

L.T.  verseas Ltd.



*'05- '06*

**BALANCE SHEET AS AT 31st MARCH'2006****INDEX**

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## **NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the company will be held on Monday, June 12, 2006, at 10.30 a.m. at the registered office of the company, A-2 1, Green Park Main, Aurobindo Marg, New Delhi-1100 16.

### **Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006 and the Profit & loss A/c of the Company for the year ended on that date and the reports of the board of director's and auditor's thereon.
2. To resolve to appoint director in place of Mr. Surinder Arora who retires by rotation and offers himself for re-appointment.
3. To appoint auditors and to authorize the board of directors to fix their remuneration.

### **Special Business:**

#### **1. To appoint Non-executive Director**

"RESOLVED THAT Mr. Suparas Bhandari be and is hereby appointed as a Non-executive Director of the company with the sitting fee of Rs. 5000 for each Board meeting.

RESOLVED FURTHER THAT Ms. Monika Chawla Jaggia, Company secretary of the company be and is hereby authorized to file necessary forms with Registrar of Companies, NCT Delhi & Haryana."

#### **2. To appoint Non-executive Director**

"RESOLVED THAT Mr. Satish Bal be and is hereby appointed as a Non-executive Director of the company with the sitting fee of Rs. 5000 for each Board meeting.

RESOLVED FURTHER THAT Ms. Monika Chawla Jaggia, Company secretary of the company be and is hereby authorized to file necessary forms with Registrar of Companies, NCT Delhi & Haryana."

#### **3. To appoint Non-executive Director**

"RESOLVED THAT Mr. Pramod Bhagat be and is hereby appointed as a Non-executive Director of the company with the sitting fee of Rs. 5000 for each Board meeting.

RESOLVED FURTHER THAT Ms. Monika Chawla Jaggia, Company secretary of the company be and is hereby authorized to file necessary forms with Registrar of Companies, NCT Delhi & Haryana."

**By the order of Board of Directors**

**Place:** New Delhi

**Date:** May 15, 2006

**(Monika Chawla Jaggia)**

**Company Secretary**

### **Registered office**

A-21, Green Park,  
Aurobindo Marg,  
New Delhi

**NOTICE**

- a) A member entitled to attend and the vote 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.
- b) Members desirous of obtaining any information concerning the accounts and operations of the company are required to send their queries to the company atleast seven days before the date of the meeting, so that the information required by the members may be made available at the meeting.
- c) Members are requested to communicate their change of address, if any, quoting their respective.

**Annexure to Notice****Explanatory Statement pursuant to Section 173 of the Companies Act 1956**

The Board of Directors in their meetings held on 5th January 2006 and on 17th February 2006 appointed additional Non-executive Directors to give effect to the requirement of Section 292A of the Companies Act 1956.

The appointment of the said directors is to be approved by the shareholders.

The Board recommends the Resolution for approval.

**By the order of Board of Directors**

**Place:** New Delhi

**Date:** May 15, 2006

**(Monika Chawla Jaggia)**

**Company Secretary**

**Registered office**

A-21, Green Park,  
Aurobindo Marg,  
New Delhi

**REPORT OF DIRECTORS**

Dear fellow shareholders,

Your Directors have great pleasure in presenting before you, their sixteenth annual Report together with the audited accounts of the Company for the year ended 31st March, 2006 along with the Report of the Auditors thereon.

**1. Financial Results**

The working of your company for the year under review resulted in: (Rupees in lakhs)

|  | Year Ended<br>31.03.2006 | Year Ended<br>31.03.2005 |
|--|--------------------------|--------------------------|
| Gross Income                                     | 40456.93                 | 36613.61                 |
| Profit before interest, depreciation & taxation  | 3208.93                  | 2681.11                  |
| Interest   | 1436.11                  | 1393.26                  |
| Depreciation                                     | 572.05                   | 642.72                   |
| Provision for taxation                           |                          |                          |
| a) Income Tax-current year                       | 100.00                   | 125.00                   |
| b) Fringe Benefit Tax-Current year               | 20.00                    | -                        |
| c) Deferred Tax Liability                        | 44.42                    | 22.73                    |
| d) Excess provision of earlier years written off | (95.11)                  | -                        |
| Net Profit                                       | 1131.47                  | 497.39                   |

**Last year figures have been re-grouped by the Statutory Auditors.**

**2. Business**

During the financial year 2005-06, due to Company made substantial profits because of growth is turnover.

**3. Audit Committee**

**Membership:** In compliance with the requirements of Section 292A of the Companies Act, 1956, audit committee was re constituted as in para below;

1. Mr. Suparas Bhandari -Chairman
2. Mr. Satish Bal-Member
3. Mr. Pramod Bhagat-Member

## REPORT OF DIRECTORS

Ms. Monika Chawla Jaggia who is the Company Secretary of the Company acted as the secretary in the meetings of the Committee.

The Audit Committee takes care the implementation of the accounting procedures & techniques, reviewing financial reporting systems and the internal control systems in place. Meetings are scheduled well in advance. The Committee reviews the report of Statutory Auditors with their comments along with action taken reports of the Management. The Committee also invites the senior executives to be present at the meetings to ensure full participation by the concerned officials.

### 4. Fixed Deposits:

During the year, the company has not accepted any fixed deposits and repayment, if any and there was no delay in re payment of the interest.

### 5. Dividend:

The Board of Directors declared Interim dividend of 25% on the paid up equity capital and the same was paid to the shareholders accordingly during the year and same .

### 6. Other Interests:

Your Company has not only exported bulk and branded rice but also exported other items like sugar, pulses, saffron, crude soya oil, scrap, walnuts etc. In domestic market also company had done business in the items other than rice Le wheat, pulses, packing material etc.

### 7. Brand Promotion:

The brand name DAAWAT has now got a special recognition not only in the domestic market but also in the International market. The said brand is being got registered in many countries.

On national level we have got registration of Heritage(Label), Surbhi and of other new brands in our favour.

### 8. Quality Control & Other R & D Projects:

To sustain in this competitive world its important to supply consistent product. The company had made continuous efforts to maintain the same and achieved success also in the same. Our quality control division has continuously monitored the quality as well as consistency of the product.

Your company believes in keeping itself abreast with the latest technology and invented new products. R&D unit is working in this direction and we arc expecting good results by the end of next financial year.

**REPORT OF DIRECTORS****9. Initial Public Offer**

During the year company had decided to make Public offer and in this direction steps have been taken. Company is planning to come in to IPO in the last quarter of this year.

**10. Board of Directors and Changes During The Year:**

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Surinder Arora, Director retired by rotation and being eligible, offers himself for reappointment. Three independent directors have also been taken on the Board.

**11. Director's responsibility statement:**

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your Directors state that:

- a) In the preparation of annual accounts, applicable accounting standards have been followed.
- b) Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates are made so as to give a true and fair view of the, state of affairs of the Company as of 31st March 2004 and of the profit of the Company for the year ended on that date.
- 5 C) Proper and sufficient care has been taken 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.
- d) The annual accounts of the Company have been prepared on the basis of a going concern.

**12. Auditors:**

The retiring auditors, M/S Tilak Chandna. and Co., Chartered Accountants, being eligible, offer themselves for reappointment from the conclusion of this annual general meeting till the conclusion of next annual general meeting.

**14. Computerisation and Technology Upgradation**

During the year efforts to steering Company Information Technology Capabilities and for operational excellence were continued.

**15. Human Resource Development & Industrial Relations**

The Company has always endeavoured to align its business objectives with those of individual employees. The company is making continuous investment in learning and development, competitive compensation and maintaining conducive work environment.

**REPORT OF DIRECTORS****14. Particulars of Employees:**

Since there were no employees who were in receipt of remuneration of Rs. 24,00,000/per annum or Rs. 2,00,000/- per month or more, information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is not annexed.

**15. Additional Information**

The Additional information relating to the conservation of Energy, Technology Absorption and Foreign Exchange and Outgo required under Section 217(l)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given below:

**A. Research and Development (R&D):**

Company had incurred approximately 1 % of total turnover as an expenditure on R & D.

**B. Conservation of Energy:**

Electric Panels (Tricolite) are installed in each and every plant which are designed on power saving technology.

During packing of pouches we fill Nitrogen Gas in every Pouch & for the same process compressor is required which is installed there in nitrogen plant but now we use the compressor which are installed with Gen. sets so we can save Rs. 1500 per day.

All street Lights are automatic with on and off system

**Details of Energy Consumed During the Year:**STATEMENT OF ELECTRICITY / HSD

| SOURCE/<br>YEAR     | 2005-06              |                     | 2004-05              |                     |
|---------------------|----------------------|---------------------|----------------------|---------------------|
|                     | PURCHASE<br>QUANTITY | AMOUNT<br>PAID (RS) | PURCHASE<br>QUANTITY | AMOUNT<br>PAID (RS) |
| ELECTRICITY (UNITS) | 5,669,284            | 23,758,328          | 5,726,370            | 23,993,490          |
| DIESEL (LTRS)       | 768,000              | 21,935,793          | 1,058,986            | 28,063,150          |

**C. Technology Absorption**

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

The company has latest equipments for enhancing and maintaining the quality of its products.

- Benefits derived as a result of above efforts

Growth in business.

**REPORT OF DIRECTORS**

3. The company has imported the following machineries during the year to enhance the quality of its products and also to decrease cost of production of its products:

| Technology     | Technology from Country | Year of Import | Status of Technology utilization |
|----------------|-------------------------|----------------|----------------------------------|
| Paddy Cleaning | Denmark                 | 2001           | Utilised & Absorbed              |
| Paddy Drying   | Denmark                 | 2001           | Utilised & Absorbed              |
| Silos          | USA                     | 2002           | Utilised & Absorbed              |
| De Husking     | Japan                   | 2002           | Utilised & Absorbed              |
| Polishing      | Japan                   | 2000           | Utilised & Absorbed              |
| Color Sorting  | Japan                   | 2001           | Utilised & Absorbed              |
| Parboiling     | In House                | 2002           | Utilised & Absorbed              |
| Paddy Steaming | In House                | 2003           | Utilised & Absorbed              |

**D. Foreign Exchange Earnings and Outgo**

During the year, your company earned the foreign exchange equivalent to Rs. 1,71,09,38,483 from sale of its products.

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The Foreign exchange spending for purchases is equivalent to Rs. 28,45,00,749.

**16. Subsidiary Companies**

The accounts of your subsidiary company viz. M/s L.T. International Ltd, and Sona Global Limited for the year ended 31.03.06 together with statutory statements pursuant to section 212 of the Company Act 1956 are annexed.

**17. Warm Appreciation:**

The Directors thank the customers, vendors, business associates and bankers for their support to the company.

The Directors also wishes to place on record its appreciation for the valuable contribution of the members of the company's staff at all levels and look forward to their continued co-operation in meeting the future challenges.

New Delhi

By the Authority of Board

May 17, 2006

(Chairman & Managing Director)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006**

| <b>PARTICULARS</b>                                  | <b>SCH. NO.</b> | <b>AS AT<br/>31 MARCH 2006 (RS.)</b> | <b>AS AT<br/>31 MARCH 2005 (RS.)</b> |
|---|-----------------|--------------------------------------|--------------------------------------|
| <b>INCOMES</b>                                      |                 |                                      |                                      |
| Sales   | 8               | 4,008,324,006                        | 3,613,207,377                        |
| Other Income  | 9               | 37,369,174                           | 48,152,918                           |
| Accretion/Decretion to stock                        | 10              | (9,965,353)                          | (54,739,683)                         |
| <b>TOTAL</b>  |                 | <b>4,035,727,827</b>                 | <b>3,606,620,612</b>                 |
| <b>EXPENDITURES</b>                                 |                 |                                      |                                      |
| Raw Material consumed                               | 11              | 1,541,327,611                        | 1,647,172,512                        |
| Purchases   | 12              | 1,549,630,890                        | 1,069,746,494                        |
| Manufacturing & Trading expenses                    | 13              | 135,126,976                          | 149,401,667                          |
| Selling , General & Administrative Exps.            | 14              | 461,679,637                          | 465,153,360                          |
| Financial Cost                                      | 15              | 143,610,593                          | 139,325,630                          |
| Depreciation  | 4               | 57,205,245                           | 64,272,533                           |
| Deferred Revenue Exps. written off                  |                 | 11,020,452                           | 7,035,745                            |
| Loss on sale of Unit                                |                 | 6,972,023                            | -                                    |
| Provision for Doubtful Debts/Recoveries             |                 | 9,076,770                            | -                                    |
| <b>TOTAL</b>  |                 | <b>3,915,650,197</b>                 | <b>3,542,107,941</b>                 |
| Profit before Taxation                              |                 | 120,077,630                          | 64,512,670                           |
| Less : Provisions for Tax                           |                 |                                      |                                      |
| a) Income Tax -Current Year                         |                 | 10,000,000                           | 12,500,000                           |
| b) Fringe Benefit Tax -Current Year                 |                 | 2,000,000                            | -                                    |
| c) Deferred Tax Liability                           |                 | 4,442,627                            | 2,273,178                            |
| Add: Excess Provision of Earlier Years written back |                 | 9,511,559                            | -                                    |
| Net Profit after Taxation                           |                 | 113,146,562                          | 49,739,492                           |
| Balance brought down from previous year             |                 | 426,797,127                          | 377,057,635                          |
| <b>PROFIT AVAILABLE FOR APPROPRIATION</b>           |                 | <b>539,943,689</b>                   | <b>426,797,127</b>                   |
| <b>APPROPRIATION</b>                                |                 |                                      |                                      |
| a) Transferred to General Reserve                   |                 | 12,500,000                           | -                                    |
| b) Interim Dividend                                 |                 |                                      |                                      |
| - Dividend Distributed                              | 18,086,375      |                                      |                                      |
| - Dividend Distribution Tax                         | 2,536,614       | 20,622,989                           | -                                    |
| Balance carried to Balance Sheet                    |                 | 506,820,700                          | 426,797,127                          |
| <b>EARNING PER SHARE</b>                            |                 |                                      |                                      |
| - Basic Earning per share                           |                 | 15.84                                | 7.21                                 |
| - Weighted Average of Shares                        |                 | 7,143,262                            | 6,894,550                            |
| - Bonus Shares issued after the Balance Sheet Date  |                 | 7,234,550                            | -                                    |
| - Diluted Earning per Share                         |                 | 7.87                                 | 3.52                                 |

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

for and on behalf of

**TILAK CHANDNA & CO**  
Chartered Accountants

**TILAK CHANDNA**  
(PARTNER)

**ASHWANI ARORA**  
DIRECTOR

**VIJAY ARORA**  
CHAIRMAN CUM  
MANAGING DIRECTOR

**DATED : MAY 15, 2006**  
**PLACE : NEW DELHI**

**MONIKA CHAWLA JAGGIA**  
COMPANY SECRETARY

**SACHIN GUPTA**  
MANAGER (ACCOUNTS)