



SIR SHADI LAL ENTERPRISES LIMITED

BOARD OF DIRECTORS : Shri Onke Aggarwal-Chairman
Shri Rajat Lal-Managing Director
Shri Vivek Viswanathan-Joint Managing Director
Shri Hemantpat Singhania
Smt. Sudha Singhania
Shri R.L. Srivastava
Shri R.C. Sharma
Shri P.K. Viswanathan

COMPANY SECRETARY : Shri Sunit Malhotra

BANKERS : State Bank of India
Punjab National Bank

AUDITORS : Messrs. Basant Ram & Sons
Chartered Accountants
A-18, Nizamuddin East,
Murli Marg, New Delhi-110 013

REGISTERED OFFICE : 4-A, Hansalaya, 15, Barakhamba Road,
New Delhi-110 001

MANUFACTURING UNITS : Upper Doab Sugar Mills
Shamli, Distt. Prabudh Nagar (U.P.)

Unn Sugar Complex
Block Unn, Distt. Prabudh Nagar (U.P.)

Shamli Distillery & Chemical Works
Shamli, Distt. Prabudh Nagar (U.P.)



SIR SHADI LAL ENTERPRISES LIMITED

Regd. Office : 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001

NOTICE FOR THE 78th ANNUAL GENERAL MEETING

Notice is hereby given that the 78th Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Monday, the 10th September, 2012 at 11.30 a.m. at P.H.D. House, Opposite Asian Games Village, New Delhi - 110 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.L. Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri P.K. Viswanathan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Whereas the accumulated losses of the company as at 31st March, 2012 have resulted in more than 50% erosion of the peak Net Worth during the immediately preceding four (4) financial years and the company is required to report this fact of erosion of the peak Net Worth by more than 50% to the Board for Industrial and Financial Reconstruction under the provisions of Section 23 (1) (a) (i) of the Sick Industrial Companies (Special Provisions) Act, 1985.

And whereas the Board of Directors, after analyzing the reasons for such erosion and after discussing the matter in detail has come to the conclusion that erosion in Net Worth was mainly on account of higher sugar cane price declared by the U.P. Government, lower sugar recovery from cane, lower market price of the sugar and unfavourable Government policies for the sugar sector.

Further, with the visible improvement in the market price of sugar, steps taken by the company to arrest decline in the sugar recovery and to improve the same, the Company expects better financial results during the financial year 2012-13 and onwards.

And whereas the shareholders of the company have been informed of the said erosion of Net Worth and have considered the reasons for such erosion as detailed in the Explanatory Statement attached hereto.

“RESOLVED THAT in terms of the relevant provisions of Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and other applicable Acts the Board for Industrial and Financial Reconstruction be informed of the fact of erosion of more than 50% of its peak Net Worth during the immediately preceding four financial years.”

“Further Resolved that the report of Board of Directors relating to the said erosion and the causes of such erosion as annexed is considered and approved.”

“Further Resolved that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute such deeds and documents as it may, in their absolute discretion, deem necessary, desirable or expedient in connection with and/or for the purpose to give effect to the Resolution.”

“Further Resolved that the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution to any Director(s) or to any Committee of Directors or to any Officer(s) of the Company to give effect to these Resolutions.”

By order of the Board

Place : New Delhi
Dated : 14th July, 2012

Sunit Malhotra
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (“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. The Proxy form duly completed and signed, in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the Meeting.**



2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 98 of the Articles of Association of the Company, read with section 256 of the Companies Act, 1956 Shri R.L. Srivastava and Shri P.K. Viswanathan, Directors, retire by rotation at the ensuing meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
4. As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief resume and functional expertise of directors proposed for re-appointment are annexed to this notice along with the details of the Companies in which they are Directors and the Board Committees of which they are members.
5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2012 to 5th September, 2012 (both days inclusive).
7. Shareholders are requested to intimate to the Company/ Registrar and Share Transfer Agent, M/s Alankit Assignments Limited, change if any, in their registered addresses.
8. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
10. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company or to the Share Transfer Agent of the Company, M/s Alankit Assignments Limited, to enable it to consolidate their holdings in one folio.
11. Members are requested to bring their copies of the Report and Accounts to the meeting.
12. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No.) for easier identification and recording of attendance at the meeting.
13. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about the intended query at least seven days in advance of the meeting.
14. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and up to the accounting period ended 31st March, 1995 have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110 019.
15. Pursuant to Section 205A and 205C of the Companies Act, 1956, unpaid/ unclaimed dividends for the year 1995-96, 1996-97, 1997-98, 1998-99, interim and final dividend of 1999-2000, 2000-2001, 2001-2002 & 2003-04 have been transferred by the Company to "Investor Education & Protection Fund"(IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the shareholders.
16. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 and thereafter which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956, as detailed below:

Financial Year	Date of Declaration of Dividend	Due date for the transfer to IEPF
2004-05	27.09.2005	02.11.2012
2005-06	25.09.2006	31.10.2013
2009-10	24.09.2010	30.10.2017

Shareholders who have not so far encashed/claimed their dividend warrants for the financial year from 2004-2005 to 2005-2006 and 2009-2010 are requested to approach the Company for re-validation of dividend warrants or for obtaining duplicate dividend warrants. Shareholders are requested to note that no claim shall lie against the company or the said fund in respect of any amounts, which were, unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claim.

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17. Section 109A of the Companies Act, 1956, has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the company the particulars of their nominations. Shareholders may please write to the company for the prescribed Nomination Form.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s Alankit Assignments Limited.
19. The Notice of the Annual General Meeting will be sent to those members whose name will appear in the register of members as on 31st August, 2012 received from the Registrar.
20. Entry to the Auditorium will be strictly against entry slip available at the counters at the venue and against exchange of Attendance Slip.
21. For the security and safety of the Shareholders, no articles/baggage will be allowed at the venue of the meeting. The Members/Attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/ updating their e-mail addresses for receiving electronic communications.
23. Annual Report is also available at the website of the Company at www.sirshadilal.com in the Investors Relations section.

ANNEXURE TO NOTICE

(Explanatory statement under Section 173 (2) of the Companies Act, 1956)

ITEM NO. 5

In terms of provision under Section 23 of Sick Industrial Companies (Special provisions) Act 1985 (SICA), if the accumulated losses of an industrial Company as at the end of any financial year have resulted in erosion of 50 percent or more of its peak Net Worth during the immediately preceding 4 (four) financial years, the company is required to report the fact of such erosion of Net Worth to the Board for Industrial and Financial Reconstruction (BIFR) within the Specified time after finalization of duly audited accounts. Further, the shareholders of the Company are also required to consider such erosion of Net Worth.

The peak Net Worth of the company as per SICA as at end of the financial year 31st March 2010 was Rs. 83,29,57,572/- which after erosion, due to incurrence of losses during the last four years for the reasons explained below, has come down to Rs. 29,78,49,315/- as at end of the financial year 2011-12.

As the members are aware, the company's main business is production of Sugar and Distillery products. During the last four to five financial years due to higher sugar cane price fixed by the U.P. Government, decline in sugar recovery from cane, comparatively lower rate of sugar price in the market and unfavourable Government policies for the sugar sector, your company have suffered losses.

To overcome the adverse financial situation, the company has worked out a turnaround plan and identified the areas of intervention and actions required to be taken to ensure the long term viability of the operations of the Company. Through the various initiatives undertaken by the Company, the Company expects better operational and financial results during the financial year 2012-13 and onwards.

None of the Directors is concerned with or interested in the resolution.

**MEMBERS MAY PLEASE NOTE THAT NO GIFTS/
GIFT COUPONS SHALL BE DISTRIBUTED AT THE
VENUE OF THE MEETING.**

By order of the Board

Place : New Delhi
Dated : 14th July, 2012

Sunit Malhotra
Company Secretary



ANNEXURE TO THE A.G.M. NOTICE

INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT REGARDING APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR.

Sl. No.	Name of the Director	Date of Birth	Date of Appointment	Specialised/ Expertise	Qualification	Directorship of other Companies as on 31.03.2012	Chairman/ Member of Committees of other Companies as on 31.03.2012
1	2	3	4	5	6	7	8
1.	Sh. R.L. Srivastava	16.07.1939	28.09.1998	Retired as an Executive Director of the IFCI Ltd.. Mr. Srivastava has rich experience in the different fields of corporate financing and various aspects of the Sugar Industry during his long and distinguished career with IFCI. Mr. Srivastava was a Nominee Director of IFCI for 2 years on the Board of the Company and has more than 14 years of experience as Director of this Company.	M.Sc.	Regency Hospitals Limited	2
2.	Sh. P.K. Viswanathan	27.06.1934	04.01.2005	Mr. P.K. Viswanathan has varied experience of 39 years as Senior Executive with the established corporate groups. Mr. Viswanathan has more than 7 year experience as Director of this Company.	B.A.(Hons.)	Nil	Nil

By Order of the Board

Place : New Delhi
Dated : 14th July, 2012

Sunit Malhotra
Company Secretary

**DIRECTORS' REPORT**

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting the 78th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

During the year under review, the sugar segment of your Company passed through a difficult period. The summarized financial results of the company are presented below:-

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		(Rs. in Lacs)
Total Revenue	37615.53	34782.19
Loss before Finance Cost, Depreciation and Exceptional Item	2129.38	1707.95
Add : Finance Cost	2323.74	1834.19
Depreciation	1054.40	1286.51
Loss before exceptional item	5507.51	4828.65
Less : Exceptional item	-	3102.94
- Loss before Tax	5507.51	1725.71
Add : Current Tax	40.00	200.00
Less : Deferred Tax Assets	1609.54	512.60
- Net Loss for the year	3937.97	1413.11
Basic earning per share of Rs 10/- each	(75.01)	(26.92)
Diluted earning per share of Rs 10/- each	(75.01)	(26.92)

DIVIDEND :

In view of losses during the financial year 2011-12, your Directors regret their inability to recommend any dividend for the year ended 31st March, 2012.

REVIEW OF OPERATIONS:**SUGAR DIVISION :**

The manufacturing results of both the sugar factories for the crushing season 2011-12 as compared to the last crushing season are as under :-

Particulars	Upper Doab Sugar Mills		Unn Sugar Complex	
	Season		Season	
	2011-12	2010-11	2011-12	2010-11
- Gross Working days	155	149	145	134
- Cane Crushed (Qtls.)	8241725	8133546	4517554	4598019
- Average Cane Crush per Crop day (Qtls.)	53172	55173	31062	34243
- Manufacturing losses (%)	2.08	2.18	2.04	2.08
- Steam Consumption cane (%)	50.94	53.01	45.16	45.42
- Average Sugar recovery (%)	8.78	8.90	8.59	8.89
- Total sugar produced (Qtls.)	723617	723931	387921	408673

The cane crushed during the sugar season 2011-12 as compared to the sugar season 2010-11 in the Unit Upper Doab Sugar Mills is higher due to more crushing days.

In Unn Sugar Complex the cane crushed has declined during the sugar season 2011-12 as compared to the sugar season 2010-11 due to lower yield of cane in the area and lower crush rate per crop day.

The Sugar recovery % of cane has further declined during the season 2011-12 as compared to the sugar season 2010-11 in the entire western U.P. The reduction in average sugar recovery % at Upper Doab Sugar Mills is 0.12% and in Unn Sugar Complex is 0.30% in the sugar season 2011-12 as compared to the sugar season 2010-11.

We are happy to report that the steam consumption % cane and manufacturing losses have reduced in both the sugar units in the sugar season 2011-12 as compared to the sugar season 2010-11.



CANE DEVELOPMENT :

There has been a drastic reduction in the sugar recovery during the last 4-5 sugar seasons in most of the sugar mills in Western U.P. The sugar recovery for the sugar season 2011-12 has further come down in the sugar mills in Western U.P. as compared to the sugar season 2010-11.

The main reason for the fall in the recovery at our both the sugar units is due to further reduction in the area of early maturing variety of cane during the sugar season 2011-12. During the sugar season 2005-06 area under early maturing variety was 43% at Upper Doab Sugar Mills which came down to a level of 5% in the sugar season 2011-12. Similarly for Unn Sugar Complex, the area under early maturing variety came down to a level of 10% in the sugar season 2011-12. The early start of the crushing season 2011-12 at both the sugar units has further adversely affected the sugar recovery. The other factors adversely affecting sugar recovery are late planting of cane, lack of varieties with high pol%, poor crop husbandry, improper seed selection and treatment by cane growers, poor health of the soil, excessive use of Nitrogen fertilizer, incidence of white grubs & borers, stale cane, bad quality of cane etc.

We have prepared and implemented an action plan for the cane development activities. However, it would take three years to achieve a recovery of 9.5%.

DISTILLERY DIVISION:

The production in the Unit Shamli Distillery & Chemical Works in the Financial Year 2011-12 was 7361596 BL as compared to 7362188 BL in the Financial Year 2010-11.

There was a profit of Rs. 285.45 Lacs in the Financial Year 2011-12 as against profit of Rs. 73.36 Lacs in the Financial Year 2010-11 in the Distillery Division due to better realization of rectified spirit and ENA.

Further analysis of operating performance for sugar and distillery segment is covered under 'Management Discussion and Analysis' which forms part of this Report.

REFERENCE TO SICK INDUSTRIES & BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR) :

The accumulated losses of the Company as at 31st March, 2012 have resulted in more than 50% erosion of the peak Net Worth during the immediately preceding four financial years and the company is required to report this fact of erosion of the peak Net Worth by more than 50% to the BIFR under the provisions of Section 23 (1) (a) (i) of the Sick Industrial Companies (Special Provisions) Act, 1985.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 (The Act) and the Company's Articles of Association, Sh. R.L. Srivastava and Shri P.K. Viswanathan, Directors of the Company, retire by rotation u/s 256 of the Act, and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

The required information pursuant to clause 49 IV (G) of the Listing Agreement regarding their experience, qualifications, name of the companies in which both the Directors hold directorship and membership of the Committee of the Board are detailed in the Notice convening this Annual General Meeting against the relevant item of the Agenda, which forms part of this Annual Report.

Necessary resolutions for the re-appointment of both the aforesaid directors have been included in the Notice convening the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified from being appointed as directors as specified in terms of Section 274 (1) (g) of the Act.

AUDITORS:

M/s Basant Ram & Sons, Chartered Accountants, New Delhi, Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that they have subjected themselves to the peer review process of The Institute of Chartered Accountants of India and hold a valid certificate issued by the 'Peer Review Board' of the said institute and their proposed re-appointment, if made, will be in accordance within the limits specified u/s 224 (1-B) of the Act.

AUDITORS' OBSERVATIONS & AUDITORS REPORT:

There is no adverse observation in the Auditors' Report on the Accounts of the Company for the year ended March 31, 2012. The notes on the Financial Statements referred to in the Auditors Report are self-explanatory and therefore, do not call for any further explanations/comments.

COST AUDITORS:

The Central Government approved the appointment of Mr. Rishi Mohan Bansal as Cost Auditors for conducting Cost Audit for Sugar and Industrial Alcohol business for the Financial Year 2011-12.

The Cost Audit Reports for the last audited accounts for the financial year ended March 31, 2011 was filed by the Cost Auditors with respect to Sugar and Industrial Alcohol business on 24.9.2011, which is within the due date of 27.9.2011.

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FIXED DEPOSITS:

We report with satisfaction the confidence of the public in placing their fixed deposits with the Company. The total amount of fixed deposits as on 31st March, 2012 was Rs.3075.28 Lakhs as against Rs. 4629.76 Lakhs as on 31st March, 2011. Only a sum of Rs. 4.05 Lakhs relating to the 7 depositors was not claimed on the due dates up to the end of the financial year 2011-12. The deposits of Rs. 0.82 Lakhs relating to two depositors have been claimed and paid subsequently in the financial year 2012-13.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 217(1)(e) of the Act, read with Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules, 1988 are provided in 'Annexure 1' and forms part of this Report.

PARTICULARS OF EMPLOYEES:

Particulars of employees as required under Section 217(2A) of the Act, read with Companies (Particulars of Employees) Rules, 1975 as amended are given in 'Annexure 2' and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The performance of both the business segments i.e. sugar and distillery segments of the Company for the year ended 31st March, 2012 and current year prospects as required under Clause 49 of the Listing Agreement has been detailed in the 'Management Discussion and Analysis Report' in the section on Corporate Governance.

CORPORATE GOVERNANCE:

Your company complies with all the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges. The separate section on "Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is given in 'Annexure -3' and forms part of this Report.

CORPORATE GOVERNANCE - VOLUNTARY GUIDELINES:

The Board of Directors has taken cognizance of the 'Corporate Governance Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs (MCA) in December 2009. While the guidelines are recommendatory in nature, the board recognizes

the importance and need to constantly re-visit governance practices thereby ensuring a sustainable business environment that generates long term value to all key stakeholders. The board would consider adopting the relevant provisions of the said guidelines as and when deemed appropriate.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Sub-section 217(2AA) of the Act with respect to Directors' Responsibility Statement, the Directors confirm:

- i) that in the preparation of the Annual Accounts for the year ended March 31, 2012, the applicable Accounting Standards read with requirements set out under Schedule VI to the Act, have been followed and there are no material departures from the same;
- ii) that they 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 as at March 31, 2012 and of the loss of the Company for the year ended on that date;
- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that they have prepared the Annual Accounts of the Company on a 'going concern' basis.

LISTING ARRANGEMENT:

The shares of the Company are listed with the Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. The annual listing fee for the year 2012-2013 has been paid to both the stock exchanges.

CURRENT YEAR PROSPECTS:

i) SUGAR

Cane Price

The Uttar Pradesh (U.P.) Government through an order dated 8th November, 2011, raised the State Advised Cane Price (SAP) for the early maturing varieties from Rs. 205/- per quintal for the Sugar Season 2010-11 to Rs. 240/- per quintal for the Sugar Season 2011-12 and that for the early maturing varieties from Rs. 210/- per quintal to Rs.250/- per quintal. For the rejected varieties, the SAP was raised from Rs. 200/- per quintal to Rs. 235/- per quintal. Sugar Mills in U.P. pay SAP for sugar cane which historically is significantly higher than the FRP fixed by the Central Government.



Sugar Production & Consumption

Sugar production is estimated to close at 26 Million MT during the sugar season 2011-2012 from 24.4 Million MT in the sugar season 2010-11, on account of higher sugar production in U.P., while production in Maharashtra and Karnataka is expected to remain same compared to the previous sugar season.

Consumption is estimated to be around 22.5 Million MT. The Government had allowed quota based exports of 2 Million MT of sugar and subsequently removed the restriction on sugar exports to release the building of domestic inventory of sugar.

Trend in Domestic Sugar Prices

The Government of India increased the levy sugar price for the season 2011-12 from Rs.1832.60 to Rs.1889.85 per quintal.

The domestic sugar prices during the financial year 2011-12 remained subdued and range bound. Throughout the year price of free sale sugar hovered in the band of Rs. 2700 to Rs.3100 per quintal. The average realization in the Financial Year for free sale sugar in Upper Doab Sugar Mills during the financial year was Rs.2824.82 and in Unn Sugar Complex was Rs. 2819.24. For the fear of food inflation being stocked, Government policies aimed at pegging domestic sugar prices at lower level continued, regardless of the fact that the incidence of sugar price of inflation is miniscule. Going forward, any significant strengthening of domestic sugar prices in the near future is uncertain.

OUTLOOK AND CHALLENGES BEFORE THE INDUSTRY

The sugar Industry is currently going through one of the most challenging periods witnessed in the recent history, with sugar cane arrears to farmers being built up to record levels.

Recent changes in Indian Export policy for sugar augur well for the sugar Industry.

The Government has formed a committee headed by Mr. C. Rangarajan (Chairman - PMEAC), which will give the recommendations after hearing all the stakeholders views on the issues like levy obligation, release mechanism, export policy besides other issues ailing the sugar Industry.

The industry believes that any positive development on this front would also benefit the farmers as they would be adequately remunerated on the sugarcane sales.

ii) ETHANOL BLENDING

The ethanol blending programme is primarily based on indigenously produced ethanol from sugarcane molasses, which, besides augmenting fuel availability in the country, would also provide better returns for sugarcane farmers.

However, the process of pricing ethanol each year in itself is acrimonious and fraught with multiple problems. All three Ministries viz. the Food, Oil & Chemical Ministry are found wrangling with one another. A committee headed by Mr. Saumitra Chaudhuri, (Member - Planning Commission) and PMEAC has been formed to look into the pricing aspect and supply of ethanol on a sustainable basis. Ethanol usage can address the energy needs of the nation and resultantly foreign exchange reserves of the nation can be more gainfully deployed.

INDUSTRIAL RELATIONS:

The industrial relations remained cordial at all the plants of the Company during the year.

APPRECIATION:

Your Directors wish to place on record their sincere thanks and appreciation for the devoted services rendered by the employees of the Company at all levels. We also place on record our appreciation to the Financial Institutions, State Bank of India, Punjab National Bank, Zila Sahkari Bank Ltd. Ghaziabad, other Business Associates and Government Authorities for their valuable co-operation and support from time to time. We would also like to express our thanks to our Shareholders and Depositors for their continued confidence in the company.

For and on behalf of the Board

Place : New Delhi
Dated : 14th July, 2012

Onke Aggarwal
Chairman

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ANNEXURE '1' 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, 2012.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing on a regular basis. Details of measures taken for energy conservation during the financial year 2011-12 at the units, total energy consumption and energy consumption per unit of production are furnished in the prescribed form below.

Upper Doab Sugar Mills

- Installation of 4 nos. VFD's at I.D Fan of Boilers.
- Installation of Electric Boiler to generate Steam for Sulphur Burner.
- Auto Level Indicator cum controller for water service pump.
- Installation of water re-circulation pumps for cooling of Molasses storage tank 5, 6, & 7
- Two Nos. PTHE Installed for saving of steam at BH & C/F

Unn Sugar Complex

Installed 200 KVAR Power Capacitor at Power House & MCCS to increase the power factor 0.91 to 0.94 - 0.95.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Upper Doab Sugar Mills

- Planning to install the VFD'S at cane carriers & RJ/SJ/ CJ Pumps
- To reduce the Raw Water consumption by installing a new Tank of 35M³ capacity to collect the condensate over flow which is going in drain.

Unn Sugar Complex

- Installation of VFD at Cane Carrier.
- Installation of VFD at A.C. Sugar Centrifugal Machine.
- Plenty Gear Boxes on Crystallizers, Magma Mixers, Pugmil etc.
- Auto Power factor correction relay system to control the vector system.
- Reduction in Steam Consumption from 45% to 40% on cane.

Shamli Distillery & Chemical Works

Proposal is under consideration for plant capacity expansion from 25 KLPD to 60 KLPD with wash to ENA Multi pressure Distillation Technology, which will result in reduction of Steam and Power consumption per litre of product drastically.

c) Impact of the measure at (a) & (b) above for reduction of energy consumption and consequent impact on the Cost of production of goods.

Upper Doab Sugar Mills

- a) – Power saving 20% to 25% achieved by installing of VFD at Boiler.
- Steam saving 0.75% of Steam consumption achieved by installing of Electric Boiler.



- Power saving 50 KW/Hr. by installing Auto Level Indicator cum controller.
- Wastage of water eliminated by recirculation of water for the cooling of Molasses Tank.
- Steam Saving 0.75% of Steam consumption achieved by installing the both P.T.H.E

By undertaking the above measures the Steam consumption has reduced by 2% in the last sugar season.

- b) There will be further reduction of power consumption by 25% to 30% after implementation of the measures as detailed above.

Unn Sugar Complex

- After installation of power capacitor 3% power generation efficiency has increased and the hygromonic impact has also reduced.
- Installation of VFD's & plenty gear boxes at the above said units will conserve energy by 20% to 25%.
- Steam saving measures will add to additional revenue equivalent to 2.5% to 3% of additional bagasse.

Shamli Distillery & Chemical Works

Average Steam Consumption of 60 KLPD Wash to ENA Plant is lower at 3.5 Kg/BL.

- d) Total Energy consumption and energy consumption per unit of production as per form 'A' of the Annexure in respect of industries specified in the schedule thereto.

Particulars in respect of Sugar & Distillery Units of the Company as per Form 'A'.

(A) Power and fuel consumption :	Sugar Unit Current Year	Distillery Current Year	Sugar Unit Previous Year	Distillery Previous Year
1. Electricity :				
a) Purchased (Units)	21,15,632	9,684	19,36,124	11,449
Total amount (Rs.)	1,28,52,722	1,03,516	1,56,56,515	1,03,120
Rate/Unit (Rs.)	6.08	10.69	8.09	9.01
b) Own Generation :				
i) Through Diesel Generator (Units)	5,63,390	1,79,040	7,87,576	26,166
Unit per Ltr. of Diesel oil	2.97	2.94	2.96	2.42
Cost/Unit (Rs.)	14.35	15.12	13.00	23.71
ii) Through steam Turbine (Units)	3,11,84,486	37,56,173	3,27,83,756	40,99,621
Unit per pound of Steam	1.687	0.08375	1.816	0.081
Cost/Unit (Rs.)	1.41	7.29	1.28	7.00
2. Coal (specify quality and where used) :				
(a) Fire-wood used in Boilers:				
Quantity (MT)	NIL	NIL	NIL	NIL
Total value (Rs.)	NIL	NIL	NIL	NIL
Average Rate per MT (Rs.)	NIL	NIL	NIL	NIL

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE TO DIRECTORS' REPORT CONTD.....

	Sugar Unit Current Year	Distillery Current Year	Sugar Unit Previous Year	Distillery Previous Year
(b) Saw Dust :				
Quantity (MT)	NIL	NIL	NIL	NIL
Total value (Rs.)	NIL	NIL	NIL	NIL
Average Rate per MT (Rs.)	NIL	NIL	NIL	NIL
(c) Paddy Husk				
Quantity (MT)	NIL	4,073.89	NIL	3,516.73
Total value (Rs.)	NIL	1,65,78,209	NIL	1,32,97,162
Average Rate per MT (Rs.)	NIL	4,069.39	NIL	3,781.12
3. Furnace oil :				
Quantity (KL)	NIL	NIL	NIL	NIL
Total value (Rs.)	NIL	NIL	NIL	NIL
Average Rate per KL (Rs.)	NIL	NIL	NIL	NIL
4. Other (own bagasse)				
Quantity (MT)	3,34,465	15,817.17	3,44,483	15,022
Total value (Rs.)*	46,02,91,596	2,57,52,245	51,68,87,312	2,64,52,253
Average Rate per MT (Rs.)	1,376.20	1,628.12	1,500.47	1,760.90

*Bagasse, a residual received after crush of cane, is used as fuel in boilers. The notional value of the same has been taken at average sale price for the year.

(B) Consumption per unit of production :

Products Unit	Sugar Qtls.	Alcohol BL	Sugar Qtls.	Alcohol BL
Electricity KWH	28.81	0.3860	28.90	0.3749
Furnace oil KL	NIL	NIL	NIL	NIL
Fire-wood MT	NIL	NIL	NIL	NIL
Bagasse MT	0.285	0.0021	0.280	0.0020
Saw Dust	NIL	NIL	NIL	NIL
Paddy Husk	NIL	0.0005	NIL	0.0005

B. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM 'B'

I) Research & Development (R&D)

- Specific Areas in which R&D carried out by the company

Upper Doab Sugar Mills

- Interaction with the prominent cane growers of the areas to educate the cane growers and field staff members to disseminate the new and improved cane cultivation technology, innovation in sugar cane research, wheat plus sugar cane and autumn planting, deep ploughing and adoption of modern farming practices. Educating farmers for adoption of crop rotation, ratoon management, plant protection from pest and diseases.
- Monitoring of quality of power Generation and to improve the same by installing specific equipments i.e. Harmonic developed due to critical loads etc.
- Installation of Air conditioning and Hygro Meter in Sugar Godown no.10 to reduce moisture.



Unn Sugar Complex

- Interaction with the prominent cane growers of the areas to educate the cane growers and field staff members to disseminate the new and improved cane cultivation technology, innovation in sugar cane research, wheat plus sugar cane and autumn planting, deep ploughing and adoption of modern farming practices. Educating farmers for adoption of crop rotation, ratoon management, plant protection from pest and diseases.
- To maintain humidity level in the sugar godown on a trial basis, two high pressure air curtains units have been installed in the sugar godown No. 1. Also hygrometer fitted in the sugar godown No. 1 to monitor humidity.

2. Benefits derived as a results of the above R & D

Upper Doab Sugar Mills

- Awareness about the best practices of new and improved cultivation to the cane growers to obtain better yield and better quality of cane has been created.
- Reduction in false and nuisance tripping of Feeders
- Reduction of Moisture in Sugar Godown to maintain the Sugar quality.

Unn Sugar Complex

- Awareness about the best practices of new and improved cultivation to the cane growers to obtain better yield and better quality of cane has been created.
- Reduction of moisture in sugar godown to maintain the sugar quality

3. Future plan of action

- Conduct more and more farmers meetings and seminars with a view to educate the farmers of new technology, modern practices in cane cultivation, ratoon management etc., which have proven to be very useful through creating positive impact on the cane growers, to obtained higher yield and better sugar recovery.
- To encourage farmers to do autumn planting on a large scale for facilitating multiple cropping which would in turn maximize their returns and would result in better recovery.

4. Expenditure on R & D:

a) Capital	NIL
b) Recurring	Rs. 79,42,774
c) Total	Rs. 79,42,774
d) Total R & D expenditure as a percentage of total turnover	0.21%

CONTD.....



II. Technology absorption, adaptation and innovation

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

Upper Doab Sugar Mills

Planning for steam reduction and to adopt the Technology of Co-Generation.

Unn Sugar Complex

Planning for steam reduction. It is a continuous ongoing process. As and when new technology is available, it would be implemented after evaluation.

- 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Upper Doab Sugar Mills

Reduction in steam consumption and better operational efficiencies.

Unn Sugar Complex

Reduction in steam consumption and better operational efficiencies.

- 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:

- a) Technology imported
- b) Year of import
- c) Has technology been fully absorbed?
- d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action

} No Technology has been imported during the last five years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and service and export plans.

There was no export of Company's own products during the year.

- b) Total Foreign Exchange used and earned:
Used
Earned

Rs. NIL
Rs. NIL

For and on behalf of the board

Place : New Delhi
Dated : 14th July, 2012

Onke Aggarwal
Chairman



ANNEXURE '2' TO DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 217 (2A) (b) (ii) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED UP-TO-DATE, AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN Rs. 60,00,000 PER ANNUM.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experi-ence (Years)	Date of commence-ment of employment	Remun-eration paid (Rs.)	Previous Employer
NIL								

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION AT A RATE NOT LESS THAN Rs. 5,00,000 PER MONTH.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experi-ence (Years)	Date of commence-ment of employment	Remun-eration paid (Rs.)	Previous Employer
NIL								

For and on behalf of the Board

Place : New Delhi
Dated : 14th July, 2012

Onke Aggarwal

ANNEXURE '3' TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE FORMING PART OF THE DIRECTORS' REPORT

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The detailed report on Corporate Governance as prescribed by SEBI and incorporated in clause 49 of the listing agreement is set out below.

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations. Good governance practices stem from the culture and mindset of the organization and we are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, governance processes and an entrepreneurial, performance focused work environment. The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex interrelationship among the board of directors, audit committee, accounting, corporate secretarial team, auditors and senior management - the CEO and CFO. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

CONTD.....

**(2) BOARD OF DIRECTORS:****Composition and Category:**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The present strength of the Board of Directors is 8, out of which 4 are independent directors. The Chairman of the Board is the Non-Executive Director. The Board meets the requirement of not less than one-third being independent directors. All our Directors inform the Company Secretary every year about the Board membership and Board Committee membership the Directors occupy in other companies including Chairmanship. They notify us of any change as and when it takes place. Our Company Secretary places these disclosures before the Board. The category, composition, attendance of each director at the Board Meetings, last annual general meeting and number of other directorship and chairmanship/ membership of committees of each director in various Companies is given hereunder:

Sl. No.	Name of Director	Category	Attendance at Board Meetings*	Attendance at last AGM Held on 22/09/2011	No. of other Directorship held		Membership/ Chairmanship in Committees of other Companies	
					Public	Private	Chairman	Member
1.	Sh. Onke Aggarwal Chairman	Non-Executive Independent	5	Yes	-	-	-	-
2.	Sh. Rajat Lal Managing Director	Promoter Executive	5	Yes	-	-	-	-
3.	Sh. Vivek Viswanathan Joint Managing Director	Promoter Executive	5	Yes	-	-	-	-
4.	Sh. Hemantpat Singhania	Non-Executive Independent	5	Yes	1	2	3	4
5.	Smt. Sudha Singhania	Non-Executive	5	Yes	-	1	-	-
6.	Sh. R.L. Srivastava	Non-Executive Independent	5	Yes	1	-	1**	1
7.	Sh. R.C. Sharma	Non-Executive Independent	4	Yes	5	-	-	6
8.	Sh. P.K. Viswanathan	Non-Executive	4	Yes	-	-	-	-

*During the financial year 2011-12 five Board Meetings were held on 30.4.2011, 16.7.2011, 22.9.2011, 05.11.2011 and 28.01.2012.

**Shri R.L. Srivastava is a Chairman and member of two committees of the same company.

The Company has held atleast one Board Meeting in every three months.

Brief profile of all the Directors, nature of their expertise in specific functional area etc. have been put on the Company's Website.

The composition and structure of the Board is reviewed regularly by the Board keeping in mind the overall size of the Board, the balance between non-executive, independent and executive directors, age, experience and other attributes of the directors and changes in the Board.

Board Procedure

All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/ decisions in the Board and Committee Meetings. All such matters are communicated to the Secretary in advance by the Departments /Divisions. Secretary segregates the ones that can be discussed and decided internally and ones which need to be put up before the board, in consultation with the Chairman, Managing Director and/ or Joint Managing Director.



The Board meets atleast once a quarter to review the quarterly performance, operational performance and the financial results of the company. The Board and Committee meetings are scheduled well in advance and a Calendar for the year of Board and Committee Meetings are circulated. The Notice and Agenda of each Board and Committee meeting is given in writing to each Director. All the items on the Agenda are accompanied by supporting papers giving comprehensive information on the related subject. The Agenda and the relevant supporting papers are sent in advance separately to each Director. The Agenda papers submitted to the Board clearly indicate what decision is required. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted with the permission of Chairman.

The information as specified in Annexure I to clause 49 of the Listing Agreement is regularly made available to the Board. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, capital expenditure budgets, new investments, compliance with statutory / regulatory requirements etc., are considered by the Board. The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The Chairman and/or Managing Director or Joint Managing Director explains the proposal put up before the Board, the background and the expectations of the proposal in the short as well as the long term to contribute to the growth of the company. If need be, a presentation is made by the concerned executive and clarifications given. The Board then deliberates all these issues and come to a decision. The Chairman encourages participation and considers the views of all the Directors.

Secretary records the minutes of the proceedings of each Board and Committee meeting. The minutes recorded are self explanatory and decision arrived at the meeting are properly recorded. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minute Book within 30 days from conclusion of the meeting and are confirmed at the subsequent meeting.

Board decisions are promptly and clearly communicated to the operating management for implementation. An Action Taken Report is submitted to the Board/Committee at the subsequent meetings till the decisions are fully implemented.

The Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and ensures is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956, read with the Rules issued thereunder, any amendment thereof and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting.

In respect of Directors seeking appointment or re-appointment, the Notice for the Annual General Meeting contains all the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and name of the companies in which they hold Directorship and Membership of any Committee of the Board.

Code of Conduct for Board Members and Senior Management Team

Code of Conduct for the Directors as well as for the members of the Senior Management of the company was adopted in the Board Meeting held on 4th April, 2005. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and Members of Senior Management and the compliance of the same has been affirmed by them in respect of the Financial Year 2011-12 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put on the Company's Website - www.sirshadilal.com

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2012.

For and on behalf of the Board

Place : New Delhi
Dated : 14th July, 2012

RAJAT LAL
Managing Director

CONTD.....

**COMMITTEES OF THE BOARD**

The Company has constituted following Board level Committees:

(3) AUDIT COMMITTEE:**(a) Composition:**

The Board has constituted Audit Committee consisting of following Directors:-

Sl.No.	Name of the Director	Category	Attendance at Audit Committee Meeting*
1.	Sh. R.L. Srivastava, Chairman	Non-Executive Independent Director	6
2.	Sh. Onke Aggarwal, Member	Non-Executive Independent Director	6
3.	Sh. R.C. Sharma, Member	Non-Executive Independent Director	5

All the members of the Audit Committee are financially literate and more than one member possesses accounting and related financial management expertise. The concerned officials responsible for the finance function, the head of internal audit are invitees to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 22.9.2011 to answer shareholders' queries.

Sh. Sunit Malhotra Secretary of the Company acts as Secretary of the Audit Committee.

The composition of the Audit Committee meets the requirements of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

* During the year six meetings of Audit Committee were held on 29.4.2011, 16.7.2011, 29.7.2011, 22.9.2011, 04.11.2011 and 27.1.2012.

(b) Terms of Reference:

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee includes to exercise powers and discharge functions as stipulated in clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The primary purpose of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting processes in order to ensure timely, accurate and proper disclosure and the transparency, integrity and quality of financial reporting. The Audit Committee besides other activities reviews the quarterly/Annual Financial Results which thereafter goes to Sub-Committee for consideration of unaudited quarterly financial results/Board for approval.

The Audit Committee also reviews Management discussion and analysis of financial conditions and results of operations, Statement of significant related party transactions, Directors responsibility statement included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, Management Letters/ Letters of Internal Control Weaknesses issued by the Statutory Auditors and Internal Audit Reports relating to Internal Control Weaknesses.

The Audit Committee also recommends the appointment of Cost Auditor pursuant to the Circular No.52/5/CAB-2011, dated April 11, 2011 of Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi. Audit Committee also ensures that the Cost Auditor is free from any disqualification u/s 233 B (5) read with Section 224 and Sub Section (3) or Sub Section (4) of Section 226 of the Companies Act, 1956. The Audit Committee also obtains a Certificate from the Cost Auditor certifying its independence and arms length relationship with the company.

**(4) REMUNERATION COMMITTEE:****a) Composition & Terms of Reference:**

The Remuneration Committee consisting of the following Non-Executive Independent Directors was constituted/ reconstituted to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration package for Executive Directors.

Sl.No.	Name of the Director	Category	Attendance at Audit Committee Meeting*
1.	Sh. Onke Aggarwal, Chairman	Non-Executive Independent Director	-
2.	Sh. R.L. Srivastava, Member	Non-Executive Independent Director	-
3.	Sh. R.C. Sharma, Member	Non-Executive Independent Director	-

*During the year no meeting of the Remuneration Committee was held.

Sh. Sunit Malhotra Secretary of the Company acts as Secretary of the Remuneration Committee.

b) Remuneration Policy:**Non-Executive Directors**

The remuneration to the Non-executive Directors is decided and approved unanimously by the Board of Directors. The Non-Executive Directors are paid remuneration by way of sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.

The Non-Executive Directors are entitled to commission @ 1% of the Net Profit as approved by the shareholders and sitting fees @ Rs.12,000/- for each meeting of the Board or any Committee thereof attended by them. All the non-executive Directors are paid equal commission. Those who have worked for part of the year are being paid proportionately.

No commission was paid to the Non-Executive Directors during the year because of inadequacy of profit/losses.

Executive Directors

The remuneration committee has been constituted to frame and implement on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors. The Remuneration Committee also consider, approve and recommend to the Board of Directors the designation and increase in salaries for the Executive Directors, keeping in view the remuneration package offered by the other Corporate Houses of the industry. The policy, inter-alia, provides for the following:

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956
- Revision from time to time depending upon the performance of the company, individual Director's performance and prevailing industry norms.
- No sitting fees.

The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Remuneration Committee.

Presently, as the Company does not have any scheme of stock option plan, therefore the incentive by way of commission on profits is considered for the Directors/Executive Directors in remuneration package.

c) Details of Remuneration to all the Directors for the year ended March 31, 2012**(i) Remuneration to Non-Executive Directors**

During the Financial Year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

Sl.No.	Name of the Director	Category	Commission (Rs.)	Sitting fee (Rs.)	Total (Rs.)	For Service contract/ Notice period/ Severance fees	No. of Shares Held
1.	Sh. Onke Aggarwal Chairman	Non-Executive Independent	-	1,92,000	1,92,000	Retirement by Rotation	31710
2.	Sh. Hemantpat Singhania	Non-Executive Independent	-	84,000	84,000	Retirement by Rotation	-
3.	Smt. Sudha Singhania	Non-Executive	-	72,000	72,000	Retirement by Rotation	46167
4.	Sh. R. L. Srivastava	Non-Executive Independent	-	1,80,000	1,80,000	Retirement by Rotation	-
5.	Sh. R.C. Sharma	Non-Executive Independent	-	1,20,000	1,20,000	Retirement by Rotation	-
6.	Sh. P.K. Viswanathan	Non-Executive	-	48,000	48,000	Retirement by Rotation	138105
	Total			6,96,000	6,96,000		

CONTD.....

**(ii) Managing and Whole-time Directors**

Sl.No.	Name of the Director	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service contract/ notice period/ severance fees
1.	Sh.Rajat Lal, Managing Director	Executive	12,00,000	11,40,843	-	23,40,843	Contractual**
2.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	10,80,000	10,36,118	-	21,16,118	Contractual**
	Total		22,80,000	21,76,961	-	44,56,961	

* Perquisites include house rent allowance, electricity & fuel charges, medical reimbursement, medi-claim and personal accident insurance premium, Company's Contribution to provident fund and superannuation fund.

** Appointment is for five years period. Notice period is six calendar months, on either side.

5) SHAREHOLDERS COMMITTEES:

The Board of Directors has constituted the following Committees of shareholders:

- Shareholders/ Investors Grievance Committee.
- Share Transfer Committee.
- Sub Committee for consideration of unaudited Quarterly Financial Results.

The Shareholders/Investors Grievance Committee looks after the cordial investor relations and oversees the mechanism for redressing of shareholders and investors complaints like non-receipt of Annual Report, non-receipt of declared dividend warrants and transfer of shares. Share transfers/transmissions are approved by the Share Transfer Committee and are placed at the Board Meeting from time to time.

a) Shareholders/Investors Grievance Committee:

Sl. No.	Name of the Director	Attendance at Shareholders / Investors Grievance Committee	Category
1.	Sh. Hemantpat Singhania, Chairman	1	Non-Executive Independent Director
2.	Smt. Sudha Singhania, Member	1	Non-Executive Director
3.	Sh. Vivek Viswanathan	1	Executive Director

Sh. Sunit Malhotra Secretary of the Company acts as Compliance Officer and Secretary of the Shareholder/Investor Grievances Committee.

During the year one meeting of Shareholder/Investor Grievances Committee was held on 28.1.2012. There was no investor complaint outstanding as on 31.03.2012.

b) Share Transfer Committee:

Sl.No.	Name of the Director	Designation	Category	Attendance at committee meeting*
01.	Sh. Rajat Lal	Managing Director	Executive Director	9
02.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	9

* During the year nine meetings of Share Transfer Committee were held on 19.4.2011, 16.5.2011, 21.6.2011, 30.8.2011, 19.9.2011, 15.11.2011, 13.12.2011, 21.2.2012 and 21.3.2012.

Sh. Sunit Malhotra Secretary of the Company acts as Compliance Officer and Secretary of the Share Transfer Committee.

The Company has registered and delivered to the shareholders all the valid applications received for transfer/transmission/remat/ split/consolidation of shares during the year within the stipulated time, and there were no shares pending for transfer as on 31.03.2012.



c) Sub-Committee for consideration of Unaudited Quarterly Financial Results.

This Committee looks after and considers Unaudited Quarterly Financial Results on a quarterly basis, after the same has been recommended by Audit Committee.

Sl.No.	Name of the Director	Designation	Category	Attendance at sub-committee meeting*
1.	Sh. Rajat Lal	Managing Director	Executive Director	4
2.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	4
3.	Sh. Onke Aggarwal	Director	Non Executive Independent Director	4

Sh. Sunit Malhotra, Secretary of the Company acts as Secretary and Compliance Officer of the Sub-Committee.

* During the year four meetings of Sub-Committee were held on 29.4.2011, 29.7.2011, 4.11.2011 and 27.01.2012.

(6) CANE DEVELOPMENT COMMITTEE

The Cane Development Committee strengthens, guides and effectively monitors the efforts of the management in the matter of Cane Development.

Sl.No.	Name of the Director	Designation	Category	Attendance at Cane Development Committee meeting*
1.	Sh. Rajat Lal	Managing Director	Executive Director	5
2.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	4
3.	Sh. R.L. Srivastava	Director	Non Executive Independent Director	4

Sh. Sunit Malhotra, Secretary of the Company acts as Secretary of the Cane Development Committee.

* During the year five meetings of the Cane Development Committee were held on 31.5.2011, 21.6.2011, 30.8.2011, 17.10.2011 and 14.2.2012.

(7) NOMINATION COMMITTEE

The Nomination Committee considers the proposal for searching, evaluating and recommending appropriate Independent and Non-Executive Directors to the Board, based on an objective and transparent set of guidelines.

Sl. No.	Name of the Director	Designation	Category	Attendance at Nomination Committee Meeting*
1.	Sh. Hemantpat Singhania Chairman	Director	Non Executive Independent Director	1
2.	Sh. Rajat Lal	Managing Director	Executive Director	1
3.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	1
4.	Sh. Onke Aggarwal	Director	Non Executive Independent Director	1
5.	Sh. R.C. Sharma	Director	Non Executive Independent Director	1

Sh. Sunit Malhotra, Secretary of the Company acts as Secretary of the Nomination Committee.

* During the year one meeting of the Nomination Committee was held on 16.7.2011.

(8) GENERAL BODY MEETINGS:

Location and time where last three Annual General Meetings were held as given below:-

Sl. No.	Particulars of Annual General Meeting	Date	Location of the Meeting	Time
01.	75th A.G.M. in respect of the year 2008-2009	22.09.2009	P.H.D.House, Opp. Asian Games Village, New Delhi - 110 016.	11.30 A.M.
02.	76th A.G.M. in respect of the year 2009-2010	24.09.2010	P.H.D.House, Opp. Asian Games Village, New Delhi - 110 016.	11.30 A.M.
03.	77th A.G.M. in respect of the year 2010-2011	22.09.2011	P.H.D.House, Opp. Asian Games Village, New Delhi - 110 016.	11.30 A.M.

In the last three Annual General Meetings, no Special Resolution was passed as per details given below:

75th Annual General Meeting held on 22-9-2009.

No special resolution was passed.

CONTD.....



76th Annual General Meeting held on 24-9-2010.

No special resolution was passed.

77th Annual General Meeting held on 22-9-2011.

No special resolution was passed.

There was no Extra Ordinary General Meeting held from the date of last Annual General Meeting.

No business, which required the members' approval through Postal Ballot, was transacted during the Financial Year 2011-12.

(9) OTHER DISCLOSURES:

a) Related Party Transactions

There are no transactions of the company of material nature with promoters, directors, management, subsidiaries or relatives etc. which would have potential conflict with the interests of the company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 3.10 of the Financial Statement.

b) Disclosure of Accounting Treatment in preparation of Financial Statements

In the preparation of the financial statements, the Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India. There are no cases, wherein treatment different from that prescribed in Accounting Standards has been followed.

c) Risk Management

Business risk evaluation and management is an ongoing process within the Company, which is periodically reviewed by the Board of Directors for determining its effectiveness.

d) There have been no instances of non-compliance, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

e) The Company has fully complied with all the mandatory requirement of clause 49 of the Listing Agreement of the Stock Exchange. The company has submitted the quarterly compliance status report to the Stock Exchanges within the prescribed time limit.

f) Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time. The Company has adopted non-mandatory requirement of Clause 49 of Listing Agreement viz. (i) Remuneration Committee of the Board which has been constituted to recommend/review the remuneration package for the Executive Directors (ii) Nomination Committee to consider proposals for searching, evaluating and recommending appropriate and Independent Directors and Non-Executive Directors to the Board based on an objective and transparent set of guidelines.

g) The Company does not have any subsidiary Company.

(10) MEANS OF COMMUNICATIONS:

Quarterly Results : The Company's quarterly financial results are normally published in the "Money Maker" in English and "Bhagyodaya" in Hindi, News Papers. The quarterly/half yearly/annual financial results of the Company are regularly submitted to the Delhi Stock Exchange Limited and Bombay Stock Exchange Limited where the shares of the Company are listed.

Website : The Company's financial results are also displayed on the Company's website - www.sirshadilal.com. As per the requirements of Clause 52 and 54 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. is posted on corpfilng website i.e. www.corpfilng.co.in. and also on the company's website. The website also provides the basic information about the company e.g. details of its business, financial information, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The information provided on the website is being updated regularly.

In pursuance of circular bearing no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, various notices/ documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) are being sent to the shareholders through electronic mode to the registered e-mail addresses of the shareholders.



The Company has not issued any Press Release or made any presentation to the investors or analysts about its financial results during the year.

(11) MANAGEMENT DISCUSSION & ANALYSIS

An Overview

Your Company's operations are broadly divided into two business segments i.e. "Sugar" and "Alcohol.". The by-product molasses is used in the distilleries for manufacture of alcohol & ethanol. The segment-wise performance has already been reported vide Note No. 3.11 of Notes attached to the Annual Accounts under report.

The segment-wise detailed management discussion and analysis is stated below:

i) SUGAR

Global Sugar Industry

Industry facts

- Sugar is one of world's major agro-based industries and is also one of the most actively traded soft commodities on the exchanges.
- More than 80% of sugar produced is from sugarcane while balance is from sugar beet.
- Top 5 sugar producers in the world, namely Brazil, India, the EU, China and Thailand, account for over 60% of total production.
- The global sugar production has seen an upside during the last two season, despite being hit by adverse whether in Brazil.
- The global sugar prices have seen high level of volatility during the last one year ended 31st March 2012.

Indian Sugar Industry

Industry facts

- Second largest producer and the largest consumer of sugar in the world.
- Sugarcane cultivated in over 5 million acres in 2011-12, with U.P. and Maharashtra accounting for a combined 63% of the total acreage.
- 65% of sugar consumed by bulk consumers.
- Low per capita consumption at 19 kgs against 35 kgs in EU, 40 kgs in Thailand and U.S. and 62 kgs in Brazil.
- Second largest agro processing industry after cotton, involving over 50 million farmers.
- Around 527 sugar factories operational in 2010-11, with an average crushing capacity of roughly 3600 TCD.

Cane Price

The Uttar Pradesh (U.P.) Government through an order dated 8th November, 2011, raised the State Advised Cane Price (SAP) for the early maturing varieties from Rs. 205/- per quintal for the Sugar Season 2010-11 to Rs. 240/- per quintal for the Sugar Season 2011-12 and that for the early maturing varieties from Rs. 210/- per quintal to Rs.250/- per quintal. For the rejected varieties, the SAP was raised from Rs. 200/- per quintal to Rs. 235/- per quintal. Sugar Mills in U.P. pay SAP for sugar cane which historically is significantly higher than the FRP fixed by the Central Government.

Sugar Production & Consumption

Sugar production is estimated to close at 26 Million MT during the sugar season 2011-2012 from 24.4 Million MT in the sugar season 2010-11, on account of higher sugar production in U.P., while production in Maharashtra and Karnataka is expected to remain same compared to the previous sugar season.

Consumption is estimated to be around 22.5 Million MT. The Government had allowed quota based exports of 2 Million MT of sugar and subsequently removed the restriction on sugar exports to release the building of domestic inventory of sugar.

CONTD.....



Trend in Domestic Sugar Prices

The Government of India increased the levy sugar price for the season 2011-12 from Rs.1832.60 to Rs.1889.85 per quintal.

The domestic sugar prices during the financial year 2011-12 remained subdued and range bound. Throughout the year price of free sale sugar hovered in the band of Rs. 2700 to Rs.3100 per quintal. The average realization in the Financial Year for free sale sugar in Upper Doab Sugar Mills during the financial year was Rs.2824.82 and in Unn Sugar Complex was Rs. 2819.24. For the fear of food inflation being stoked, Government policies aimed at pegging domestic sugar prices at lower level continued, regardless of the fact that the incidence of sugar price of inflation is miniscule. Going forward, any significant strengthening of domestic sugar prices in the near future is uncertain.

OUTLOOK AND CHALLENGES BEFORE THE INDUSTRY

The sugar Industry is currently going through one of the most challenging periods witnessed in the recent history, with sugar cane arrears to farmers being built up to record levels.

Recent changes in Indian Export policy for sugar augur well for the sugar Industry.

The Government has formed a committee headed by Mr. C. Rangarajan (Chairman - PMEAC), which will give the recommendations after hearing all the stakeholders views on the issues like levy obligation, release mechanism, export policy besides other issues ailing the sugar Industry. The industry believes that any positive development on this front would also benefit the farmers as they would be adequately remunerated on the sugarcane sales.

Performance and Outlook for the Company

The Company has two sugar units namely Upper Doab Sugar Mills Shamli having capacity of 6250 TCD and Unn Sugar Complex, Unn having capacity of 5000 TCD. Both the sugar units are in District Prabhudh Nagar, U.P.

UPPER DOAB SUGAR MILLS, SHAMLI

The Crushing for the Season 2011-12 started on 7.11.2011 and closed on 10.4.2012. During the Crushing Season 2011-2012 we crushed 8241725 Quintals of sugar cane at an average recovery of 8.78% producing 723617 Quintals of Sugar in 155 days of working. The Last Sugar Season 2010-11 started on 24.11.2010 and closed on 21.4.2011. During the last Sugar Season 2010-11 we had crushed 8133546 Quintals of Sugar Cane with an average recovery of 8.90% and produced 723931 Quintals of Sugar in 149 days of working. The average cane crush per day was 53172 Quintals in the sugar season 2011-12 as compared to 55173 Quintals in the sugar season 2010-11.

UNN SUGAR COMPLEX

The Crushing for the Season started on 5.11.2011 and closed on 30.3.2012. During the Crushing Season 2011-2012 we crushed 4517554 Quintals of sugar cane at an average recovery of 8.59% producing 387921 Quintals of Sugar in 145 days of working. The Last Sugar Season 2010-11 started on 23.11.2010 and closed on 7.4.2011. During the last sugar season 2010-11, we had crushed 4598019 Quintals of Sugar Cane with an average recovery of 8.89% and produced 408673 Quintals of Sugar in 134 days of working. The average cane crush per day was 31062 Quintals in the sugar season 2011-12 as compared to 34243 Quintals in the sugar season 2010-11.

There is a loss of Rs. 5792.96 Lacs in the sugar units of the company in the Financial Year 2011-12. Such loss is mainly on account of higher sugar cane price declared by the U.P. Government for the sugar season 2011-12, lower sugar recovery from cane in the Financial year 2011-12 and average lower realization from the sale of free sale sugar during the Financial year 2011-12.

(ii) ALCOHOL & ETHANOL BLENDING

The ethanol blending programme is primarily based on indigenously produced ethanol from sugarcane molasses, which, besides augmenting fuel availability in the country, would also provide better returns for sugarcane farmers.

However, the process of pricing ethanol each year in itself is acrimonious and fraught with multiple problems. All three Ministries viz. the Food, Oil & Chemical Ministry are found wrangling with one another. A committee headed by Mr. Saumitra Chaudhuri, (Member - Planning Commission) and PMEAC has been formed to look into the pricing aspect and supply of ethanol on a sustainable basis. Ethanol usage can address the energy needs of the nation and resultantly foreign exchange reserves of the nation can be more gainfully deployed.



The production in the Unit Shamli Distillery & Chemical Works in the Financial Year 2011-12 was 7361596 BL as compared to 7362188 BL in the Financial Year 2010-11.

There was a profit of Rs.285.45 Lacs in the Financial Year 2011-12 as against profit of Rs.73.36 Lacs in the Financial Year 2010-11 in the Distillery Division due to better realization of rectified spirit and ENA.

The company has incurred loss before tax of Rs. 5507.51 lacs in the Financial Year 2011-12.

The accumulated losses of the company as at 31st March 2012 have resulted in more than 50% erosion of the peak Net Worth during the immediately preceding four Financial Years.

Human Resources initiatives and Industrial Relations

The Company has, as always, stood by its commitment of harnessing and developing its people resources in the best possible manner for achievement of its business goals and objectives. All through the year the level of people engagement has been of the highest order, which has impacted the process of business growth and up-gradation of various systems in a significant way.

Training and Development of employees

The process of training and development has continued with a view to upgrading skills and competencies of people. Employees across all levels including Senior, and Middle Management have been through various developmental programs customized to meet the individual and organizational needs. The organization has continuously worked towards providing an enabling work environment, which encourages people to acquire newer skills and knowledge so as to make them more effective, productive and tuned to the environmental changes.

Internal Control systems and their adequacy

The Company is conscious of the importance of internal processes and controls. Your company has designed internal control systems to handle the requirements of businesses of the company across various locations in regard to all business transactions - sales order to collections, purchase orders to payments, employee payments, expense payments, material and assets accounting etc.

We have an in-house internal audit department who carry out internal audit of all business areas of the Unn Sugar Unit and Shamli Distillery and Chemical Works. The Internal Audit Department assess the design and implementation of all business processes and systems, in addition to the transaction audit.

During the financial year 2011-12 the company outsourced the Internal Audit functions to a firm of Independent Chartered Accountants for its unit Upper Doab Sugar Mills.

The in house Internal Audit Team and the firm of Independent Chartered Accountants conduct the Internal Audit work on the basis of an Annual Audit plan, as approved by the Audit Committee of the Board of Directors. The objective of such Audits is to ensure the adequacy of Internal Control Systems and processes, adherence to the company's policies and guidelines and compliance with the applicable statutory regulations. These Audits also determine whether adequate internal controls are in place to mitigate risks. Observations made by Internal Auditors are reviewed and discussed by the Audit Committee. Internal Audit has a follow up process in place to verify the implementation of the recommendations made. The management gives lot of emphasis on continuous upgradation of business processes systems and adherence to the designed systems and processes.

(12) GENERAL SHAREHOLDERS INFORMATION:

a) Annual General Meeting:

Date, Time and Venue of
Next Annual General Meeting : 10th September, 2012 at 11.30 a.m.
P.H.D. House, Opp. Asian Game Village, New Delhi - 110 016.

b) Financial Calendar (2012-2013):

Financial reporting for the
quarter ending 30th June, 2012 : End of July, 2012

Financial reporting for the quarter
ending 30th Sept., 2012 : End of October, , 2012

Financial reporting for the
quarter ending 31st Dec., 2012 : End of January, 2013

Financial reporting for the
quarter ending 31st March, 2013 : End of April, 2013

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SIR SHADI LAL ENTERPRISES LIMITED

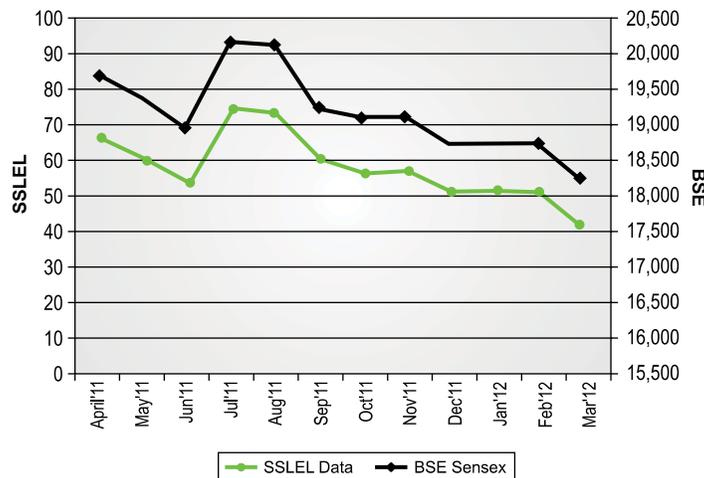
CORPORATE GOVERNANCE CONTD.....

- c) **Date of Books closure** : 1st September, 2012 to 5th September, 2012
(Both days inclusive)
- d) **Dividend payment date** : NIL
- e) **Listing on Stock Exchange** : The Delhi Stock Exchange Ltd.
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002.
: Bombay Stock Exchange Ltd.
25th Floor, P.J. Tower, Dalal Street,
Mumbai - 400001.
The Company has paid the listing fee to both the Stock Exchanges
for the financial year 2012-13.
- f) **Stock Code** : 19174 of The Delhi Stock Exchange Ltd.
532879 of Bombay Stock Exchange Ltd.
- g) **Corporate Identity Number (CIN)** : Our Corporate Identity No. is L51909DL1933 PLC009509, allotted
by the Ministry of Corporate Affairs, Government of India and our
Company Registration No. is 9509.
- h) **Market Price Data :**

The Market Price Data and Volume from 1st April, 2011 to 31st March, 2012 on the Bombay Stock Exchange Limited, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2011	67.00	54.30	34138
May, 2011	61.90	48.05	40129
June, 2011	55.00	48.75	14393
July, 2011	74.40	51.50	28324
August, 2011	74.00	44.60	42499
September, 2011	59.90	48.00	16877
October, 2011	57.75	49.00	42937
November, 2011	58.00	45.25	35126
December, 2011	52.00	36.00	23789
January, 2012	51.95	36.20	32561
February, 2012	51.80	37.75	18710
March, 2012	43.90	33.10	71095

- i) **BSE Sensex , Crisil Index etc** : Performance of share price of your company in comparison
to BSE Sensex during the period 01-04-2011 to 31-03-2012
is given below:





j) Registrar & Transfer Agent : M/s Alankit Assignment Ltd., Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055 have been acting as the Registrar and Share Transfer Agent for shares of the company.

k) Share Transfer System : The transfer of shares in physical form is processed by the Secretarial Department of the Company on the basis of data forwarded by the Share Transfer Agent, M/s Alankit Assignment Ltd. within the time prescribed. The Share Transfer Committee/ Board of Directors approves transfer of shares in physical form, transmission of shares, transposition of name, consolidation/ split of share certificates, remat of shares and issue of duplicate share certificates in lieu of the lost/misplaced share certificates. The Share Transfer Committee of the Board of Directors meet as and when required to consider and approve the share transfer/ transmission applications.

In case of shares in Electronic form the transfers are processed through Share Transfer Agent by NSDL/CDSL through respective Depository participants and the details on a regular basis are placed before the Share Transfer Committee of the Board of Directors/ Board of Directors.

l) Distribution of Shareholding and Shareholding pattern as on 31.03.2012

(i) Distribution of Shareholding:

Category	No. of Shareholders	%age	Physical	NSDL Demat	CDSL Demat	Total No. of Shares	%age
1 to 500	3143	84.649	92803	88326	47580	228709	4.356
501 to 1000	234	6.302	62475	71232	30286	163993	3.124
1001 to 2000	126	3.393	64122	84375	29926	178423	3.399
2001 to 3000	66	1.778	51092	62776	50194	164062	3.125
3001 to 4000	30	0.808	28320	50470	27633	106423	2.027
4001 to 5000	18	0.485	26942	46364	8970	82276	1.567
5001 to 10000	45	1.212	139232	112414	41106	292752	5.576
10001 and above	51	1.373	223635	2909143	900584	4033362	76.826
Total	3713	100.000	688621	3425100	1136279	5250000	100.000

CONTD.....

**(ii) Shareholding Pattern:**

	Physical Form		Demat Form		Total	
	No. of Shares	(%age)	No. of Shares	(%age)	No. of Shares	(%age)
A. Promoters' Holding						
1. Indian Promoters	–	–	2862271	54.520	2862271	54.520
2. Foreign Promoters	–	–	–	–	–	–
Total (A)	–	–	2862271	54.520	2862271	54.520
B. Non-Promoters Holding						
(i) Institutional Investors						
1. Mutual Funds and UTI	–	–	–	–	–	–
2. Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions)	–	–	371057	7.068	371057	7.068
3. FIIs	–	–	–	–	–	–
Sub-total (B-i)	–	–	371057	7.068	371057	7.068
(ii) Non-Institutional						
1. Private Corporate Bodies	18676	0.356	304568	5.801	323244	6.157
2. Indian Public	667668	12.717	1000765	19.062	1668433	31.779
3. NRIs	2277	0.043	22718	0.433	24995	0.476
Sub total (B-ii)	688621	13.116	1328051	25.296	2016672	38.412
Total (B)	688621	13.116	1699108	32.364	2387729	45.480
Grand Total (A+B)	688621	13.116	4561379	86.884	5250000	100.000

(m) Dematerialization

The Shares of the Company can be held in dematerialized mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN No. of the Company is INE 117 H 01019. As on 31.3.2012, 86.884% of the Equity Shares of the company were in dematerialized form and the balance 13.116% shares in physical form.

Status of Dematerialization/Physical Shares as on March 31, 2012

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	3425100	65.240	1716
Central Depository Services (India) Limited	1136279	21.644	832
TOTAL DEMATERIALIZED	4561379	86.884	2548
PHYSICAL	688621	13.116	1165
GRAND TOTAL	5250000	100.000	3713

- n) **Outstanding GDRs/ADRs/warrants or any convertible Instruments, Conversion Dates and likely impact on equity** : **The Company has not issued any GDRs/ADRs/Warrants Conversion or any convertible instruments**



o) Unclaimed Dividend:

Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 has mandated every company (including Non-banking Financial Companies and Residuary Non-banking Companies) to file the information of unclaimed and unpaid amounts as referred to in sub-section (2) and (3) of section 205C of the Companies Act, 1956. This information is required to be filed every year within a period of 90 days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of Section 166 of the Act, and every year thereafter till completion of the seven years' period. The information is to be filed in Form 5- INV as per the above mentioned rules and thereafter an excel sheet containing detailed investor wise details is to be filed separately. The e-Form, the excel template and detailed steps are provided in the IEPF application link on the portal www.iepf.gov.in (<http://www.iepf.gov.in>). For financial year ended on 31st March 2011, the e-Form should be filed latest by 31st July 2012.

As on 31.3.2011, the unpaid/unclaimed dividend were for the financial year 2003-04 to 2005-06 and 2009-10 for which Form 5- INV are required to be filed separately for each year before 31st July, 2012. The steps are being taken to file Form 5- INV for the above mentioned financial years.

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of 7 years from the date they became due for payment are required to be transferred by the Company to the Investor Education & Protection Fund (IEPF) administered by the Central Government, given below, are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2004-05	27.09.2005	02.11.2012
2005-06	25.09.2006	31.10.2013
2009-10	24.09.2010	30.10.2017

p) Equity Shares in the Suspense Account

In terms of Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued to the shareholders of the Company:

	Number of shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2011	142	28086
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	142	28086

In terms of Clause 5A (II) of the Listing Agreement, the Company has dematerialized and transferred 28,086 equity shares of the Company issued in physical form to 142 shareholders and remaining unclaimed, to the 'Sir Shadi Lal Enterprises Limited - Unclaimed Suspense Account'. No shares were transferred from the suspense account to the shareholders' accounts, during the year.

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

q) Plant Location

- i) Upper Doab Sugar Mills,
SHAMLI - 247776,
Distt. Prabudh Nagar (U.P.)
- ii) Unn Sugar Complex,
Block Unn, Distt. Prabudh Nagar (U.P.)
- iii) Shamli Distillery & Chemical Works,
SHAMLI - 247776,
Distt. Prabudh Nagar (U.P.)

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

r) Address for Correspondence

REGISTERED OFFICE

4-A, Hansalaya,
15, Barakhamba Road,
NEW DELHI-110001

Telephones:

011-23316409

011-23310414

Fax: 011-23722193

SHARE TRANSFER AGENT

M/s Alankit Assignments Ltd.,
'Alankit House'

2-E/21, Jhandewalan Extn.

NEW DELHI-110055.

Telephones:

011-23541234

011-42541234

Fax: 011-42540064

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

- s) Secretarial Audit for reconciliation of capital** : As stipulated by SEBI, a practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares of the Company are listed.

The said Audit Reports confirm that the total issue / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- (13) Compliance Officer** : Mr. Sunit Malhotra is the compliance officer for complying with the requirement of Listing Agreements with the Stock Exchanges.

- (14) Compliance Certificate of the Auditors** : The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report on Corporate Governance.

The certificate from the Statutory Auditors will be sent to the listed Stock Exchanges alongwith Annual Report of the Company.

- (15) CEO/CFO Certification** : Pursuant to Clause 49 of the Listing Agreement, the CEO/CFO have submitted the desired certificate to the Board of Directors & the same has been taken on record by the Board of Directors in their meeting held on 14th July, 2012.

For and on behalf of the Board

Place : New Delhi

Dated : 14th July, 2012

Onke Aggarwal

Chairman



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,

The Shareholders

SIR SHADI LAL ENTERPRISES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with Delhi Stock Exchange Ltd. and Bombay Stock Exchange Ltd. have been complied with in all material respect by the Company.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by share holders/investor grievance committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H.K. Chadha
Partner
Membership No. 6470

Place : New Delhi
Dated : 14th July, 2012



AUDITORS' REPORT

To,

The members of

Sir Shadi Lal Enterprises Limited

1. We have audited the Balance Sheet of Sir Shadi Lal Enterprises Limited as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' statement on the matters specified in paragraphs 4 and 5 of the said order.
4. In our opinion more than 50% of the peak Net Worth, during the immediately preceding four financial years of the company, has been eroded, which need to be reported by the company to the BIFR as required under the provisions of Section 23(1)(a)(i) of the Sick Industrial Companies (Special Provisions) Act, 1985.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H. K. Chadha

Partner

Membership No. 6470

Place : New Delhi

Dated : 14th July, 2012



ANNEXURE 'A' TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2012)

- i.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets except that cost and to date depreciation written off for certain assets, was available for group of assets.
 - b) The Company's programme of physical verification of all its fixed assets once in three years, is in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. We are informed that in accordance with the programme, no physical verification of fixed assets was carried out during the year under report.
 - c) In our opinion, there was no substantial disposal of fixed assets during the year.
- ii.
 - a) During the year, the inventories have been physically verified by the management *except for process stores at Shamli Sugar unit and stores and spares at Unn Sugar Unit*. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory, where conducted, followed by the management are reasonable and adequate in relation to the size of the Company.
 - c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.
- iii.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - b) The Company has taken demand loans/fixed deposits, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - c) The demand loans/fixed deposits were taken from seventeen parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved in the transactions during the year was Rs. 30.53 Crores and the year end balance of such loans/deposits was Rs. 21.31 Crores.
 - d) In our opinion, the rate of interest and other terms and conditions of fixed deposits taken from Directors / Managing Director and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company. No demand loans were taken by the company except from Directors/Managing Director, therefore the rate of interest and other terms and conditions of such demand loans are not comparable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and information and as per the explanations given to us, we have neither come across nor have been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control system.
- v.
 - a) In our opinion and according to the information and explanations given to us, the contracts and arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, that during the year there were no transactions exceeding value of Rupees five lacs that need to be entered into the Register in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act, 1956.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information and explanations given to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, relevant to Sections 58A, 58AA or the other relevant provisions of the Act.

CONTD.....



- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the Books of Account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. a) According to the information and explanations given to us and according to the books and records examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable with appropriate authorities.
- b) According to the records of the Company and the information and explanations given to us, there are no amounts in respect of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute, other than mentioned in 'Annexure-1' to this report.
- x. The Company does not have accumulated losses as at the end of the Financial Year 31st March, 2012. The Company has incurred cash losses amounting to Rs.4453.11 Lacs during the financial year ended 31st March, 2012, the Company has also incurred cash losses amounting to Rs.439.20 Lacs during the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- xii. According to the information and explanations given to us by the Management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/ mutual benefit fund/societies are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 4(xv) of the Order, are not applicable to the Company.
- xvi. According to the information and explanations given to us, in our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and based on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis (excluding Working Capital) have been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year and did not have any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H. K. Chadha
Partner

Place : New Delhi
Dated : 14th July, 2012

Membership No. 6470



(Annexure-1 as referred to in para ix. (b) of Annexure 'A' to the Auditors' Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2012).

Following are the particulars of disputed dues (provided/considered contingent liability, as appropriate) as on 31.03.2012 on account of Income-Tax, Sales-Tax, and Excise matters that have not been deposited on account of dispute:-

Name of the Statute	Nature of the Dues	A mount (Rs.in lacs)	Period to which the Amount relates	Forum where dispute is pending
Sales Tax Act	Entry Tax	93.83 1.71 19.22	2004-2005 2008-2009 2009-2010	High Court at Allahabad Jt. Commissioner (Appeals) Jt. Commissioner (Appeals)
Central Excise Tax	Modvat Credit	0.41	2003-2004 2004-2005	High Court at Allahabad/ Lucknow
Central Excise Act	Duty/Penalty	12.64 30.35 0.66 5.01 10.92 21.40 3.94	2007-2008 2008-2009 2007-2008 2007-2008 2008-2009 2008-2009 2008-2009	Commissioner Appeal Commissioner Appeal Commissioner Appeal Commissioner Appeal Commissioner Appeal Commissioner Appeal Commissioner Appeal
Central Excise Act	Penalty/Reversal of Modvat Credit/ Service Tax	2.09	1999-2000 to 2005-2006	Commissioner/(Asstt. Commissioner)
U.P. Excise Act	Penalty for Low Recovery Duty/Penalty	1.85 55.42	1991-1992 1988-1989	Excise Commissioner, Allahabad Weight & Measurement Department Saharanpur.
Income Tax Act	Pending Demand	11.25 44.40 23.59	2002-2003 2003-2004 2005-2006	DCIT, CC-19, Delhi DCIT, CC-19, Delhi DCIT, CC-19, Delhi

We have been informed that apart from above, there are no dues in respect of Wealth-tax, Service-tax, Custom Duty which have not been deposited on account of any dispute.

For BASANT RAM & SONS
Chartered Accountants
(Firm Regn. No. 000569N)

H. K. Chadha
Partner

Membership No. 6470

Place : New Delhi
Dated : 14th July, 2012



BALANCE SHEET

AS AT 31ST MARCH, 2012

	Note No.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	5,25,00,000	5,25,00,000
Reserve and surplus	2.2	24,53,49,315	63,91,46,872
		29,78,49,315	69,16,46,872
Non-current liabilities			
Long - term borrowings	2.3	19,84,33,000	54,11,70,049
Other long term liabilities	2.4	1,64,61,942	2,75,88,429
Long-term provisions	2.5	4,43,27,364	4,76,80,754
Total non-current liabilities		25,92,22,306	61,64,39,232
Current liabilities			
Short-term borrowings	2.6	2,06,72,83,360	1,56,83,57,380
Trade payables	2.7	83,23,26,711	21,66,62,755
Other current liabilities	2.8	24,19,12,823	33,83,59,594
Short-term provisions	2.9	11,61,31,896	30,18,59,278
Total current liabilities		3,25,76,54,790	2,42,52,39,007
Total		3,81,47,26,411	3,73,33,25,111
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	2.10	80,11,01,830	89,47,32,964
Non - Current Investments	2.11	20	20
Deferred tax assets (net)	2.12	27,14,42,162	11,04,88,389
Long - term loans and advances	2.13	1,08,03,604	79,06,815
Other Non-Current Assets	2.14	6,63,399	6,63,399
Total non-current assets		1,08,40,11,015	1,01,37,91,587
Current assets			
Inventories	2.15	2,60,50,70,782	2,48,38,95,527
Trade Receivables	2.16	3,75,47,837	8,56,52,288
Cash and cash equivalents	2.17	4,85,87,218	9,33,65,447
Short - term loans and advances	2.18	1,89,57,067	1,39,79,703
Other current assets	2.19	2,05,52,492	4,26,40,559
Total current assets		2,73,07,15,396	2,71,95,33,524
Total		3,81,47,26,411	3,73,33,25,111
Significant Accounting Policies & Notes on Financial Statements	1 to 4		

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants
Firm Registration No. 000569N

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Sh. Onke Aggarwal
Smt. Sudha Singhania
Sh. R.L. Srivastava
Sh. R.C. Sharma

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 14th July, 2012

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
Revenue from operations	2.20	3,74,79,23,486	3,46,13,98,823
Other Income	2.21	1,36,29,023	1,68,19,900
Total Revenue		3,76,15,52,509	3,47,82,18,723
Expenses			
Cost of material consumed	2.22	3,43,11,30,952	3,22,56,64,643
Differential Cane Price of earlier years	2.23	4,02,41,350	-
Purchase of stock in trade		-	4,68,86,705
Changes in Inventories of Finished goods, Work in progress & Stock in trade	2.24	(13,30,56,499)	(40,74,47,646)
Employee benefits expense	2.25	30,60,78,556	34,59,94,954
Finance cost	2.26	23,23,73,663	18,34,18,670
Depreciation	2.27	10,54,40,027	12,86,51,012
Other expenses	2.28	33,00,95,790	43,79,15,416
Total Expenses		4,31,23,03,839	3,96,10,83,754
Loss before exceptional items and tax		55,07,51,330	48,28,65,031
Exceptional items	2.29	-	(31,02,94,291)
Loss before tax		55,07,51,330	17,25,70,740
Tax expense:			
Current tax		40,00,000	2,00,00,000
Deferred tax Assets		(16,09,53,773)	(5,12,60,040)
Loss for the year		39,37,97,557	14,13,10,700
Number of Shares		52,50,000	52,50,000
Earnings per equity share			
– Basic		(75.009)	(26.916)
– Diluted		(75.009)	(26.916)

Figures in bracket () denote minus figures.

Significant Accounting Policies & Notes on Financial Statements

1 to 4

As per our report of even date for BASANT RAM & SONS Chartered Accountants Firm Registration No. 000569N

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Sh. Onke Aggarwal
Smt. Sudha Singhania
Sh. R.L. Srivastava
Sh. R.C. Sharma

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 14th July, 2012

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director



NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Fixed Assets

Fixed assets are recorded at acquisition/ construction cost less depreciation thereon. Interest on the term loans related to acquisition of fixed assets is capitalized upto the period such assets are ready for use.

1.2 Depreciation

- a) Depreciation is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on Fixed Assets on Rented land are amortized over the lease period.
- c) The exact written down value of some of the articles of meagre value written off under the head "Sales and Adjustments during the year" being not ascertainable, depreciation charged thereon in the previous years has been adjusted this year on proportionate basis.

1.3 Inventory Valuation

- a) Raw materials and stores & spares are valued at average cost.
- b) Stock-in-process is valued at estimated cost.
- c) Finished stocks are valued at "Lower of Cost and net Realisable Value" as prescribed by Accounting Standard-2 issued by the Institute of Chartered Accountants of India except that the by product of Molasses has been valued at lower of estimated cost and net realisable value because its cost price is not ascertainable.

1.4 Other Current Assets

Current Assets, Loans and Advances are accounted for at their net realizable value.

1.5 Investments

Investments are accounted for at cost as reduced by amount written off.

1.6 Sales

Sales are recognized when supply of goods takes place and include Excise Duty but exclude Sales Tax.

1.7 Recognition of Income/ Expenditure

Income/Expenditure are accounted for on accrual basis.

1.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.9 Employee Benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognised as expenditure at the undiscounted value in the period in which the employee renders the related service.

b) Post- employment benefits :

Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc. are recognised as expenses in the period in which the employee renders the related service in respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

c) Govt. administered fund, company has no further obligations beyond its monthly contributions.

d) The Company is also contributing to superannuation fund for key managerial personnel, at pre determined rates to the Superannuation Fund Trust, which is recognised as expenses in the period in which employee renders the related service, and there are no other obligations with regard to superannuation fund of key managerial personnel.

**NOTE 2 : NOTES TO ACCOUNTS****2.1 SHARE CAPITAL**

	<u>As at March 31, 2012</u> Rs.	<u>As at March 31, 2011</u> Rs.
2.1.1 Authorised		
2,00,00,000 (Previous year 2,00,00,000) Equity Shares of Rs.10/- each.	20,00,00,000	20,00,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
2.1.2 Issued, subscribed and fully paid up		
52,50,000 (Previous year 52,50,000) Equity Shares of Rs. 10/- each, Fully Paid up	5,25,00,000	5,25,00,000
	<u>5,25,00,000</u>	<u>5,25,00,000</u>

2.1.3 Out of the issued subscribed and paid up capital 17,50,000 equity shares of Rs. 10/- each issued as fully paid up bonus shares, by way of capitalization of General Reserve during the year ended on 31/03/2007.

2.1.4 Reconciliation of the number of shares :	Nos.	Nos.
Number of shares outstanding at the beginning and end of the year	52,50,000	52,50,000

2.1.5 Shares in the company held by each shareholder holding more than 5%Shares :

Name	As at March 31, 2012		As at March 31, 2011	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Promoters Holding				
i. Mr. Rajat Lal	920386	17.531	908256	17.300
ii. Mr. Vivek Viswanathan	1134407	21.608	1130320	21.530
iii. Smt. Poonam Lal	287745	5.481	287745	5.481
iv. Sh. Rahul Lal	287746	5.481	287746	5.481
Other Share Holders				
i. LIC of India	340026	6.477	393089	7.487

	<u>As at March 31, 2012</u> Rs.	<u>As at March 31, 2011</u> Rs.
2.2 RESERVE & SURPLUS		
Capital Redemption Reserve		
Opening balance	35,70,180	35,70,180
Reserve		
Opening balance	63,55,76,692	77,68,87,392
Surplus		
Opening balance	-	-
Less: Loss adjusted from Reserves	39,37,97,557	14,13,10,700
	<u>24,53,49,315</u>	<u>63,91,46,872</u>

**SIR SHADI LAL ENTERPRISES LIMITED**

	<u>As at March 31, 2012</u> Rs.	<u>As at March 31, 2011</u> Rs.
2.3 LONG TERM BORROWINGS		
SECURED		
Term Loans		
A) From Banks		
(i) State Bank of India	–	62,85,049
(ii) State Bank of India	5,62,50,000	13,12,50,000
(iii) Punjab National Bank	1,00,00,000	1,93,00,000
B) From Others		
Sugar Development Fund	3,32,00,000	3,32,00,000
	<u>9,94,50,000</u>	<u>19,00,35,049</u>
UNSECURED		
Fixed Deposits		
– Related Parties	5,91,88,000	24,93,08,000
– Others	3,97,95,000	10,18,27,000
	<u>9,89,83,000</u>	<u>35,11,35,000</u>
	<u>19,84,33,000</u>	<u>54,11,70,049</u>

- 2.3.1 a) Term Loan mentioned at A (i) Secured against first pari passu charge with Sugar Development Fund on the Fixed Assets of the company at Shamli.
- b) Term Loan mentioned at A(ii) & A(iii) Secured against first pari passu charge of State Bank of India with Punjab National Bank on the entire Fixed Assets of Unn Sugar Unit and by way of Collateral Security on second pari passu charge on Fixed Assets at Shamli.
- c) Loan from SDF Secured against first pari passu charge on the Fixed Assets of the Company at Shamli and second pari passu charges on the entire current assets of the Company.

2.3.2 Repayment Schedule

	State Bank of India (A(i))	State Bank of India (A(ii))	Punjab National Bank (A(iii))	Sugar Development Fund	Fixed deposit
Repayable in :					
F.Y. 2012–13	62,85,049	7,50,00,000	1,00,00,000		20,85,45,000
F.Y. 2013–14		5,62,50,000	1,00,00,000	66,40,000	4,69,91,000
F.Y. 2014–15				66,40,000	5,19,92,000
F.Y. 2015–16				66,40,000	
F.Y. 2016–17				66,40,000	
F.Y. 2017–18				66,40,000	
	<u>62,85,049</u>	<u>13,12,50,000</u>	<u>2,00,00,000</u>	<u>3,32,00,000</u>	<u>30,75,28,000</u>

2.3.3 Rate of Interest on Term Loan is based to PLR as on 31.3.2012. The applicable rate of Interest on Loan A (i) and A (ii) is 4.75 % above PLR and in case of A (iii) is 3.50% above PLR.

2.3.4 The rate of Interest on Loan from Sugar Development Fund is 4.00 % per annum.

2.3.5 The applicable rate of Interest on Fixed deposits ranges from 10.50 % to 11.50 % per annum as was prevailing at the time of acceptance of deposits.



	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
2.4 OTHER LONG TERM LIABILITIES		
Interest accrued but not due	1,09,61,942	2,20,88,429
Earnest Money and Security Deposits	55,00,000	55,00,000
	<u>1,64,61,942</u>	<u>2,75,88,429</u>
2.5 LONG TERM PROVISIONS		
Provision for Employee Benefits		
– Gratuity	3,24,26,116	3,24,81,067
– Leave salary	1,08,74,829	1,41,73,268
– Expenses	10,26,419	10,26,419
	<u>4,43,27,364</u>	<u>4,76,80,754</u>
2.6 SHORT TERM BORROWINGS		
SECURED		
Loan Repayable on Demand From Banks :	1,84,33,69,294	1,43,12,84,438
Refer note no.2.29(b) (iv)		
UNSECURED		
Fixed Deposits		
– Related Parties	12,60,48,000	1,63,46,000
– Others	8,20,92,000	9,49,42,000
Loan Repayable on Demand From Others :		
– Related Parties	1,57,41,666	2,57,48,597
– Others	32,400	36,345
	<u>2,06,72,83,360</u>	<u>1,56,83,57,380</u>
2.6.1 Cash Credit from Banks Secured against first pari passu charge by way of Hypothecation of the entire current assets including Finished & Semi-finished stocks, raw materials, stores and receivables of the Company in favour of State Bank of India and Punjab National Bank and by way of Collateral Security on second pari passu charge on fixed assets including extension of Equitable Mortgage of land and building of the Company at Shamli and Unn.		
The working capital loan of Rs. 2,825.02 lacs from Zila Sahakari Bank Ltd., Ghaziabad is secured by way of pledging of Sugar stock of the book value of Rs. 3,413.30 Lacs		
2.7 TRADE PAYABLES		
Micro, Small and Medium Enterprises	2,35,000	1,57,997
Others	83,20,91,711	21,65,04,758
	<u>83,23,26,711</u>	<u>21,66,62,755</u>

**SIR SHADI LAL ENTERPRISES LIMITED**

	<u>As at March 31, 2012</u> Rs.	<u>As at March 31, 2011</u> Rs.
2.7.1 The Details of amounts payable to Micro, Small and Medium Enterprises is based on available information with the Company:		
Particulars		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

2.8 OTHER CURRENT LIABILITIES**Current Maturities of Term Loans****From Banks :**

(a) State Bank of India (Refer Note No. 2.3.1)	8,29,21,636	8,32,92,781
(b) Punjab National Bank (Refer Note No. 2.3.1)	1,03,80,776	1,03,43,086
(c) Financial Assistance to Sugar Undertaking Scheme 2007		
i. State Bank of India	-	7,31,68,703
ii. Punjab National Bank	-	2,98,98,410

From Others :

Unclaimed Dividends	11,10,779	13,01,217
Earnest Money and Security Deposits	89,14,364	1,15,05,634
Interest accrued and due on Borrowings	2,49,54,991	1,71,19,940
Unpaid Matured Fixed Deposits and Interest	5,49,300	7,06,179
Other Payables	11,30,80,977	11,10,23,644
	<u>24,19,12,823</u>	<u>33,83,59,594</u>

2.8.1 Loan at (c) is secured against residual charge on the Fixed Assets of Sugar Unit at Shamli & Unn.

2.9 SHORT TERM PROVISIONS**Provision for Employee Benefits**

- Leave salary	46,80,537	69,63,422
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Others

- Taxation	33,55,876	5,35,315
- Expenses	30,35,283	19,15,03,810
- Excise Duty on Closing stock of Finished Goods	10,50,60,200	10,28,56,731
	<u>11,61,31,896</u>	<u>30,18,59,278</u>



NOTE 2.10 : FIXED ASSETS

Nature of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost As per last balance sheet 31.03.2011	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2012	Depreciation written off upto 31.03.2011	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FIXED ASSETS										
Land (Free hold)	2,47,80,825	-	-	2,47,80,825	-	-	-	-	2,47,80,825	2,47,80,825
Land (Lease hold)	13,97,05,665	-	-	13,97,05,665	-	-	-	-	13,97,05,665	13,97,05,665
Buildings	22,18,85,511	-	15,199	22,18,70,312	7,41,84,253	1,03,56,543	15,097	8,45,25,699	13,73,44,613	14,77,01,258
Plant & Machinery	1,44,93,83,548	1,24,85,479	19,09,453	1,45,99,59,574	87,42,42,421	9,28,98,891	15,76,389	96,55,64,923	49,43,94,651	57,51,41,127
Railway sidings & Trolley lines	19,202	-	-	19,202	19,076	-	-	19,076	126	126
Furniture & Fixtures	42,14,318	46,641	9,357	42,51,602	36,88,416	1,34,280	8,729	38,13,967	4,37,635	5,25,902
Vehicles	96,01,746	-	13,03,636	82,98,110	61,19,568	8,51,766	9,14,203	60,57,131	22,40,979	34,82,178
Structure on rented Land	1,10,28,505	-	-	1,10,28,505	76,32,622	11,98,547	-	88,31,169	21,97,336	33,95,883
Total :	1,86,06,19,320	1,25,32,120	32,37,645	1,86,99,13,795	96,58,86,356	10,54,40,027	25,14,418	1,06,88,11,965	80,11,01,830	89,47,32,964
Previous Year	2,04,73,91,509	5,11,30,198	23,79,02,387	1,86,06,19,320	99,71,53,716	12,86,51,012	15,99,18,372	96,58,86,356		
Total :									80,11,01,830	89,47,32,964

Notes:

2.10.1 Title deeds of land of the aggregate face value of Rs. 1,39,525 at Shamli are lodged as security with IFCL Ltd. Similarly title deeds of land of the aggregate face value of Rs. 2,46,41,300 of Unn Sugar Unit are lodged as security against loans with State Bank Of India, New Delhi.

2.10.2 Building on lease hold land and free hold land are not separately shown, because value of such building at Unn Sugar Complex is being ascertained.

**SIR SHADI LAL ENTERPRISES LIMITED**

	<u>As at March 31, 2012</u> Rs.	<u>As at March 31, 2011</u> Rs.
2.11 NON CURRENT INVESTMENTS		
In Equity Shares Fully paid-up (at cost) :		
a) Shamli Co-operative Cane Development Union Limited (One Share)	10	10
b) Saharanpur Co-operative Cane Development Union Limited (One Share)	10	10
	<u>20</u>	<u>20</u>
2.11.1 All the above investments are unquoted.		
2.12 DEFERRED TAX ASSETS		
At the year end comprising timing difference on account of :		
Depreciation	5,04,13,575	5,80,71,160
Less: Expenditure/Provisions allowable on account of :		
Employees Benefits	15,80,442	17,42,892
Taxes, duties, cess etc	2,91,05,878	2,84,37,805
Provision for Bad & doubtful debts.	2,64,457	-
Assessed loss under Income Tax Act' 1961.	29,09,04,960	13,83,78,852
Net deferred tax Assets	<u>27,14,42,162</u>	<u>11,04,88,389</u>
2.12.1 In accordance with "Accounting Standard-22" the company has recognized the Deferred Tax Assets Rs. 16,09,53,773/- which has been adjusted in Profit & Loss account.		
2.13 LONG TERM LOANS AND ADVANCES		
Capital Advances (Refer Note No. 3.1)	8,04,000	-
Security Lodged	66,46,740	54,49,240
Unsecured, Considered good		
Due from a Co-operative Society bearing no interest	50,000	50,000
Loan to employees	10,000	40,000
Advances recoverable in cash or in kind		
Unsecured, Considered doubtful		
Advances recoverable in cash or in kind	1,87,192	187,192
Less : Provision for doubtful advances	<u>1,87,192</u>	<u>187,192</u>
Recoverable or adjustable from Govt. Departments :		
Sales Tax paid	9,90,133	3,74,653
Excise Duty Deposited	22,93,617	19,52,111
Prepaid Expenses	9,114	40,811
	<u>1,08,03,604</u>	<u>79,06,815</u>

2.13.1 Government Securities of the book value of Rs. 1,51,000/- are lodged as security with different government departments for which confirmations from respective departments are still awaited (Previous Year Rs. 1,51,000/-).



	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
2.14 OTHER NON CURRENT ASSETS		
Stores & Spares	6,63,399	663,399
	6,63,399	663,399
2.15 INVENTORIES		
Raw materials at average cost	55,14,594	1,12,35,610
Semi – finished stocks at estimated cost	3,20,13,646	4,22,04,785
Finished Stocks at lower of cost and net realizable value	2,49,92,85,215	2,35,38,34,108
Stores and Spares at average cost	6,58,83,376	7,42,31,776
Loose Tools and Implements at average cost	23,73,951	23,89,248
	2,60,50,70,782	2,48,38,95,527
2.16 TRADE RECEIVABLE		
Debts outstanding for a period more than six months		
Unsecured, Considered good	3,17,950	5,69,37,572
Other Debts		
Unsecured		
Considered Good	3,72,29,887	2,87,14,716
Considered doubtful	1,60,59,971	1,58,30,497
Less : Provision for doubtful debts	1,60,59,971	1,58,30,497
	3,75,47,837	8,56,52,288
2.17 CASH AND CASH EQUIVALENTS		
Balance with Scheduled Banks in current Account	49,39,982	3,04,71,282
Cash, Drafts and Stamps	6,97,864	7,39,703
Balance with Scheduled Banks in Dividend Account	11,10,779	13,01,266
Fixed Deposits lodged as Security/Margin Money	46,96,439	28,37,268
Fixed Deposit In hand	–	2,00,00,000
Molasses Storage Facility Fund saving a/c	21,74,741	28,33,485
Fixed Deposit Liquid Fund saving a/c	1,39,25,329	1,48,50,682
Dharmada saving a/c	2,10,42,084	2,03,31,761
	4,85,87,218	9,33,65,447

2.17.1 Fixed Deposits with banks lying in Security Lodged Account includes deposit of Rs.17,73,630/- (Previous year Rs. 17,73,630/-) with maturity of more than 12 Months.

2.17.2 Fixed Deposits lodged as Security includes Rs. 26,59,000/- pledged with bank against Bank Guarantee (Previous year Rs. 84,000/-)



SIR SHADI LAL ENTERPRISES LIMITED

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
2.18 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Due from a Co-operative Society bearing no interest		
Loan to employees	30,000	30,000
Advances recoverable in cash or in kind	30,49,150	34,83,428
Recoverable or adjustable from Govt. Departments :		
Sales Tax paid	1,00,00,000	-
Excise Duty Deposited	41,63,367	85,49,223
Prepaid Expenses	17,14,550	19,17,052
	<u>1,89,57,067</u>	<u>1,39,79,703</u>
2.19 OTHER CURRENT ASSETS		
Interest accrued	9,92,067	8,35,371
Claims pending settlement	-	50,427
Interest on excise loan recoverable	45,22,732	2,66,94,226
Others	1,50,37,693	1,50,60,535
	<u>2,05,52,492</u>	<u>4,26,40,559</u>
	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
2.20 REVENUE FROM OPERATIONS		
Sale of Products	3,85,94,96,463	3,60,09,87,896
Less: Excise Duty	17,41,46,644	15,77,80,218
	<u>3,68,53,49,819</u>	<u>3,44,32,07,678</u>
Other Operating Revenues	6,25,73,667	1,81,91,145
Revenue from Operations	<u>3,74,79,23,486</u>	<u>3,46,13,98,823</u>
2.20.1 Sale of Products		
Sale of Sugar	3,25,01,12,289	2,79,22,98,510
Sale of Molasses	20,30,01,352	17,34,75,644
Sale of Bagasse	15,40,51,215	17,57,76,277
Sale of Press Mud	1,98,24,894	1,83,12,670
Sale of Distillery products	22,72,21,552	43,30,44,730
Sale of Bio – Compost	52,85,161	80,80,065
	<u>3,85,94,96,463</u>	<u>3,60,09,87,896</u>
2.20.2 Other Operating Revenues		
Bottling charges	-	1,81,91,145
Income from Sugar export quota entitlement	6,25,73,667	-
	<u>6,25,73,667</u>	<u>1,81,91,145</u>

2.20.3 Turnover includes inter-unit sales of Rs. 10,17,12,920/- (Previous year Rs. 11,57,49,427/-).



	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
2.21 OTHER INCOME		
Interest income	27,32,826	37,44,950
Profit on sale of Fixed Assets/Stores	8,72,120	1,28,239
Income from agricultural activity (Net)	3,26,451	5,04,064
Refund of Excise Duty/Sales Tax paid in earlier years	–	2,60,607
Provision for bad & doubtful debts provided in earlier years written back	6,26,374	19,27,384
Other Non – Operating Income	90,71,252	1,02,54,656
	1,36,29,023	1,68,19,900

2.21.1 Tax deducted at source on Interest income Rs. 1,13,472/- (Previous year Rs. 6,03,549/-)

2.22 COST OF MATERIALS CONSUMED

Raw Materials at Commencement	1,12,35,610	5,44,86,540
Add : Purchases during the year ¹	3,42,54,09,936	3,18,24,13,713
	3,43,66,45,546	3,23,69,00,253
Less : At Close	55,14,594	1,12,35,610
Raw Materials consumed	3,43,11,30,952	3,22,56,64,643

1 Purchases include Rs.7,81,75,948/- Inter – unit transfers (Previous Year Rs. 7,79,01,314/-)

2.22.1 Particulars of Materials Consumed

	Quantity Qtls.		Quantity Qtls.	
i) Sugarcane (100% indigenous)	1,34,32,520	3,33,23,71,612	1,37,36,234	3,05,78,97,036
ii) Molasses (100% indigenous)	3,23,434	9,15,83,689	5,01,999	14,66,54,840
iii) Malt (100% indigenous)	–	–	3,026	67,51,825
iv) Press Mud (100 % indigenous)	1,81,895	71,75,651	3,72,434	1,43,60,942
	3,43,11,30,952		3,22,56,64,643	

2.23 DIFFERENTIAL CANE PRICE OF EARLIER YEARS

Differential Cane Price of earlier years	4,02,41,350	–
	4,02,41,350	–

2.23.1 The Hon'ble Supreme Court vide its Judgment dated 17.01.2012 have decided that differential Cane price for the season 2007–08 is payable by the Company. The deficit in provision of differential Cane price for Rs. 4,02,41,350/- has been made during the year.

**SIR SHADI LAL ENTERPRISES LIMITED**

	For the year ended March 31, 2012 Rs.		For the year ended March 31, 2011 Rs.	
2.24 CHANGES IN INVENTORY OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE				
Stocks at commencement :				
Finished Goods				
– Manufactured Goods	2,35,38,34,108		1,94,84,98,485	
– Traded Goods	–	2,35,38,34,108	22,70,802	1,95,07,69,287
Semi-finished Goods		4,22,04,785		3,97,94,624
		2,39,60,38,893		1,99,05,63,911
Less : Stocks at Close :				
Finished Goods				
– Manufactured Goods	2,49,92,85,215		2,35,38,34,108	
– Traded Goods	–	2,49,92,85,215	–	2,35,38,34,108
Semi-finished Goods		3,20,13,646		4,22,04,785
		2,53,12,98,861		2,39,60,38,893
Excess of Opening Stocks over Closing Stocks		(13,52,59,968)		(40,54,74,982)
Less:				
Variation in Excise Duty of Opening Stocks over Closing Stocks		22,03,469		(19,72,664)
Net variation in Opening & Closing Stocks of Finished & Semi-Finished Goods		(13,30,56,499)		(40,74,47,646)

2.24.1 Figures in Bracket () denote excess of closing stock over opening stocks.

2.25 EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	25,98,91,706	27,84,97,591
Bonus	39,62,623	82,77,985
Leave Wages paid/provided	72,71,451	1,40,73,160
Contribution to Provident Fund and Family Pension Fund	2,56,16,574	2,54,42,090
Contribution to Approved Superannuation Fund for Managerial Personnel	3,42,000	3,54,000
Provision/Contribution to Approved Gratuity Fund	62,53,947	1,58,66,587
Staff Welfare	27,40,255	34,83,541
	30,60,78,556	34,59,94,954

2.25.1 Salary & Wages includes Rs.38,41,361/- paid to Managerial Personnel (Previous year Rs. 40,16,653/-) and also includes Rs. NIL paid under Voluntary Retirement Scheme (Previous Year Rs. 69,54,217/-).

2.25.2 Provident Fund includes Rs. 2,73,600 for Managerial Personnel (Previous year Rs. 2,83,200/-)

2.25.3 Contribution to Provident fund, Superannuation fund and Family Pension Fund charged off during the year are as under.

PARTICULARS	2011-12	2010-2011
Employer contribution to Provident fund	1,22,07,505	1,18,01,315
Employer contribution to Family pension fund	1,02,46,732	1,08,57,310
Employer contribution to Superannuation fund	3,42,000	3,54,000

The Company also provides for post employment defined benefit in the form of gratuity and leave liability. The Employee's Gratuity Scheme is managed by Life Insurance Corporation of India defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit Method at each Balance sheet date.



	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
The details provided by Actuary in respect of Gratuity and Leave liability are as under :		
PARTICULARS		
A KEY ASSUMPTIONS		
Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Attrition Rate	05.00 % p.a.	05.00 % p.a.
Imputed Rate of Interest	08.65 % p.a.	08.25 % p.a.
Salary Rise	05.00 % p.a.	05.00 % p.a.
Return on Plan Assets	09.30 % p.a.	09.30 % p.a.
Remaining Working Life	15.65 Years	15.65 Years
B GRATUITY LIABILITY		
1 CHANGES IN PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	10,51,21,561	10,52,18,462
Interest Cost	86,18,897	80,12,937
Current Service Cost	54,71,925	54,16,441
Benefit Paid	(1,09,62,268)	(1,61,83,899)
Actuarial Gain/Loss on obligation	(17,95,416)	26,57,620
Present value of obligation as on 31st March	10,64,54,699	10,51,21,561
2 CHANGES IN THE PRESENT VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the I.V.P.	7,26,40,492	7,68,44,503
Expected Return on Plan Assets	65,34,858	66,65,191
Contribution	62,15,870	54,84,753
Withdrawal	(1,09,62,268)	(1,58,36,319)
Actuarial Gain/Loss on Plan Assets	(4,00,369)	(5,17,636)
Fair value of plan Asset at 31st March	7,40,28,583	7,26,40,492
3 FAIR VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the I.V.P.	7,26,40,492	7,68,44,503
Actuarial Return on Plan Assets	61,34,489	61,47,555
Contribution	62,15,870	54,84,753
Withdrawal	(1,09,62,268)	(1,58,36,319)
Fair Value of Plan Assets at the end of the I.V.P.	7,40,28,583	7,26,40,492
Present value of obligation at the end of the I.V.P.	10,64,54,699	10,51,21,561
Funded Status/Net Liability recognised in Balance Sheet	(3,24,26,116)	(3,24,81,069)
4 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS		
Current Service Cost	54,71,925	54,16,441
Interest Cost	86,18,897	80,12,937
Expected Return on Plan Assets	(65,34,858)	(66,65,191)

**SIR SHADI LAL ENTERPRISES LIMITED**

	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
Actuarial (Gain)/Loss recognised in the I.V.P.	(13,95,047)	31,75,256
Expenses Recognised in the statement of Profit & Loss	61,60,917	99,39,443

NOTE :- To match the figures with Actuarial liability as on 31.3.2012 amount of Rs. 93,030/- has been charged to statement of Profit & Loss (Previous year Rs. 59,27,144/-).

C LEAVE LIABILITY

1 Present value of obligation at the beginning of the year	1,41,73,268	1,31,92,013
Interest Cost	6,70,105	5,82,001
Current Service Cost	66,20,350	81,66,434
Benefit Paid	(1,28,52,775)	(1,22,74,921)
Actuarial Gain/Loss for the IVP	22,63,881	45,07,741
Present value of obligation long term as on 31st March,	1,08,74,829	1,41,73,268
Present value of obligation short term as on 31st March,	46,80,537	69,63,422
Net Liability recognized in Balance Sheet as on 31st March	1,55,55,366	2,11,36,690

2 EXPENSES RECOGNISED IN THE STATEMENT**OF PROFIT & LOSS**

Current Service Cost	66,20,350	81,66,434
Interest Cost	6,70,105	5,82,001
Expected Return on Plan Assets	(-)	(-)
Actuarial (Gain)/Loss recognised in the I.V.P.	22,63,881	45,07,741
Expenses Recognised in the statement of Profit & Loss	95,54,336	1,32,56,176
Termination Benefits – Voluntary Retirement Scheme		

2.26 FINANCE COST

Interest Expenses	22,64,39,110	17,63,57,332
Other Borrowing cost	59,34,553	70,61,338
	<u>23,23,73,663</u>	<u>18,34,18,670</u>

2.26.1 Interest Includes Rs. 2,24,65,460/- paid to Managerial Personnel (Previous Year Rs. 2,68,81,866/-)

2.27 DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation on Tangible Assets	10,54,40,027	12,86,51,012
	<u>10,54,40,027</u>	<u>12,86,51,012</u>



	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
2.28 OTHER EXPENSES		
Store consumed	4,21,60,233	5,07,51,964
Power and Fuel	6,58,29,147	9,55,02,707
Packing & Forwarding	6,34,00,668	9,60,43,647
Repairs :		
Plant and machinery	8,26,18,414	9,16,98,622
Buildings	47,71,893	1,38,37,045
Others	39,99,316	40,14,577
Cane & Road Development	79,42,774	10,95,50,244
Rent	11,91,604	44,17,042
Rates & Taxes	40,15,730	12,81,641
Insurance	18,54,571	50,36,509
Travelling & Vehicles	95,88,946	23,58,499
Legal & Professional	42,60,261	1,06,98,382
Postage, Telegram and Telephones	12,68,825	88,70,775
Stationery & Printing	19,85,520	16,97,110
Bank Charges	7,67,886	20,36,643
Subscription and Advertisement	22,28,862	12,61,362
General Charges	44,47,269	15,71,546
Directors Fee	6,96,000	64,94,190
Directors Travelling	3,66,108	6,36,000
Charity & Donations	49,701	4,93,007
Bad Debts & Claims written off	78,713	96,000
Provision for Bad & Doubtful debts	8,55,847	37,08,673
Fines & Penalties	1,35,700	-
Audit Fee	3,00,000	1,60,910
Loss on Sale & Disposal of :		3,00,000
Fixed Assets	3,32,235	40,65,259
Other Assets	20,16,081	10,90,096
Excise Duty & Bottling Fee	4,29,467	2,56,492
Transportation & Selling	1,10,17,956	1,21,95,556
Commission on Sales	1,10,36,449	1,28,21,928
Rebate on sales	3,38,000	10,000
Transit loss on sales	1,11,614	1,97,887
Commitment charges paid under contractual agreement	-	43,11,347
	33,00,95,790	43,79,15,416

2.28.1 General charges is net of previous year income over expenses of Rs. 6,26,982/- (Previous year Rs. 1,86,544/-)

2.28.2 Particulars of Spare Parts and components :

	% of total consumption		% of total consumption	
i) Indigenous	100	2,15,83,869	100	4,73,91,779
ii) Imported	NIL	NIL	NIL	NIL

2.28.3 Auditors' Remuneration :

(I) Statutory Auditors		
a) For Statutory Audit	3,00,000	3,00,000
b) For Tax Audit	75,000	75,000
c) For Certification & other services	90,000	90,000
	4,65,000	4,65,000
e) Service Tax on auditors remuneration	47,895	42,745
f) Travelling Expenses	-	33,406

**SIR SHADI LAL ENTERPRISES LIMITED**

	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
(II) Cost Auditor		
a) For cost Audit	55,000	50,000
b) For other services	21,000	6,000
	76,000	56,000
c) Service Tax on remuneration	7,828	5,768
d) Out of pocket Expenses (Travelling Expenses)	39,800	-
2.28.4 Other Information :		
a) Value or imports calculated on CIF basis during the year	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Amount remitted during the year in Foreign Exchange on account of Dividend	NIL	NIL
d) Earning in Foreign Currency	NIL	NIL
2.29 EXCEPTIONAL ITEMS		
Profit on sale of Distillery unit	-	31,02,94,291
	-	31,02,94,291

2.30 CONTINGENT LIABILITIES NOT PROVIDED FOR :

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
a) In respect of Statutory Liabilities :		
i) Subjudice, Sales tax and Entry Tax including interest thereon	1,21,98,069	10,42,74,474
ii) Subjudice, Excise Duty and penalty thereon	91,73,293	1,53,86,796
iii) Subjudice, Administrative charges of Molasses	4,38,706	4,38,706
iv) Subjudice, In respect of alleged claim of Stamping fee on vats	55,42,460	55,42,460
b) In respect of Other Liabilities :		
i) Alleged claim of interest on arrears of late payment of cane price	73,08,696	73,08,696
ii) Alleged lease rent of land demanded by Northern Railway	-	2,41,99,346
iii) In respect of labour cases in dispute, the amount of which is not ascertainable.		
iv) Bank Guarantee given by State Bank of India for Rs. 53.05 Lacs (Previous year Rs. 306.20 Lacs), against which 100 % lien is marked on Drawing Power against Stocks, Stores, Hypothecated with the bank and receivable of the Company.		
v) Bank Guarantees for Rs. 26,29,302/- in favor of Oil Companies and Excise Department.		

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants
Firm Registration No. 000569N

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Sh. Onke Aggarwal
Smt. Sudha Singhania
Sh. R.L. Srivastava
Sh. R.C. Sharma

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 14th July, 2012

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director

**NOTE 3 : ADDITIONAL INFORMATION**

- 3.1 Estimated amount of contracts remaining to be executed on capital Account is Rs.40.22 Lacs (Previous year Rs. NIL) against which advance of Rs. 8.04 Lacs has been made (Previous Year Rs. NIL).
- 3.2 In absence of balance confirmations from certain creditors, debtors and securities lodged shown in Notes of Trade payable, Other current liabilities, Long – term loans and advances, Trade Receivables, Short – term loans and advances and Other current assets the Auditors have relied upon the figures appearing in the books of the Company.
- 3.3 Income Tax assessments have been completed upto the Accounting year 2008–2009 (Assessment Year 2009–2010). However intimation for processing of return for the Accounting Year 2009–10, 2010–2011 (Assessment year 2010–2011 & 2011–2012) U/Sec. 143 (1) of the Act has been received and necessary adjustments in view there of have been accounted for in the books of accounts. The Company has gone in appeal against certain such assessment orders and has been legally advised that in view of expected reliefs the provision for Income Tax made in Accounts is considered adequate.
- 3.4 Certain ‘C’ forms in respect of inter–state sale will be collected in due course of time. Liability on account of Sales–Tax may arise on such inter–state sales relating to which ‘C’ forms are not received.
- 3.5 The Company, during the year on test check basis has reviewed impairment of major Fixed Assets of the Company to identify the impairment loss, if any. Based on the test check of the assets, the recoverable value for such Assets is higher than their carrying book value. Accordingly, the review has not revealed any impairment of assets in terms of Accounting standard–28 issued by the Institute of Chartered Accountants of India.
- 3.6 The accumulated losses of the company as at 31st March, 2012 have resulted in more than 50% erosion of the peak Net Worth during the immediately preceding four Financial Years and this fact will be reported to the BIFR as required under the provisions of section 23(1)(a)(i) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 3.7 Certain previous year figures have been rearranged to make them comparable with current year figures. Figures have been rounded off nearest to rupee.
- 3.8 Cash Flow statement for the year ended 31st March, 2012 is enclosed in the statement annexed to these accounts at Note No. 4.

3.9 Particulars of Stocks, Purchases and Sales of Products :

	OPENING STOCKS		PURCHASES		TURNOVER		CLOSING STOCKS	
	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.
FOR THE YEAR ENDED MARCH 31, 2012								
SUGAR								
– MANUFACTURED GOODS	8,08,166	2,26,66,05,774	–	–	11,59,002	3,25,01,12,289	8,28,724	2,39,19,18,146
– TRADED GOODS	–	–	–	–	–	–	–	–
MOLASSES								
– MANUFACTURED GOODS	3,43,996	8,29,75,662	–	–	6,88,724	20,30,01,352	3,40,163	9,80,83,655
DISTILLERY PRODUCTS								
– MANUFACTURED GOODS	–	42,52,672	–	–	–	22,72,21,552	–	92,83,414
– TRADED GOODS	–	–	–	–	–	–	–	–
OTHER SALES	–	–	–	–	–	17,91,61,270	–	–
FOR THE YEAR ENDED MARCH 31, 2011								
SUGAR								
– MANUFACTURED GOODS	6,23,507	1,78,83,33,233	–	–	10,42,102	2,79,22,98,510	8,08,166	2,26,66,05,774
– TRADED GOODS	–	–	–	–	–	–	–	–
MOLASSES								
– MANUFACTURED GOODS	2,92,624	7,23,51,173	–	–	6,60,735	17,34,75,644	3,43,996	8,29,75,662
DISTILLERY PRODUCTS								
– MANUFACTURED GOODS	–	8,78,14,079	–	–	–	38,38,87,223	–	42,52,672
– TRADED GOODS	–	22,70,802	–	4,68,86,705	–	4,91,57,507	–	–
OTHER SALES	–	–	–	–	–	20,21,69,012	–	–

NOTES :

- 3.9.1 Quantitative figures of Distillery products are not ascertainable, because the basic product of spirits is converted later into various strengths with water dilution.
- 3.9.2 Closing stock of Molasses arrived at after adjustment of wastage of 5,097 Qtls. (Previous year 4,170 Qtls.) & Excess of 2,134 Qtls.
- 3.9.3 Turnover includes inter–unit sales of Rs. 10,17,12,920/– (Previous year Rs. 11,57,49,427/–).
- 3.9.4 Other Sales includes Sale of Bagasse, Press Mud and Bio Compost.



3.10 Related parties' Disclosures :

I Relationship

A Key Management personnel :

- i. Mr. Rajat Lal
- ii. Mr. Vivek Viswanathan
- iii. Mr. K.B. Lal*

Designation

- Managing Director
Joint Managing Director
Sr. Executive Director

B Relatives of Key Management Personnel

1. Smt. Sudha Singhania
2. Smt. Poonam Lal
3. Sh. Rahul Lal
4. Ms. Pooja Lal
5. Smt. Nirmala Lal*
6. Sh. Kapil Bhushan Lal*
7. Smt. Aradhana*
8. Smt. Minoo*
9. Smt. Anjana Aggarwal*
10. Sh. P.K. Viswanathan
11. Smt. Manjula Viswanathan²
12. Smt. Radhika Hoon

Relation with Key Management Personnel

- Sister of Shri Rajat Lal
Wife of Shri Rajat Lal
Son of Shri Rajat Lal
Daughter of Shri Rajat Lal
Wife of Shri K.B. Lal
Son of Shri K.B. Lal
Daughter of Shri K.B. Lal
Daughter of Shri K.B. Lal
Daughter of Shri K.B. Lal
Father of Shri Vivek Viswanathan
Mother of Shri Vivek Viswanathan
Sister of Shri Vivek Viswanathan

1 Sh. K.B. Lal, Sr. Executive Director retired from the services of Company on 30.04.2010.*

2 Smt. Manjula Viswanathan has expired on 19.12.2010.

II Transactions of Expense/Income carried out during the year :

	Remuneration Rs.	Directors' Fee Rs.	Interest on Deposits/Loans Rs.	Total Rs.
A. Key Management Personnel :	44,56,961 (46,53,853)	-	2,24,65,460 (2,68,81,866)	2,69,22,421 (3,15,35,719)
B. Relatives of Key Management Personnel	-	1,20,000 (-)	22,95,036 (35,41,731)	24,15,036 (36,61,731)
TOTAL A+B :	44,56,961 (46,53,853)	1,20,000 (1,20,000)	2,47,60,496 (3,04,23,597)	2,93,37,457 (3,51,97,450)

III Transactions of Loans and Deposits during the year

	Opening Balance As on 01.04.2011 Rs.	Received Rs.	Repaid Rs.	Closing Balance As on 31.03.2012 Rs.
1 Loans				
- Key Management Personnel	2,46,71,302 (1,22,67,878)	14,96,54,481 (4,52,37,460)	15,97,56,719 (3,28,34,036)	1,45,69,064 (2,46,71,302)
- Relatives of Key Management Personnel	10,77,295 (35,41,116)	1,05,897 (14,00,460)	10,590 (38,64,281)	11,72,602 (10,77,295)
2 Deposits				
- Key Management Personnel	24,82,50,000 (24,28,39,000)	3,82,50,000 (3,12,50,000)	11,82,50,000 (2,58,39,000)	16,82,50,000 (24,82,50,000)
- Relatives of Key Management Personnel	1,74,04,000 (3,32,90,000)	76,78,000 (1,85,10,000)	80,96,000 (3,43,96,000)	1,69,86,000 (1,74,04,000)

Note : Figures in () denote Previous Year figures.



3.11 Segment Reporting :

The Company's operation predominantly relates to manufacture and sale of Sugar and Alcohol products. Accordingly the Sugar and Alcohol products primarily comprises the basis for primary and secondary for segment information :

SEGMENT INFORMATION-BUSINESS SEGMENT :

Particulars	Sugar Amount Rs.	Alcohol Amount Rs.	Total Amount Rs.
-Segment Revenue including Excise Duty			
External Revenue	3,52,52,76,830	23,25,06,713	3,75,77,83,543
	(3,04,41,13,674)	(44,11,24,795)	(3,48,52,38,469)
Inter-segment	10,17,12,920	-	10,17,12,920
	(11,57,49,427)	(-)	(11,57,49,427)
Total	3,62,69,89,750	23,25,06,713	3,85,94,96,463
	(3,15,98,63,101)	(44,11,24,795)	(3,60,09,87,896)
-Segment Result before interest & tax and exceptional item - Profit/Loss(-)	(-) 31,78,58,037	3,05,33,202	(-) 28,73,24,835
	(-) (23,55,60,231)	(-) (2,44,42,061)	(-) (26,00,02,292)
Less : Unallocated expenses (Net of Unallocable Income)			3,10,52,832
			(3,94,44,069)
Less : Finance Cost			23,23,73,663
			(18,34,18,670)
Profit/(Loss) (-) before tax & exceptional item			(-) 55,07,51,330
			(-) (48,28,65,031)
Add : Exceptional Item			-
			(31,02,94,291)
Profit/(Loss) (-) before tax			(-) 55,07,51,330
			(-) (17,25,70,740)
- Segment assets	3,38,65,08,497	11,40,49,744	3,50,05,58,241
	(3,46,54,94,423)	(11,13,86,749)	(3,57,68,81,172)
Unallocated Assets			31,41,68,170
			(15,64,43,939)
Total Assets			3,81,47,26,411
			(3,73,33,25,111)
- Segment Liabilities	3,13,13,87,558	1,07,44,224	3,14,21,31,782
	(2,47,15,02,014)	(1,04,59,444)	(2,48,19,61,458)
Unallocated Liabilities			37,47,45,314
			(55,97,16,781)
Total Liabilities			3,51,68,77,096
			(3,04,16,78,239)
Segment capital expenditure	1,22,21,237	2,33,883	1,24,55,120
	(4,69,49,401)	(23,39,456)	(4,92,88,857)
Unallocated capital Expenditure			77,000
			(18,41,341)
Total capital expenditure			1,25,32,120
			(5,11,30,198)
-Segment Depreciation	9,53,35,442	90,75,600	10,44,11,042
	(10,62,41,040)	(2,11,56,161)	(12,73,97,201)
Unallocated Depreciation			10,28,985
			(12,53,811)
Total Depreciation			10,54,40,027
			(12,86,51,012)

3.11.1 Unallocated Assets include Deferred Tax Assets.

3.11.2 Segment Liabilities represents total of current & non current liabilities.

3.11.3 Figures in () denote Previous year figures.

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants
Firm Registration No. 000569N

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Sh. Onke Aggarwal
Smt. Sudha Singhania
Sh. R.L. Srivastava
Sh. R.C. Sharma

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 14th July, 2012

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director

**NOTE NO. 4: CASH FLOW STATEMENT**

	For the year ended 31st March, 2012 (Rs. in lacs)	For the year ended 31st March, 2011 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax as per Profit & Loss Account	(5,507.51)	(4,828.65)
Adjustments for : Depreciation	1,054.40	1,286.51
Interest (Net)	2,237.06	1,726.12
Bad debts & claims written off (Net)	3.08	17.82
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	(5.24)	39.37
Prior period adjustment (Net)	(6.27)	(1.87)
Unclaimed Credit Balances Written Back	(14.26)	(41.86)
Stores Written off	20.00	10.90
Operating Profit before working capital changes	(2,218.74)	(1,791.66)
Adjustment for : Trade and other receivables	629.70	(126.97)
Inventories	(1,231.76)	(3,453.44)
Trade Payables	8,367.40	5,696.81
Cash generated from operations	5,546.60	324.74
Prior period adjustment (Net)	6.27	1.87
Interest paid	(1,570.68)	(928.89)
Direct tax paid (Net)	(11.79)	(72.50)
Net Cash from operating activities	3,970.40	(674.78)
B. CASH FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (net of advance)	(125.32)	(509.60)
Capital Advance	(8.04)	-
Sale of fixed assets	12.48	740.47
Exceptional item (Refer Note No. 2.29)	-	3,102.94
Investment in Securities	-	-
Interest received	25.76	102.21
Net Cash used in investing activities	(95.12)	3,436.02
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from fixed Deposit/Directors Loan	(1,654.59)	(232.14)
Proceeds from Term Loan/Repayment of Finance Liability	(1,939.86)	(2,074.42)
Dividend paid	(1.90)	(102.98)
Tax paid on Dividend	-	(17.44)
Interest paid	(726.71)	(720.29)
Net Cash used in Financing Activities	(4,323.06)	(3,147.27)
Net increase in Cash and Cash equivalents	(447.78)	(386.03)
Opening balance of Cash and Cash equivalents	933.65	1,319.68
Closing balance of Cash and Cash equivalents	485.87	933.65

Note : Figures in bracket () denote minus figures

As per our report of even date
for BASANT RAM & SONS
Chartered Accountants
Firm Registration No. 000569N

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Sh. Onke Aggarwal
Smt. Sudha Singhania
Sh. R.L. Srivastava
Sh. R.C. Sharma

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 14th July, 2012

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director