

**18<sup>TH</sup>**  
**ANNUAL REPORT**  
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**DOON VALLEY**

**DOON VALLEY RICE LIMITED**

## BOARD OF DIRECTORS

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

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

Day	: Saturday
Date	: 29 <sup>th</sup> September, 2012
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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**NOTICE**

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Company would be held as under:-

<b>Day</b>	:	Saturday
<b>Date</b>	:	29 <sup>th</sup> September, 2012
<b>Time</b>	:	9.00 A.M.
<b>Venue</b>	:	<b>Doon Valley Rice Limited</b> Outside Jundla Gate, Karnal-132 001 (Haryana).

to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.
2. To appoint a Director in place of Shri Mohit Kumar, 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.

By Order of the Board

Place : Karnal  
Date : August 14, 2012

**Naresh Kumar**  
Chairman & Managing 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 Thursday, 27<sup>th</sup> September, 2012 to Saturday 29<sup>th</sup> September, 2012 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
4. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Information pursuant to Clause 49 of the Listing Agreement(s) pertaining to Shri Mohit Kumar being re-appointed vide item No. 2 of the Notice, is as follows:

<b>Particulars</b>	<b>Shri Mohit Kumar</b>
Date of Birth	06.09.1983
Date of Appointment	03.10.2009
Qualification	M.B.A.
Expertise in specific functional area	Please refer Corporate Governance Report 2011-12.
Directorship held in other Public Companies*	Nil
Membership/Chairmanship of Committees**	Nil
No. of Equity Shares held in the Company	Nil
Relationship with other directors	Son-Father relation with Shri Naresh Kumar

\*excluding Foreign & Private Limited Companies.

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

# DOON VALLEY RICE LIMITED

## DIRECTORS REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR 2011 - 2012		PREVIOUS YEAR 2010 - 2011	
Profit before Depreciation & Finance Charges		(75.55)		10.55
Less : Finance Charges	0.00		0.00	
Depreciation	35.30	35.30	35.30	35.30
Net Profit after Depreciation & Finance Charges		(40.25)		(24.75)
<b>Appropriations</b>				
Provision for Taxation		0.00		0.00
Deferred Tax		(14.55)		0.00
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 may make efforts to re-start the business operations.

### DISCLOSURE UNDER LISTING AGREEMENT

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

### DIRECTORS

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

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. The Audit Committee 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, 2012 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 58A of the Companies Act, 1956 and the rules made there under.

### 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 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 all concerned associated with the Company at all levels.

By Order of the Board

Place : Karnal  
Date : August 14, 2012

**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, 2012.

- (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 2011-12	Previous Year 2010-11
a) Purchased Units	Nil	Nil
Total Amount(Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
b) Own Generation(Through DG Sets)		
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: NIL
- 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 2011-12	Previous Year 2010-11
Foreign Exchange Earnings(Rs.)	Nil	Nil
Foreign Exchange Outgo (Rs.)	Nil	Nil

By Order of the Board

Place : Karnal  
Date : August 14, 2012

**Naresh Kumar**  
Chairman & Managing 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 57 years (D.O.B. 02.07.1955)- 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. He as an individual holds 11,32,400 Equity Shares of Rs.10/- each in the Company.
- (b) Shri Imtiaz Ahmed 60 years (D.O.B 15.07.1952)- Director, Post Graduate in Arts. He started his career with the Jute Product items, for the last so many years, he is actively involved in food grain items. He has established good contacts in the overseas market. He is not holding any Equity Shares in the Company.
- (c) Shri Mohit Kumar aged 29 years (D.O.B 06.09.1983) 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 educational institutions and also takes care of the legal matters of the Company. He is not holding any Equity Shares in the Company.
- (d) Shri Dharam Pal aged 56 years (D.O.B 21.02.1956) is an industrialist with an experience of more than 36 years in Rice Industry. He has a grassroots 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. He is not holding any Equity Shares in the Company.

Shri Naresh Kumar, is a Promoter Director and S/Shri Imtiaz Ahmed, 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.

Four Board Meetings were held during the year on May 14, August 13, November 14, 2011 and February 13, 2012. Last Annual General Meeting was held on September 30, 2011. The Annual General Meeting and all the Five 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 designated executives have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Mg. 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 2011-12. 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

- 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.
- Discussion with Auditors regarding their observation on accounts.
- Review of Quarterly Results before submission to the Board.
- Discussion with Auditors regarding adequacy & compliance of internal control system.
- Recommendation on appointment and removal of external auditor, fixation of audit fee, out of pocket expenses and payment of other services.
- To carry out of any other function as per the terms of reference.

### (III) Powers of the Committee

- To investigate into any activity within its terms of reference.
- To access the information contained in the Company records.
- To seek information from any employee.
- To obtain and to have access to outside legal and other professional advice.
- To secure attendance of outsiders with relevant expertise.
- 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 May 14, August 13, November 14, 2011 and February 13, 2012 and were attended by all the Audit Committee members.

## 4. SHAREHOLDERS' COMMITTEE

### (I) Constitution of Shareholders/Investors Grievances Committee

Mr. Imtiaz Ahmed	- 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.

During the year 4 meetings of the committee were held on May 14, August 13, November 14, 2011 and February 13, 2012 and the same was attended by all the members of the Committee. During the two committee meetings Mr. Naresh Kumar, Chairman & Mg. Director has power to approve the matters pertaining to transfer, transposition, transmission, split, consolidation and other related matters of the investor/shareholders.