income that originate from one period and are capable of being reversal in one or more subsequent periods.

- 7. Sales are recognised on shipment or dispatch to customers.

**B. NOTES ON ACCOUNTS**

- 1. No Provision for Gratuity is considered necessary since none of the employees has completed the qualifying period of service.
- 2. Investment represents deposits with Sterling Holiday Resorts (I) Ltd. of Rs. 75600/-
- 3. Bank Interest and Bank Charges are not provided by the company as the management considers it unreasonable and not payable as the company has lodged claim against the bank.

**4. SEGMENT WISE RESULTS:**

During the year the company has not made any sale outside India. So there is no need for giving Segment reporting during the year.

- 5. Outstanding as shown in the Balance Sheet in respect of the Bank (State Bank of India, Karnal) is subject to adjustment of the claim of the company amounting to Rs.15,41,60,780/- which has already been lodged against the bank and the matter is sub-judice in the court of law, claim of the bank is also disputed.

**6. Deferred Tax Liability**

	<b>As on 1-4-2009</b>	<b>For the Year</b>	<b>As on 31-03-2010</b>
Deferred Tax Liability	87,66,258.27	(3,32,726.62)	<b>84,33,531.65</b>

	<b>Current Year</b>	<b>Previous Year</b>
7. Auditors & their Remuneration	Rs. 22,060.00	Rs. 19,854.00

8. Additional information pursuant to provisions of part-II & III of schedule VI of Companies Act, 1956.

**(A) Particular of Capacity & Production**

- (a) Installed Capacity (Rice) 10 MT/Hr.  
 (b) Licenced Capacity 10 MT/Hr.  
 (c) Actual Production Nil (NIL)

Note: The installed capacities are as per the certificate given by the management on which the Auditors have relied, being a technical matters.

(B) Information regarding Opening Stock, Closing stock & Turnover of the finished goods :

Name of the item	As at 31.03.2010		As at 31.03.2009	
	Quantity	Amount(Rs)	Quantity (Rs)	Amount (Rs)
Rice	(In M.T.)		(In M.T.)	
Opening Stock	0.00	0.00	0.00	0.00
Closing Stock	0.00	0.00	0.00	0.00
Purchases	Nil	Nil	Nil	Nil
Turnover	Nil	Nil	Nil	Nil

(C) Information regarding Raw Material Consumed:

**Name of the Item** **Quantity (In M.T.)**

**Information regarding Raw Material Consumed:**

**Name of the Item** **Quantity (In M.T.)**

Paddy/Semi Finished Rice Nil (Nil)

(D) Value of direct imports on C.I.F. Basis :

Nil (Nil)

(i) Raw Material :

Nil (Nil)

(ii) Capital Goods :

Nil (Nil)

(E) Expenditure of foreign currency:

Nil (Nil)

(F) Value of Export on FOB basis :

Nil (Nil)

10. Some of the Debtors and Creditors are subject to confirmation.

11. Figures in Parenthesis represent Previous year figure.

As per our attached Report of even date.

For and on behalf of the Board of Directors

**A.K.G. & ASSOCIATES**  
 CHARTERED ACCOUNTANTS

**Naresh Kumar**  
 Chairman & Managing Director

**Imtiaz Ahmad**  
 Director

**A.K. GUPTA**  
 PARTNER  
 M. No. 081177

Place : Karnal  
 Dated : August 14, 2010

## **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

### **I. Registration Details**

Registration No.		32448	State Code	55
Balance Sheet Date	Date	Month	Year	
	31	03	2010	

### **II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)**

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

### **III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

**(Amount in Rs Thousands)**

Total Liabilities	161548	Total Asset	161548
<b>Source of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	51765	Net Fixed Assets	47624
Reserve & Surplus	24419	Investments	76
Secured Loan	76932	Net Current Assets	113850
Unsecured Loan	Nil	Misc. Expenditure	Nil
		Accumulated Losses	Nil

### **IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover	NIL	Total Expenditure	4195
Profit/(Loss) before Tax	(4195)	Profit/ (Loss) after Tax	(3862)
Earning Per Share (Rs.)	Nil	Dividend	Nil

### **V GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY**

(AS PER MONETARY TERMS)

Item Code No. (ITC Code)	100610
Product Description	RICE

As per our attached Report of even date.

For and on behalf of the Board of Directors

**A.K.G. & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**Naresh Kumar**  
Chairman & Managing Director

**Imtiaz Ahmad**  
Director

**A.K. GUPTA**  
PARTNER  
M. No. 081177

Place : Karnal  
Dated : August 14, 2010



## DOON VALLEY RICE LIMITED

Works & Regd. Office : Outside Jundla Gate, Karnal - 132001

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter, at Outside Jundla Gate, Karnal-132 001 (Haryana)

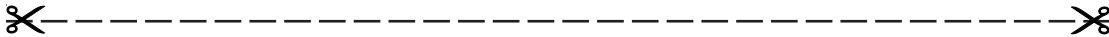
<b>NAME OF MEMBER</b>			
-----------------------	--	--	--

<b>FOLIO NUMBER</b>		<b>NO. OF SHARES</b>	
---------------------	--	----------------------	--

I/We hereby record my/our presence at the 16<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 30<sup>th</sup> September, 2010 at 9.00 A.M. at Outside Jundla Gate, Karnal - 132001

<b>NAME OF THE PROXY</b>		<b>SIGN. OF MEMBER/PROXY</b>	
--------------------------	--	------------------------------	--

NOTE : NO GIFT SHALL BE DISTRIBUTED AT THE MEETING.



## DOON VALLEY RICE LIMITED

Works & Regd. Office : Outside Jundla Gate, Karnal - 132001

### PROXY FORM

<b>FOLIO NUMBER</b>		<b>NO. OF SHARES</b>	
---------------------	--	----------------------	--

I/We \_\_\_\_\_

R/o \_\_\_\_\_

being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt. \_\_\_\_\_

R/o \_\_\_\_\_

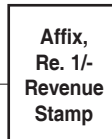
failing him, Sh./Smt. \_\_\_\_\_

R/o \_\_\_\_\_

as my/our Proxy to attend and vote for me/us (in the event of Poll) on my/our behalf at the 16<sup>th</sup> Annual General Meeting of the Company to be held on Thursday the 30<sup>th</sup> September, 2010 at 9.00 A.M. at Outside Jundla Gate, Karnal - 132001 (Haryana) or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature \_\_\_\_\_



NOTE :

THE PROXIES MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE AFORESAID MEETING.

**BOOK-POST**

*If undelivered, please return to :*

**DOON VALLEY RICE LIMITED**

A-48, 2nd Floor, Wazirpur Indl. Area,  
Delhi - 110 052

FIRST IMPRESSION (011)22484045 / 9811224048