

**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

<b>Shri Naresh Kumar</b>	– <i>Chairman &amp; Managing Director</i>
<b>Shri Dharam Pal</b>	– <i>Director</i>
<b>Shri Imtiaz Ahmad</b>	– <i>Director</i>
<b>Shri Mohit Kumar</b>	– <i>Director</i>

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

Day	: Thursday
Date	: 30 <sup>th</sup> September, 2010
Time	: 9.00 A.M.
Venue	: <b>DOON VALLEY RICE LIMITED</b> 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.

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# 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 Imtiaz 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 field 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	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. CONSUMPTION PER UNIT(M.T.) OF PRODUCTION

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 base of the board.

Company's philosophy is to provide colorless document for fair, unbiased, accurate, authentic and factual information in the 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 an 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 educational institutions and also takes 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.