

Annual Report 2008-09



Leading by excellence and vision

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## Board of Directors

### **Mr. Balbir Singh Uppal**

Chairman and Managing Director

### **Mr. Janak Raj Singh**

Executive Director

### **Mr. I.S. Gumber**

Executive Director

### **Mrs. Vijay Luxmi**

Director

### **Mr. Sanjeev Sood**

Director

### **Mr. Amarjit Singh**

Director

### **Maj. Gen. (Retd.) A.L. Suri**

Director

### **Mr. Nirdosh Bali**

Director

### **Mr. Rajendra Sharma**

Director



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#### Bankers

Punjab National Bank  
Syndicate Bank  
Axis Bank

#### Auditors

S. Kumar Gupta & Associates  
Chartered Accountants  
Chandigarh

Mr. K.I. Singh  
General Manager - Finance

Mr. Ajay K. Ratra  
Company Secretary

#### Registered Office

S.C.O.18-19, 1st Floor, Sector 9-D,  
Madhya Marg, Chandigarh-160017.India.  
Tel: 0172-2740352 Fax: +91-172-2743057

#### Works & Administrative Office

V.P.O Khamanon  
Ludhiana-Chandigarh National Highway,  
Khamanon 140 801, Punjab. India

#### Registrars & Share Transfer Agents

M/s Beetal Financial & Computer  
Services (P) Ltd.  
"Beetal House" 3rd Floor,  
99, Madangir, New Delhi-110062





**Mr. B.S. Uppal**  
Chairman & Managing Director

## Chairman's Message

### Dear Shareholders,

The year gone by has been a year of revival for the country and to a large extent for the universe as a whole, which was reeling in trouble prior to this. The developed nations which had seen somersaults in their economic conditions witnessed a stabilization effect in the ultimate. The leaders of the developed nations such as US, UK, France, Germany, Japan took corrective steps quickly infusing stimulus packages benefiting corporate sector of their respective countries and bringing about reversal in the negative trend. The results that have come out are extremely positive.

Today the world finds renewed economic conditions where employment levels have started turning positive and GDP growth trends have also turned positive. Overall sentiment is favourable which will bring back whatever India lost due to the abovesaid happenings. India had also declared stimulus packages for its banking and industrial sector which brought about marked improvement in manufacturing and services sectors. This has led to an achievement of healthy GDP growth quarter after quarter touching 7.9% recently. The outlook has also turned bright and the GDP growth expectation for the year 2010-11 is 7.2% which will lead to healthy economic development of the country. Having said that the agriculture production which rose nearly 4% during the year 2008-09 is likely to show flat to slightly negative growth in 2009-10.

Our October 2008 to September 2009 period has been a very unusual year in the life of the company. This year saw a bumper crop on the one hand in the country due to healthy agri growth but it resulted in certain other problems. The godowns of FCI were full and they did not have space to store additional purchases of rice from millers like us. This led to suspension of private purchases by FCI, which is actually an unusual situation and does not arise very often. Due to this constraint coupled with the 2 year old ban on export of non-basmati rice the company sales turnover was affected.

### The performance figures

The annual turnover of the company was Rs. 6914.40 Million in contrast with Rs. 15,401.93 Million during 2007-08 (18 months period). The company was able to earn a profit of Rs. 915.60 Million against Rs. 1597.79 Million previously (18 months period). Though there is decline in performance figures during the review period, the redeeming feature was improvement in profitability margins which has been achieved by the company due to diversification of its activities.

### New Developments

The company took its new plant capacity to 1.2 million MT and also put into operation its second 15 MW power plant. The company also started manufacture of pusa Basmati 1121 rice and achieved exports valued at Rs. 1512.81 Million. The company also made substantial progress in erection of its par boiling and steaming capacity plants. Once that is ready in phases beginning March 2010 there would be substantial increase in production of the said basmati rice. The increased production of basmati rice would provide the Indian market to us where the company would launch retail brands soon. Once this launch takes place the company would have de-risked itself substantially.

Beyond what has been stated above, we also have in mind to set up a number of smaller paddy processing mills of 0.2 million MT each in different parts of Punjab and also install smaller power plants there to make best use of by-product husk.

Additionally, the storage godowns each with 0.2 Mn MT capacity which will give us immense benefit in terms of savings in rentals for storage in outside godowns.

### Conclusion

We believe there are good opportunities in the sector we operate in. We would examine each of these opportunities and try to capitalize on the ones that suit our capability and synergise with our present set-up. Since our area of operation is mass consumption items we are confident we would be able to bring benefits to the company in the coming times particularly when there are shortages of food reported in many places in India and abroad. Thank you very much !

With Warm Regards



**B.S. Uppal**  
Chairman & Managing Director





## Management Team

**Mr. Harwant Singh**  
Group Advisor

**Mr. K.I. Singh**  
General Manager-Finance

**Mr. Sunil Bakshi**  
President (Operations)

**Lt. Col.(Retd.) Jeetendra Jaggi,**  
CAO

**Mr. Darshan Singh**  
GM (Power Plant)

**Mr. Ajay K. Ratra**  
Company Secretary

**Maj.(Retd) Subhash Sharma**  
HR-Head

**Mr. Amrik Singh Kohli**  
GM (Quality Control)

**Mr. Prem Dhawan**  
GM (Civil)

**Mr.Sukhdeep Singh**  
DGM (Accounts and Taxation)

**Mr. Manmeet Singh**  
DGM (Commercial)

**Mr. Brijendra Singh Chadha**  
Sr.Manager (Projects)

**Mr. Aditya Jain**  
Sr. Manager (Finance)

**Mr. Ajay Mishra**  
Sr. Manager (Accounts)

**Mr. P.N.Sharma**  
Sr. Manager (Power Plant)

**Mr. Rakesh Pathania**  
Manager (Accounts)

**Mr.Punit Sablok**  
Manager (IT)

**Mr. P. Mariappan**  
Manager (Power Plant)

**Mr. Sandeep Arora**  
Manager (Maintenance)

**Mr.GurAmrit Singh**  
SAP ERP Co-ordinator

**Mr. Sukhdeep Singh**  
Incharge (Transport)

**Mr. Chitranjan Raut**  
Manager (Quality Control)

MANAGEMENT TEAM  
SERVICE EXCELLENCE



## Leading by excellence and vision

### Our Business

We use nature's ingredients and preserve its wholesome goodness. We follow unique processes that utilize the resources to its maximum and leave no waste. We produce Rice of various varieties and grades, Edible oil, Cattle Feed and Whole Wheat Flour. We started producing "Green Power" from Husk in our co-generation Power Plant.

We keep our costs low and our margins high through bulk procurement, superior technology and automation and volume sales.

### Our Vision

"To provide quality goods at competitive prices and to guarantee the highest level of customer satisfaction, for continuous growth and development."



# Corporate Profile

Lakshmi Energy and Foods Ltd. (LEAF) in existence for about 29 years has always ploughed back most of its profits and remained focused on expansion. Over the years its 6 acres plot of land where it was established, has expanded to more than 100 acres. It began with a small 5 MT / hour capacity and expanded up to 225 MT/hour out of which the old plant is being phased out, so as to replace the same with modern plants. The company's 30 MW biomass based power plant is the largest in the country run on husk and presently sells power through PTC India Ltd. at a decent price.

Right from early days, LEAF built a strong network of procurement from Punjab Mandis which is now facilitating LEAF to procure large quantum of Paddy for its operations. LEAF worked on a conservative capital structure even when it needed funds for expansion cum modernization which is proving to be beneficial for the shareholders of the company. LEAF built a supply chain to the Government agencies which helped it to build volumes, thus reducing costs. It took steps to import the largest plant and storage silos at much higher cost than indigenous equipment and that benefitted the company in improving efficiencies at all levels.

Leaf also started Manufacture & Export of PUSA 1121 Basmati Rice successfully. It has also launched Rice in Indian Market in few places which would be expanded in Indian Consumer packs in due course.





## Our Products

