

10TH
ANNUAL REPORT
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DOON VALLEY

DOON VALLEY RICE LIMITED

DOON VALLEY RICE LIMITED

BOARD OF DIRECTORS

Shri Naresh Kumar Aggarwal
Chairman cum Managing Director

Shri R.G. Gupta - *Director*

Shri Imtiaz Ahmed - *Director*

Shri Yatin Gupta - *Director*

TENTH ANNUAL GENERAL MEETING

Day : Thursday,

Date : 30th September, 2004

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.

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CORPORATE OFFICE

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

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NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Company would be held as under :-

Day	: Thursday
Date	: 30th September, 2004
Time	: 9.00 A.M.
Venue	: Outside Jundla Gate, Karnal-132 001(Haryana)

to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, Auditors' Report and Audited Accounts of the Company for the year ended 31st March, 2004.
2. To appoint a Director in place of Shri Imtiaz Ahmed 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 due notice in writing signifying the intention of a member to propose Mr. Yatin Gupta as a Director having been received pursuant to Section 257 of the Companies Act, 1956. Mr. Yatin Gupta 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 modifications(s), the following resolution as an Special Resolution:
 "RESOLVED THAT subject to provisions of the Companies Act, 1956, the Listing Agreement with Stock Exchanges, Securities Contracts Regulation Act, 1956. Securities and Exchange Board of India Act, 1992 and the Rules and Guidelines including Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, framed and or issued thereunder. Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any while granting such approvals, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the Board), which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on this Board, be and is hereby authorised to agree to if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Stock Exchanges at Ahmedabad, Jaipur, Calcutta and Delhi Stock Exchanges."

By Order of the Board

Sd/-

(NARESH KUMAR)

Chairman cum Mg. Director

Place : Karnal
Date : 31st August, 2004

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 will remain closed from 29th September, 2004 to 30th September, 2004 (both days inclusive).
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 4 & 5 is annexed hereto.
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.

By Order of the Board

Sd/-

(NARESH KUMAR)

Chairman cum Mg. Director

Place : Karnal
Date : 31st August, 2004

DOON VALLEY RICE LIMITED

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENTS

Item No. 4

Pursuant to the provisions of Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and the Board of Directors in their meeting held on 6th October, 2003 have appointed Mr. Yatin Gupta as an Additional Director of the Company, he will hold office upto the date of the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. Yatin Gupta as Director of the Company liable to retire by rotation.

Mr. Yatin Gupta, aged 31 years, is a graduate and has business experience in industry and Marketing. It is expected that his appointment on the board will be beneficial to the Company.

The Board recommends the resolution for your approval. .

None of the Director of the Company is concerned or interested in the resolution.

Item No. 5

Equity Shares of you Company are presently listed on five stock exchanges namely. The Stock Exchange Ahmedabad, The Stock Exchange, Mumbai, Jaipur, Stock Exchange Ltd., The Calcutta Stock Exchange and The Delhi Stock Exchange.

Your Director are of the view that no purpose is being served by having the Equity Shares of the Company listed on The Stock Exchanges, Ahmedabad, Jaipur Stock Exchange Ltd, Calcutta Stock Exchange and The Delhi Stock Exchange and thereof proposes that the Company's Shares are delisted from said Stock Exchanges. By this while trading in Equity Shares will not be affected in any way as the Stock Exchange Mumbai has national wide terminals, your Company will save listing fees being paid every year to said Stock Exchanges.

Resolution proposed is meant for aforesaid purpose and your Directors recommend passing of the same.

By Order of the Board

Place : Karnal
Date : 31st August, 2004

Sd/-
(NARESH KUMAR)
Chairman cum Mg. Director



DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 10th Annual Report of the Company alongwith the Audited Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

(Rs. in Lakhs)

	CURRENT YEAR (2003 - 2004)	PREVIOUS YEAR (2002 - 2003)
Profit before Depreciation & Finance Charges	(34.95)	(915.59)
Less : Finance Charges	.03	.69
Depreciation	<u>40.97</u>	<u>34.84</u>
	41.00	35.53
Net Profit after Depreciation & Finance Charges	(75.95)	(951.12)
APPROPRIATIONS		
Provision for Taxation	-	-
Deferred Tax	9.05	11.20
Proposed Dividend	-	-
General Reserve	-	-

DIVIDEND

Your Directors express their inability to recommend any dividend for the year under review, due to losses incurred by the Company.

CURRENT YEAR WORKING

Your Directors hereby inform you that in the Current year the Company would make all efforts to improve its' performance.

DISCLOSURE UNDER LISTING AGREEMENT

The equity Shares of the Company are listed at Ahmedabad, Mumbai, Kolkata, Delhi and Jaipur Stock Exchanges.

DELISTING OF EQUITY SHARES

Your Directors propose to have partial De-listing of Equity Shares from Ahmedabad, Kolkata, Delhi and Jaipur Stock Exchanges as per recently notified SEBI Guidelines on Delisting of Securities and after this partial Delisting the Company's Shares will remain listed on the Stock Exchange, Mumbai having a nationwide trading terminals.

DIRECTORS

Shri Imtiaz Ahmed, Director of the Company, retire by rotation at the ensuing Annual General Meeting & being eligible offer himself for re-election.

Shri Yatin Gupta and Shri Rajesh Gupta were appointed during the year as Additional Director of the Company and their term expire on the ensuing Annual General Meeting. However, the Company has received notice under Section 257 of the Companies Act, 1956 from the member of the Company proposing the candidature of Mr. Yatin Gupta as Director of the Company, liable to retire by rotation. The Board of Directors recommend his appointment as Director of the Company.

AUDIT COMMITTEE

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

The Audit Committee comprised of Mr. Imtiaz Ahmed, Mr. Yatin Gupta and Mr. Naresh Kumar Directors of the Company. Shri Imtiaz Ahmed is the Chairman of the Committee.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) All the applicable Accounting Standards have been followed in the preparation of the Accompanying Accounts :
- b) 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, 2004 and of the Profit and Loss of the Company for the said period :
- c) 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
- d) 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

FIXED DEPOSITS

During the period under review, your Company has not accepted any Fixed Deposit within the meaning of Section 58(A) of the

DOON VALLEY RICE LIMITED

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 employees 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 EARNINGS 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 the employees of the Company at all levels.

For and on behalf of the Board of Directors

Sd/-

(NARESH KUMAR)

Chairman cum Managing Director

Place : Karnal

Date : 31st, August, 2004

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 31st MARCH, 2004.

(I) CONSERVATION OF ENERGY:

Regular preventive maintenance of all Plant & Machinery is carried out to enhance productivity and efficiency of Machineries resulting in considerable power saving.

A. POWER AND FUEL CONSUMPTION

	Current Year 2003-2004	Previous Year 2002-2003
a) Purchased Units	42130.00	577311.00
Total Amount (Rs.)	178526.00	2452147.00
Rate/unit (Rs.)	4.19	4.25
b) Own Generation		
Through Diesel Generator		
Units(approx.)	75920.00	355603
Units per ltr. of Diesel Oil	3.94	3.94
Cost/Unit (Rs.)	4.88	4.88

B. CONSUMPTION PER UNIT(M.T.) OF PRODUCTION

Production Unit (M.T.)	602.25	546.94
Finished Unit (M.T.)	447.75	5680.00
Electricity	40.12	134.83

(II) TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT

- Specific Areas in which R & D carried out by the Company
The Company has been emphasising on growing & developing Quality Rice.
- Benefit Derived as a result of the above R & D
The quality of Rice has been improved.
- Future Plan of Action:
To compete and enter in the quality conscious markets in the world.

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year 2003-2004	Previous Year 2002-2003
Foreign Exchange Earnings(in Rs.)	-	29307488
Foreign Exchange Outgo	-	957995

For and on behalf of the Board of Directors

Sd/-

(NARESH KUMAR)

Chairman cum Managing Director

Place : Karnal

Date : 31st, August, 2004



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 competent Board of Directors with a maximum number of independent directors but due to weak financial position of the Company and non-availability of independent directors the Board of Directors could not broaden the board except the appointment of one independent Director Mr. Yatin Gupta.

Company's philosophy is to provide colour less 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** 48 years - 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 R.G. Gupta** 44 years - Director, Mechanical Engineer, looks after the procurement, processing, production and packaging of Raw Materials and finished goods for overseas markets.
- (c) **Shri Imtiaz Ahmed** 54 years - Director, Post Graduate in Arts. He started his carrier with the Jute Product items, for the last four or five years he is actively involved in food grain items. He has established good contacts in the overseas market.

All the above three Directors are Promoter Directors and non-executive as no one draws any remuneration from the Company.

- (d) **Shri Yatin Gupta** 31 Years - Director, is an Graduate and has vast experience of manufacturing and trading of Rice. He has been appointed during the year as an independent and non executive director to broaden the board.
- (e) Four Board meetings were held during the year on 30.06.2003, 30.07.2003, 30.10.2003 and 30.01.2004. Last AGM was held on 30.09.2003. The Annual General Meeting and all the four Board Meetings were attended by all the Directors.

3. AUDIT COMMITTEE

(i) Constitution of Audit Committee

Mr. Imtiaz Ahmed	(Chairman of the Committee) Non Executive Director
Mr. Naresh Kumar	Non Executive Director
Mr. Yatin Gupta	Do

(ii) Functions of the Committee

- a) Review of Annual Financial Statements before submission to the Board; especially with regard to the changes in accounting policies and practices, 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 half yearly 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.

4. DIRECTORS REMUNERATION

No director of the Company drawn any remuneration or take any sitting fees for attending the Board Meeting due to weak financial position of the Company.

5. SHAREHOLDERS COMMITTEE

(i) Constitution of shareholders/Investor Grievances Committee

Mr. Imtiaz Ahmed	(Chairman of the Committee) Non Executive Director
Mr. Yatin Gupta	Non Executive Director
Mr. R. G. Gupta	Do

(ii) Shareholders Matters

As on date no Share Transfer is pending. During the year 2003-2004, no complaint of any shareholder is pending.