



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. Muzaffarnagar (U.P.)

Unn Sugar Complex
Block Unn, Distt. Muzaffarnagar (U.P.)

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



SIR SHADI LAL ENTERPRISES LIMITED

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

NOTICE FOR THE 77th ANNUAL GENERAL MEETING

Notice is hereby given that the 77th Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Thursday, the 22nd September, 2011 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, 2011, Profit & Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Sudha Singhanian, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri Onke Aggarwal, 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2011 to 15th September, 2011 (both days inclusive).
6. Shareholders are requested to intimate to the Company/Registrar and Transfer Agent, M/s Alankit Assignments Limited, change if any, in their registered addresses.
7. 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.
8. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company or with the Registrar i.e. M/s Alankit Assignments Limited.

By order of the Board

Place : New Delhi
Dated : 16th July, 2011

Sunit Malhotra
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. Proxies 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 authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising 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, Smt. Sudha Singhanian and Shri Onke Aggarwal, 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-appointment.
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 alongwith the details of the Companies in which they are Directors and the Board Committees of which they are members.
9. 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.
10. Members are requested to bring their copies of the Report and Accounts to the meeting.
11. Members, who hold shares in dematerialised form, are requested to bring their depository account number (Client ID No.) for easier identification and recording of attendance at the meeting.
12. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about the intended query atleast seven days in advance of the meeting.
13. 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.
14. 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 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.

15. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 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
2003-04	16.09.2004	22.10.2011
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 2003-2004 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.

16. 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.
17. 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 also submit their PAN details to the Company/Registrar and Transfer Agent, M/s Alankit Assignments Limited.
18. The Notice of the Annual General Meeting will be sent to those members whose name will appear in the register of members as on 8th September, 2011 received from the Registrar.
19. Annual Report is also available at the website of the Company at www.sirshadilal.com in the Investors Relations section.
20. 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.

By order of the Board

Place : New Delhi
Dated : 16th July, 2011

Sunit Malhotra
Secretary

Members may please note that no Gifts/Gift Coupons shall be distributed at the venue of the meeting.

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 31.03.2011	Chairman/ Member of Committees of other Companies as on 31.03.2011
1	2	3	4	5	6	7	8
1.	Smt. Sudha Singhania	03.04.1936	15.05.1983	General Management more than 28 years experience as Director of this company.	Intermediate	Meenakshi Synthetics Pvt. Ltd.	Nil
2.	Sh. Onke Aggarwal	05.04.1930	31.03.1965	General Management more than 46 years experience as Director of this company.	B.A.	Nil	Nil

By Order of the Board

Place : New Delhi
Dated : 16th July, 2011

Sunit Malhotra
Secretary



DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting the 77th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL REVIEW:

During the year under review, both the segments of your Company i.e. Sugar & Alcohol, passed through a difficult period. The summarised financial results are presented below:

	(Rs. in Lakhs)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
- Loss(-)/Profit(+) before Tax, Depreciation and Exceptional Item	(-)3539.62	(+2918.76)
- Less: Exceptional Item	3102.94	-
- Cash Loss(-)/Profit (+)	(-)436.68	(+2918.76)
- Add/Less: Provision for Depreciation	1286.51	1456.12
- Net Loss(-)/Profit(+) before Tax	(-)1723.19	(+1462.64)
- Less : Provision for Taxation:		
Current Year	-	47.66
Relating to earlier years	200.00	40.59
Deferred Tax (Assets)/Liability	(512.60)	136.94
Wealth Tax	2.52 (310.08)	2.60 227.79
- Loss(-)/Profit(+) after Tax	(-)1413.11	(+1234.85)

DIVIDEND:

Keeping in view the financial results for the year ended 31st March, 2011 and the present position of the current year, your Directors regret their inability to recommend any dividend for the year ended 31st March, 2011.

OPERATING REVIEW :

SUGAR DIVISION:

The manufacturing results of your both the sugar factories for the crushing season 2010-11 as compared to last crushing season are as under :-

	Upper Doab Sugar Mills		Unn Sugar Complex	
	Season		Season	
	2010-11	2009-10	2010-11	2009-10
- Gross Working days	149	150	134	140
- Cane Crushed (Qtls.)	8133546	8142391	4598019	4028743
- Average Cane Crush per Crop day (Qtls.)	55173	54831	34243	28773
- Manufacturing losses (%)	2.18	2.24	2.08	2.09
- Steam Consumption cane (%)	53.01	54.18	45.42	50.08
- Average Sugar recovery (%)	8.90	9.03	8.89	9.23
- Total sugar produced	723931	735392	408673	371858

The cane crushed during the sugar season 2010-11 as against sugar season 2009-10 in Unit Upper Doab Sugar Mills is almost at the same level. In Unn Sugar Complex the cane crushed has improved during the sugar season 2010-11 as against sugar season 2009-10 due to better yield of cane in the area and better crush rate per crop day.

The Sugar recovery % of cane has further declined during the season 2010-11, as against season 2009-10 in entire western U.P. and in our sugar units. The main reason for decline in recovery % at our sugar units was due to reduction of area under early maturing variety of cane. Further area under the variety CoSe 92423 for ratoon crop remained higher. The crop was also damaged by insects mainly White Grubs, Root Borers and Wilt, which resulted in fungus disease to the cane crop.

The steam consumption % cane and manufacturing losses has reduced in both sugar units as compared to last sugar season.



CANE DEVELOPMENT:

The company has constituted a Cane Development Committee to identify the problems for low cane recovery and low Pol% in cane and also to take remedial steps for improvement in the Pol% in cane and to improve the recovery. The Committee has worked out an action plan in this regard which is being implemented. For Cane development purpose, sizable expenses are also being incurred on insecticides spray work in the area, supply of disease free cane seed & various pesticides at subsidised rates to the farmers besides educating them to grow such varieties of cane which are useful in the different parts of the cane crushing season. This is a continuous process and further steps for betterment are being explored and implemented.

DISTILLERY DIVISION:

The Distilleries could not utilise the optimum capacity mainly due to poor off take of finished goods due to competition, un-remunerative prices and unfavourable excise policy of the State Government. Due to change in Excise Policy in U.P. there is no country liquor business in Distillery Units as a result of which we have not been able to sell our products in the market. Net realisations on account of sale of Extra Neutral Alcohol and Rectified Spirit were also adversely affected on account of higher rate of Export Duty in the State as compared to the neighbouring States.

Both your Distilleries produced 11117985 BL in the current year as against 9840335 BL in the previous year. The production in Unit Shamli Distillery is 7362188 BL in Current Year as against 5846428 BL in Previous Year. In Unit Pilkhani Distillery there is production of 3755797 BL in Current Year upto 26th February, 2011 as against 3993907 BL in Previous Year. Since the margin remained under pressure of Distillery products, your Distillery Units could not contribute to the profitability of the Company.

The Company has sold its unit Pilkhani Distillery & Chemical Works by execution of the Slump Sale Deed on 26.02.2011 with M/s Sainov Spirit Pvt. Ltd, New Delhi. The sale of unit Pilkhani Distillery & Chemical Works was approved by the Board of Directors of the Company in their meeting held on 17.07.2010 and by the shareholders through postal ballot on 09.09.2010.

DIRECTORS:

Smt. Manjula Viswanathan, Director of the Company expired on 19.12.2010. Smt. Manjula Viswanathan had been on the Board from 29.12.1975 as Director of the Company. She was actively associated with the affairs of the Company, rendered valuable guidance and sincere advice during her tenure as Director of the Company.

The following Directors of your Company are due to retire by rotation u/s 256 of the Companies Act, 1956. They are eligible for re-appointment and offer themselves for the same:-

1. Smt. Sudha Singhania
2. Shri Onke Aggarwal

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

Necessary resolutions for the re-appointment of 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 Companies Act, 1956.

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 Companies Act, 1956.

AUDITORS' OBSERVATIONS & AUDITORS REPORT:

There is no adverse observation in the Auditors' Report. The note on accounts 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 2010-11.

The Cost Audit Reports for the last audited accounts for the financial year ended March 31, 2010 was filed by the Cost Auditors with respect to Sugar and Industrial Alcohol business on 27.09.2010, which is within the due date of 27.09.2010.

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FIXED DEPOSITS:

We report with satisfaction the confidence of the public in placing their fixed deposits with your Company. The total amount of fixed deposits as on 31st March, 2011 was Rs.4629.76 Lakhs as against Rs. 4962.50 Lakhs as on 31st March, 2010. Only a sum of Rs.5.53 Lakhs relating to 9 depositors was not claimed on due dates upto the end of financial year. The deposits of Rs.2.47 Lakhs relating to three depositors have been claimed and paid subsequently in the current financial year.

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 Companies Act, 1956, 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 Companies Act, 1956, 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 detailed performance of both the business segments of the Company for the year ended 31st March, 2011 as required under Clause 49 of the Listing Agreement has been stated in the Management Discussion and Analysis Report in the section on Corporate Governance. Current year Prospects have also been discussed under this section of Corporate Governance.

CORPORATE GOVERNANCE:

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 have 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 recognises 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 Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed by the company.
- (ii) that they have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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 Companies Act, 1956, for safeguarding the assets of the Company and for preventing & the detecting fraud and other irregularities; and
- (iv) that they have prepared the annual accounts on a going concern basis.

LISTING ARRANGEMENT:

The shares of the Company continue to remain listed with the Bombay Stock Exchange Limited and Delhi Stock Exchange Limited and the annual listing fee for the year 2011-2012 has been paid to both the exchanges.

CURRENT YEAR PROSPECTS:

i) SUGAR

During the current Sugar Year beginning October, 2010, ICRA estimated the sugar production at 240-250 lakh tonnes. It was around 32% to 35% higher over the previous year, mainly on account of the improved cane acreage, adequate rains and in turn, increased productivity. However, with domestic consumption of around 230 lakh tonnes and export at around 10-15 lakh tonnes in sugar year 2010-11, total off-take is likely to match production. Thus the stock position at the end of sugar season 2010-11 is likely to report only a modest increase.

CANE PRICING :

The Central Government fixed Fair and Remunerative Price (FRP) for the sugar season 2010-11 of Rs. 139.12 per qtl. at 9.50% recovery with an increase of Rs. 1.46 per qtl. for 0.1% recovery as compared to the last sugar season. The U.P. Government fixed State Advised Price (SAP) of Rs. 205 per qtl.



for general variety and Rs. 210 per qtl. for early maturing variety for the season 2010-11.

The Sugar recovery % of cane has further declined during the season 2010-11, as against season 2009-10 mainly in western U.P. The main reason for decline in recovery % at our sugar units was due to reduction of area under early maturing variety of cane. Further area under the variety CoSe 92423 for ratoon crop remained higher. The crop was also damaged by insects mainly White Grubs, Root Borers and Wilt, which resulted in fungus disease to the cane crop. The company has constituted a Cane Development Committee to identify the problems for low Sugar recovery and low Pol% in cane and also to take remedial steps for improvement in the Pol% in cane and to improve the recovery. The Committee has worked out an action plan in this regard which is being implemented.

SUGAR PRODUCTION :

It is estimated that the production of sugar during the current season 2010-11 will be around 240 lakh tonnes as against the earlier estimate of around 245 lakh tonnes. The estimated production is still higher as compared to 190 lakh tonnes in the sugar season 2009-10. With an opening stock of about 58 lakh tonnes, sugar availability in current season would be comfortable at around 300 lakh tonnes, which is more than the domestic consumption of around of 230 lakh tonnes.

Sugar production in India is expected to touch 255 lakh tonnes in the coming sugar season 2011-12, thereby keeping a lid on price increase.

SUGAR PRICE :

The Government of India revised levy ratio from 20% to 10% during the crushing season 2010-2011 and also increased the levy sugar price for the season 2010-11 from Rs.1742.95 to Rs.1832.60 per qtl.

Sugar prices fell sharply from their peak in late 2009/early 2010 and have been range-bound since then given higher than expected production in the current season. This has resulted in substantial losses for the sugar industry from the quarter ended March 31, 2010 onwards.

Going forward, any significant strengthening of domestic sugar prices in the near future (i.e. before the next season's production enters the market) is unlikely, unless Central Government relaxes the measures taken by it earlier to curb sugar prices.

OUTLOOK :

The sugar industry's long standing demand of deregulation was actively considered at the highest level of the government. However, the government was unable to take a decision and the industry waited anxiously for this development. It would be pertinent to indicate that globally the sugar industry is deregulated. Since India is the largest sugar consumer, deregulation would be in the broader interest of all stake holders, growers, millers and consumers as it would reduce the cyclic impact and minimise government intervention.

ii) ETHANOL BLENDING :

The decision to continue with 5% mandatory blending of ethanol with petrol has been reiterated by the Government after detailed discussions. The oil marketing Companies have now come forward to procure their requirement of 5% mandatory blending during 2010-11 sugar season. Supplies of ethanol have begun during the last week of October, 2010. However, the ethanol continues to be supplied on provisional prices of Rs.27/- per Ltr. ex-factory as fixed by the Government.

INDUSTRIAL RELATIONS:

The industrial relations have been 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, 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 : 16th July, 2011

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, 2011.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

Upper Doab Sugar Mills

- Addition of one Cell of Cooling Tower for efficient working.
- Use of Exhaust Steam in place of Live Steam in transient heaters.
- Partial application of air in place of Live Steam in cut over lines at Pan Station.
- Installation of efficient luminaries as CFL & Led Lamps.
- Installation of light sensors at street & plants general lights.
- Use of delta to star converter starter at variable load pumps.
- Stopping the Tube Wells for water conservation and power saving.

Unn Sugar Complex

- Installation of variable frequency drive system for ID & FD fan to save power consumption by 99 KW/Hour.
- Installation of Condensing & Cooling system to save power consumption by 91 KW/Hour.
- Installation of Turbine for Feed Pump at Boiler to save power by 187 KW/Hour
- Installation of Mass flow Meter to save power by 55 KW/Hour.

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

Upper Doab Sugar Mills

- Total elimination of live steam by installing electric boiler for Sulphur Melting in Sulphur Furnance.
- Total elimination of live steam by using exhaust condensate and exhaust steam in PTHE for Auto Centri Fugal.
- Replacement of existing transient heaters by new heaters for using exhaust steam/vapour for saving of steam consumption.
- Installation of 4 nos. VFD at boilers for power reduction.
- To use non Condensable gases of 1st Quad Body in heating of molasses in molasses conditioner, there will be saving of live steam.

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

Impact of the measure at (a)

- Power saving 67 KW/Hr. by installing of one set of Cooling Tower.
- Steam saving by 0.3% of cane by using exhaust steam in place of Live Steam in Transient heater and by using air in place of Live Steam in cut over lines at Pans.
- Power saving about 20-25 KW/Hr. by installing CFL, Lamps and Sensors and to use delta starter in place of star.
- Power saving of 125 KWh per day by stopping the tube well during night hours.

Impact of the measure at (b)

- By additional investment being implemented at (b) there will be reduction in steam consumption by 2.5% cane.

Unn Sugar Complex

The Energy Conservation measure taken at (a) has helped to reduce the Power Consumption from 31.70 KW to 27.20 KW per tonne of cane/hr.



- 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 :	<u>Sugar Unit</u> Current Year	<u>Distillery</u> Current Year	<u>Sugar Unit</u> Previous Year	<u>Distillery</u> Previous Year
1. Electricity :				
a) Purchased (Units)	19,36,124	66,320	18,07,607	37,577
Total amount (Rs.)	1,56,56,515	3,59,446	1,06,89,460	2,47,580
Rate/Unit (Rs.)	8.09	5.42	5.91	6.59
b) Own Generation :				
i) Through Diesel Generator (Units)	7,87,576	5,06,794	10,66,036	6,50,592
Unit per Ltr. of Diesel oil	2.96	2.91	2.98	2.93
Cost/Unit (Rs.)	13.00	12.37	11.32	10.57
ii) Through steam Turbine (Units)	3,27,83,756	57,47,021	2,65,60,313	55,80,331
Unit per pound of Steam	1.816	0.09	1.751	0.084
Cost/Unit (Rs.)	1.28	6.26	1.78	7.32
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
(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) Rice Husk :				
Quantity (MT)	NIL	5,228	NIL	4,724
Total value (Rs.)	NIL	1,93,24,835	NIL	1,35,97,007
Average Rate per MT (Rs.)	NIL	3,696.18	NIL	2,878.56
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)	3,44,483	26,860	2,61,688	23,918
Total value (Rs.)*	51,68,87,312	4,79,19,973	48,88,13,887	4,72,89,984
Average Rate per MT (Rs.)	1,500.47	1,784.04	1,867.93	1,977.14

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

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(B) Consumption per unit of production :

Products	Current Year		Previous Year	
	Sugar	Alcohol	Sugar	Alcohol
Unit	Qtls.	BL	Qtls.	BL
Electricity KWH	28.90	0.445	31.54	0.513
Furnace oil KL	NIL	NIL	NIL	NIL
Fire-wood MT	NIL	NIL	NIL	NIL
Bagasse MT	0.280	0.002	0.276	0.003
Saw Dust	NIL	NIL	NIL	NIL
Rice Husk	NIL	0.0005	NIL	0.001

B. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM 'B'

I) Research & Development (R&D)

1. Specific Areas in which R&D carried out by the Company :
 - : To improve crop health, propagation of improved varieties and insects, pest and disease control.
 - : To shift the area of summer planting into spring and autumn.
 - : To improve the area under early maturing varieties upto 20% - 25% in next three years.
 - : Inter cropping with sugarcane to minimise the cost of sugarcane production per unit area.
 - : Introduction of new planting method i.e. Trench planting.
2. Benefits derived as a results of the above R & D : It will help in increased yield per unit area as well as pol % cane.
3. Future plan of action : The Company plans to continue the Research & Development activities so as to achieve the targets of cane crush and high sugar recovery, better productivity and yields, reduced wastage, reduced cost, reduction of raw material/utilities and to improve efficiencies.
4. Expenditure on R & D:
 - a) Capital NIL
 - b) Recurring Rs. 44,17,042
 - c) Total Rs. 44,17,042
 - d) Total R & D expenditure as a percentage of total turnover 0.13%

II) Technology absorption, adaptation and innovation:

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

Upper Doab Sugar Mills

- We plan to install Electric Boiler for Sulphur Furnace for reducing steam consumption.
- We plan to install 4 nos. VFD's on ID Fan on Boiler for reducing power consumption.

Unn Sugar Complex

- DCS based linear control system at Mills was introduced to give consistence power load at mills during crushing of cane.
- Different type of additional pumps were installed to achieve higher crush rate.
- Additional Juice Heater has been installed to achieve higher crush rate.
- Additional Juice, Syrup sulphiter has been installed to achieve higher crush rate.



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

- By installing above new equipments, we expect that there will be reduction in steam consumption as well as in power consumption.

Unn Sugar Complex

- With the above measures the crushing capacity has been balanced at 4300 TCD from 4000 TCD.

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	Rs. NIL
Earned	Rs. NIL

For and on behalf of the Board

Place : New Delhi
Dated : 16th July, 2011

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, 2011.

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 : 16th July, 2011

Onke Aggarwal
Chairman

ANNEXURE '3' TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE

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:

The Company continues to believe that good corporate governance is the function of adherence to ethical business practices and introduction of value based systems and procedures in the organisation. The corporate governance in this way shall usher in an era of enhancement of intrinsic strength of the organisation as also its stake holders. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavor to uphold and nurture these core values in all aspects of its operations.

**(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 24/09/2010	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	2	No	–	1	–	–
6	Smt. Manjula Viswanathan **	Non-Executive	4	Yes	–	–	–	–
7	Sh. R.L. Srivastava	Non-Executive Independent	5	Yes	1	–	1***	1
8	Sh. R.C. Sharma	Non-Executive Independent	5	Yes	5	–	–	6
9	Sh. P.K. Viswanathan	Non-Executive	4	Yes	–	–	–	–
10.	Sh. K.B. Lal****	Executive	1	No	–	–	–	–

* During the financial year 2010-11 five Board Meetings were held on 29.4.2010, 17.7.2010, 24.9.2010, 30.10.2010 and 30.01.2011. The Company has held at least one Board Meeting in every three months.

** Smt. Manjula Viswanathan, Director of the Company expired on 19.12.2010.

*** Shri R.L. Srivastava is a member and chairman of one committee of the same company.

**** Sh. K.B. Lal has ceased to be a Director on 30.4.2010.

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.

Constitution of Nomination Committee

The Board of Directors has constituted Nomination Committee comprising of majority of independent directors including its Chairman. This committee comprises of five directors namely Sh. Rajat Lal, Managing Director, Sh. Vivek Viswanathan, Joint Managing Director, Sh. Onke Aggarwal, Sh. Hemantpat Singhania and Sh. R.C. Sharma, Independent Directors of the Company. Sh. Hemantpat Singhania is the Chairman of the Nomination Committee. Sh. Sunit Malhotra, Secretary of the Company will act as Secretary of the Nomination Committee. This committee will consider proposals for searching, evaluating and recommending appropriate Independent and Non-Executive Directors to the Board, based on an objective and transparent set of guidelines.

CONTD.....

**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 in 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 to all the Board and Committee members. 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 there-under, 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 organisation 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 2010-11 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, 2011.

For and on behalf of the Board

Place : New Delhi
Dated : 16th July, 2011

RAJATLAL
Managing Director



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*
01.	Sh. R.L. Srivastava, Chairman	Non-Executive Independent Director	6
02.	Sh. Onke Aggarwal, Member	Non-Executive Independent Director	6
03.	Sh. R.C. Sharma, Member	Non-Executive Independent Director	6

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 and the head of internal audit are invitees to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 24.09.2010 to answer shareholders' queries.

Sh. K.B. Lal, Secretary of the Company was Secretary of the Audit Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company w.e.f. 01.05.2010 and acts as Secretary of the Audit Committee since then.

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 29.04.2010, 17.07.2010, 30.07.2010, 24.09.2010, 29.10.2010 and 29.01.2011.

(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.

Pursuant to the recent Circular No.52/5/CAB-2011 dated April 11, 2011 of Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi in regard to the appointment of Cost Auditors by Companies, the appointment of Cost Auditor is made on the recommendation of the Audit Committee of the Board of Directors. 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. The Cost Auditors appointed by the Company attend the Audit Committee meeting, where Cost Audit Reports are discussed.

CONTD.....



(4) REMUNERATION COMMITTEE:

a) Composition & Terms of Reference:

The Remuneration Committee consisting of the following Non-Executive Independent Directors was constituted/ re-constituted 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 Remuneration Committee Meeting*
01.	Sh. Onke Aggarwal, Chairman	Non-Executive Independent Director	–
02.	Sh. R.L. Srivastava, Member	Non-Executive Independent Director	–
03.	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 Remunerative 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, 2011

(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
01	Sh. Onke Aggarwal Chairman	Non-Executive Independent	–	168000	168000	Retirement by Rotation	31710
02.	Sh. Hemantpat Singhania	Non-Executive Independent	–	60000	60000	Retirement by Rotation	–
03.	Smt. Sudha Singhania	Non-Executive	–	24000	24000	Retirement by Rotation	46167
04.	Smt. Manjula Viswanathan *	Non-Executive	–	48000	48000	Retirement by Rotation	138105
05.	Sh. R. L. Srivastava	Non-Executive Independent	–	156000	156000	Retirement by Rotation	–
06.	Sh. R.C. Sharma	Non-Executive Independent	–	132000	132000	Retirement by Rotation	–
07.	Sh. P.K.Viswanathan	Non-Executive	–	48000	48000	Retirement by Rotation	–
	Total			636000	636000		

* Smt. Manjula Viswanathan, Director of the Company expired on 19.12.2010.

**(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
01.	Sh.Rajat Lal, Managing Director	Executive	1200000	1135286	-	2335286	Contractual**
02.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	1080000	1083670	-	2163670	Contractual**
03.	Sh. K.B. Lal, Sr. Executive Director***	Executive	80000	74897	-	154897	Contractual***
	Total		2360000	2293853	-	4653853	

* 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.

*** Sh. K.B. Lal, Sr. Executive Director ceased to be a member of the Board of Directors w.e.f. 01.05.2010. His appointment was for three years period which has ended on 30.04.2010. His notice period was 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
01.	Sh. Hemantpat Singhania, Chairman	-	Non-Executive Independent Director
02.	Smt. Sudha Singhania, Member	-	Non-Executive Director
03.	Smt. Manjula Viswanathan, Member*	-	Non-Executive Director

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

* Smt. Manjula Viswanathan, Director of the Company expired on 19.12.2010.

During the year no complaints were received from the shareholders, requiring specific attention of the Committee, therefore, no meeting was held. However, Company received five complaints of routine nature from the shareholders, and all of them were rectified and resolved to the satisfaction of shareholders. There was no investor complaint outstanding as on 31.03.2011.

b) Share Transfer Committee:

Sl.No.	Name of the Director	Designation	Category	Attendance at committee meeting*
01.	Sh. Rajat Lal	Managing Director	Executive Director	4
02.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	4

* During the year four meetings of Share Transfer Committee were held on 26.08.2010, 20.09.2010, 31.12.2010 and 22.03.2011.

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 of shares during the year within the stipulated time, and there were no shares pending for transfer as on 31.03.2011.

CONTD.....

**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 approved by Audit Committee.

Sl.No.	Name of the Director	Designation	Category	Attendance at sub-committee meeting**
01.	Sh. Rajat Lal	Managing Director	Executive Director	3
02.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	3
03.	Sh. K.B. Lal*	Sr. Executive Director	Executive Director	1
04.	Sh. Onke Aggarwal	Director	Non Executive Independent Director	3

* Sh. K.B. Lal, Sr. Executive Director has ceased to be member of Sub-committee on 30.04.2010. Sh. K. B. Lal Secretary of the Company was Secretary of this Sub-Committee upto 30.04.2010. Thereafter, Sh. Sunit Malhotra has been appointed as Secretary of the Company and acts as Compliance Officer and Secretary of the Sub-committee w.e.f. 01.05.2010.

** During the year three meetings of Sub-Committee were held on 29.04.2010, 30.07.2010 and 29.10.2010.

(6) CANE DEVELOPMENT COMMITTEE:

The Board of Directors in its meeting held on 30.01.2011 has constituted Cane Development Committee comprising of three Directors viz. Sh. Rajat Lal, Managing Director, Sh. Vivek Viswanathan, Joint Managing Director and Sh. R.L. Srivastava, Independent Director of the Company to strengthen, guide and effectively monitor 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*
01.	Sh. Rajat Lal	Managing Director	Executive Director	2
02.	Sh. Vivek Viswanathan	Joint Managing Director	Executive Director	2
03.	Sh. R.L. Srivastava	Director	Non Executive Independent Director	2

*During the year two meetings of the Cane Development Committee were held on 22.02.2011 and 22.03.2011.

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

(7) 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.	74th A.G.M. in respect of the year 2007-2008	17.09.2008	P.H.D.House, Opp. Asian Games Village, New Delhi - 110 016.	11.30 A.M.
02.	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.
03.	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.

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

74th Annual General Meeting held on 17-09-2008.

No special resolution was passed.

75th Annual General Meeting held on 22-09-2009.

No special resolution was passed.

76th Annual General Meeting held on 24-09-2010.

No special resolution was passed.

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

In the last Annual General Meeting held on 24.09.2010, an Ordinary Resolution was passed for creation of mortgage /charge for availment of proposed term loan from State Bank of India and Central Government from Sugar Development Fund for modernisation and technology upgradation of Unn Sugar Unit. Such loan was not availed thus, there was no need to create mortgage/ charge against such proposed loan. The company, however, undertook the modernisation and upgradation of Unn Sugar unit from internal accruals.



The following business, which required the members' approval through Postal Ballot, was transacted during the Financial Year 2010-11.

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the consents, approvals and permissions as may be required; consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board' which expression shall also include a Committee thereof) to sell, transfer, or otherwise dispose of the undertaking of the Company comprising its "Pilkhani Distillery & Chemical Works" unit as a going concern by way of slump sale or otherwise, to any party, at such price not lower than the value of the Net Block of the unit and the consideration for the net current assets transferred at Net Realisable Value and on such other terms and conditions as may be decided by the Board of Directors, with power to the Board of Directors to finalise and execute necessary documents including agreements, deeds of assignment/ conveyance and other documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and /or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the Company."

(8) 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 interest of the company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts - Schedule-16, forming part of the Annual Report.

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 on going 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.

(9) MEANS OF COMMUNICATIONS:

The Company's quarterly financial results are normally published in the "Money Maker" in English and "Bhagyodaya" in Hindi, News Papers. The Company's financial results are also displayed on the Company's website - www.sirshadilal.com

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.

The website also provides the basic information about the company e.g. details of its business, financial information, shareholding pattern, 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.

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the circular bearing no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. We have received encouraging response from number of our Shareholders wherein they have given their consent to send the documents through electronic mode to enable us to send various notices/ documents etc. henceforth from time to time. We request the balance shareholders to also give their consent and join us in our initiative.

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Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meeting. The same is also placed on the website of the company.

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

(10) 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.13 of Schedule-16 attached to the Annual Accounts under report.

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

i) SUGAR

During the current Sugar Year beginning October, 2010, ICRA estimated the sugar production at 240-250 lakhs tonnes. It was around 32 to 35 % higher over the previous year, mainly on account of the improved cane acreage, adequate rains and in turn, increased productivity. However, with domestic consumption of around 230 lakhs tonnes and export at around 10-15 lakhs tonnes in sugar year 2010-11, total off-take is likely to match production. Thus the stock position at the end of sugar season 2010-11 is likely to report only a modest increase.

Cane Pricing

The Central Government fixed Fair and Remunerative Price (FRP) for the sugar season 2010-11 of Rs. 139.12 per qtl. at 9.50% recovery with an increase of Rs. 1.46 per qtl. for 0.1% recovery as compared to the last sugar season. The U.P. Government fixed State Advised Price (SAP) of Rs. 205 per qtl. for general variety and Rs. 210 per qtl. for early maturing variety for the season 2010-11.

The Sugar recovery % of cane has further declined during the season 2010-11, as against season 2009-10 mainly in western U.P. The main reason for decline in recovery % at our sugar units was due to reduction of area under early maturing variety of cane. Further area under the variety CoSe 92423 for ratoon crop remained higher. The crop was also damaged by insects mainly White Grubs, Root Borers and Wilt, which resulted in fungus disease to the cane crop. The company has constituted a Cane Development Committee to identify the problems for low Sugar recovery and low Pol% in cane and also to take remedial steps for improvement in the Pol% in cane and to improve the recovery. The Committee has worked out an action plan in this regard which is being implemented.

Sugar Production

It is estimated that the production of sugar during the current season 2010-11 will be around 240 lakhs tonnes as against the earlier estimate of around 245 lakhs tonnes. The estimated production is still higher as compared to 190 lakhs tonnes in the sugar season 2009-10. With an opening stock of about 58 lakhs tones, sugar availability in current season would be comfortable at around 300 lakhs tonnes, which is more than the domestic consumption of around of 230 lakhs tonnes.

Sugar production in India is expected to touch 255 lakhs tonnes in the coming sugar season 2011-12, thereby keeping a lid on price increase.

Sugar Price

The Government of India revised levy ratio from 20% to 10% during the crushing season 2010-2011 and also increased the levy sugar price for the season 2010-11 from Rs.1742.95 to Rs.1832.60 per qtls.

Sugar prices fell sharply from their peak in late 2009/early 2010 and have been range-bound since then given higher than expected production in the current season. This has resulted in substantial losses for the sugar industry from the quarter ended March 31, 2010 onwards.

Going forward, any significant strengthening of domestic sugar prices in the near future (i.e. before the next season's production enters the market) is unlikely, unless Central Government relaxes the measures taken by it earlier to curb sugar prices.

Opportunities, Threats, Risks and Concerns.

Opportunities:

The long term outlook for sugar remains positive on account of:

- Continued efforts towards reduction in process energy consumption by adopting innovative process control methods.
- Growing energy consumption in India allowing the sugar industry to play a vital role.



- Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- Usage of dry sugarcane trash to its full potential through better collection mechanism as bio-mass fuel for generating energy through incidental cogeneration plants.
- More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- Clearly defined Clean Development Mechanism and the expected flow of Carbon Credits.
- Implementation of Kyoto Protocol by India requiring fuel Ethanol blending with petrol and exploring the possibilities of enhancing the blending proportion.
- Growing demand for bio manure, which works as the perfect soil conditioner. Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

Threats:

Sugar industry is at present confronted by the following threats:

- Continued impact on the industry on account of various controls and administrative measures by the Central and State Governments.
- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- The spurt in cane procurement prices is expected to remain volatile for a couple of years.
- Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.
- Sugar weightage in WPI.
- Short crushing season.

Future Outlook:

The future outlook of sugar would depend on the following:

- Volume of cane crushed and cane recovery.
- Agro-climatic conditions in major sugar producing countries.
- Fair and reasonable allotment of sugar for public distribution system considering the availability of sugar.
- Fixation of fair and remunerative prices for levy quota.
- Industry-friendly release mechanism to ensure standard and remunerative prices for sugar.
- Fixation of fair and remunerative prices for encouraging higher production of Ethanol and Energy.
- Total decontrol of sugar for sustained growth of sugar industry as the present trend is very much in favour of decontrol.

Performance and Outlook

SHAMLI SUGAR UNIT

The Crushing Season started on 24.11.2010 and closed on 21.04.2011. During the Crushing Season 2010-2011 we crushed 8133546 Quintals of sugar cane at an average recovery of 8.90% producing 723931 Quintals of Sugar in 149 days of working. Last Sugar Season 2009-10 started on 02.12.2009 and closed on 30.04.2010. During the last Sugar Season 2009-10 we had crushed 8142391 Quintals of Sugar Cane with an average recovery of 9.03% and produced 735392 Quintals of Sugar in 150 days of working. The average cane crush per day was 55173 Quintals in 2010-11 season as compared to 54831 Quintals in 2009-10 season.

UNN SUGAR COMPLEX

The Crushing Season started on 23.11.2010 and closed on 07.04.2011. During the Crushing Season 2010-2011 we crushed 4598019 Quintals of sugar cane at an average recovery of 8.89% producing 408673 Quintals of Sugar in 134 days of working. Last Sugar Season 2009-10 started on 03.12.2009 and closed on 22.04.2010. During the last sugar season 2009-10, we had crushed 4028743 Quintals of Sugar Cane with an average recovery of 9.23% and produced 371858 Quintals of Sugar in 140 days of working. The average cane crush per day was 34243 Quintals in 2010-11 season as compared to 28773 Quintals in 2009-10 season.

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**(ii) ALCOHOL**

The Distillery Industry in the State of Uttar Pradesh is going through a difficult phase due to unfavourable policies of the State Government. The Country Liquor business has become un-remunerative. Net realisation on account of sale of Extra Neutral Alcohol and Rectified Spirit has also been adversely effected on account of higher rate of Export Duty levied in the State as compared to the neighboring States. The decision to continue with 5% mandatory blending of ethanol with petrol has been reiterated by the Government after detailed discussions. The oil marketing Companies have now come forward to procure their requirement of 5% mandatory blending during 2010-11 sugar season. Supplies of ethanol have began during the last week of October 2010. However, the ethanol continues to be supplied on a provisional price of Rs.27/- per Ltr. ex-factory as fixed by the Government.

The Company has sold its unit Pilkhani Distillery & Chemical Works by execution of the Slump Sale Deed on 26.02.2011 to M/s Sainov Spirit Pvt. Ltd, New Delhi. The sale of unit Pilkhani Distillery & Chemical Works was approved by the Board of Directors of the Company in their meeting held on 17.07.2010 and by the shareholders through Postal Ballot on 9.9.2010.

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

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 customised to meet the individual and organisational needs. The organisation 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, assess the design and implementation of all business processes and systems, in addition to transaction audit. Observations made by internal audit are reviewed and discussed by the Audit Committee. The management gives lot of emphasis on continuous up-gradation of business processes systems and adherence to the designed systems and processes.

(11) GENERAL SHAREHOLDERS INFORMATION:**a) Annual General Meeting:**

Date, Time and Venue of : 22nd September, 2011 at 11.30 a.m.
Next Annual General Meeting : P.H.D. House, Opp. Asian Game Village, New Delhi - 110 016.

b) Financial Calendar (2011-2012):

Financial reporting for the : End of July, 2011
quarter ending 30th June, 2011
Financial reporting for the quarter : First week of November, 2011
ending 30th Sept., 2011
Financial reporting for the : End of January, 2012
quarter ending 31st Dec., 2011
Financial reporting for the : End of April, 2012
quarter ending 31st March, 2012

c) Date of Books closure : 9th September, 2011 to 15th September, 2011
(Both days inclusive)

d) Dividend payment date : -

e) Listing on stock Exchange : 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 2011-12.



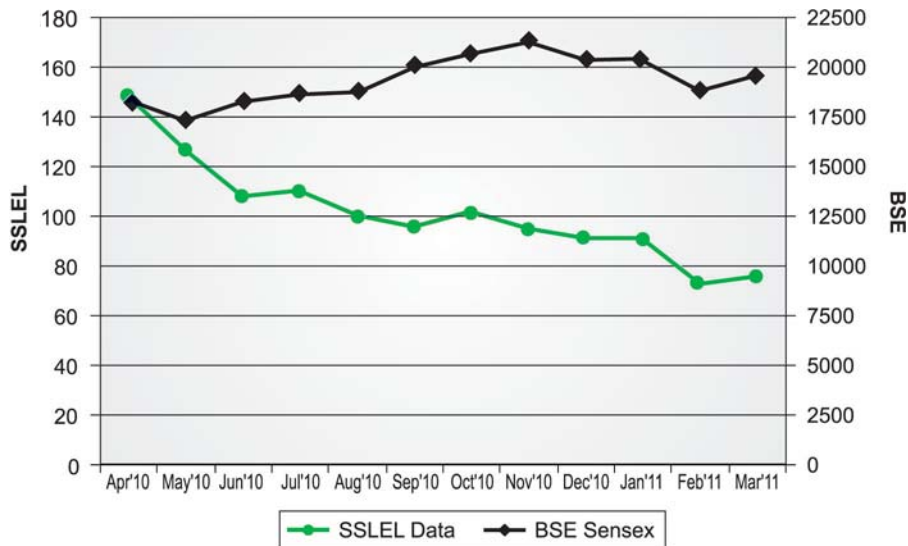
- f) **Stock Code** : 19174 of the Delhi Stock Exchange Ltd.
 : 532879 of Bombay Stock Exchange Ltd.
- g) **Corporate Identity Number (CIN)** : Our Corporate Identity No. is L51909DL1933 PLC009509, allotted by the Ministry of Corporate Affairs, Government of India and our Company Registration No. is 9509.

h) Market Price Data :

The Market Price Data and Volume from 1st April, 2010 to 31st March, 2011 on the Bombay Stock Exchange Limited, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2010	147.00	113.00	40755
May, 2010	125.00	91.45	36509
June, 2010	105.65	85.35	35714
July, 2010	109.00	91.00	29638
August, 2010	98.90	80.00	31976
September, 2010	94.75	80.00	90600
October, 2010	101.15	78.35	72794
November, 2010	93.95	70.25	127441
December, 2010	89.90	69.15	85229
January, 2011	90.00	64.40	17761
February, 2011	72.00	60.00	13666
March, 2011	74.95	55.05	110746

- i) **BSE Sensex, Crisil Index etc.** : Performance of share price of your company in comparison to BSE Sensex during the period 01-04-2010 to 31-03-2011 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,

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transposition of name, consolidation of share certificates 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.

The company obtains from a Company Secretary in practice half yearly certificate with the Share Transfer formalities as required under clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the Certificate with the Exchanges.

1) Distribution of Shareholding and Shareholding pattern as on 31.03.2011

(i) Distribution of Shareholding:

Category	No. of Shareholders	%age	Physical	NSDL Demat	CDSL Demat	Total No. of Shares	%age
1 to 500	2635	82.138	97500	91395	48343	237238	4.519
501 to 1000	234	7.294	67586	68450	30371	166407	3.170
1001 to 2000	132	4.115	75404	87007	22841	185252	3.529
2001 to 3000	63	1.964	54161	58945	44588	157694	3.004
3001 to 4000	33	1.029	32065	57729	27094	116888	2.226
4001 to 5000	15	0.468	26942	32597	8700	68239	1.300
5001 to 10000	41	1.278	149085	77093	43800	269978	5.142
10001 and above	55	1.714	1784156	2250175	13973	4048304	77.110
Total	3208	100.000	2286899	2723391	239710	5250000	100.000

(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	1534145	29.222	1311904	24.988	2846049	54.210
2. Foreign Promoters	-	-	-	-	-	-
Total (A)	1534145	29.222	1311904	24.988	2846049	54.210
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)	-	-	424120	8.079	424120	8.079
3. FIIs	-	-	-	-	-	-
Sub-total (B-i)	-	-	424120	8.079	424120	8.079
(ii) Non-Institutional						
1. Private Corporate Bodies	18676	0.356	308325	5.873	327001	6.229
2. Indian Public	731801	13.939	896436	17.075	1628237	31.014
3. NRIs	2277	0.043	22316	0.425	24593	0.468
Sub total (B-ii)	752754	14.338	1227077	23.373	1979831	37.711
Total (B)	752754	14.338	1651197	31.452	2403951	45.790
Grand Total (A+B)	2286899	43.560	2963101	56.440	5250000	100.000



m) Dematerialisation

The Shares of the Company can be held in dematerialised 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 31.3.2011, 54.440% of the Equity Shares of the company were in dematerialised form and the balance 43.560% shares in physical form.

Status of Dematerialisation/Physical Shares as on March 31, 2011

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2723391	51.874	1461
Central Depository Services (India) Limited	239710	4.566	680
TOTAL DEMATERIALISED	2963101	56.440	2141
TOTAL PHYSICAL	2286899	43.560	1067
GRAND TOTAL	5250000	100.000	3208

- 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

Unclaimed Dividend:

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven 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
2003-04	16.09.2004	22.10.2011
2004-05	27.09.2005	02.11.2012
2005-06	25.09.2006	31.10.2013
2009-10	24.09.2010	30.10.2017

- o) Plant Location** :
- i) Upper Doab Sugar Mills,
SHAMLI - 247776,
Distt. Muzaffarnagar (U.P.)
 - ii) Unn Sugar Complex,
Block Unn, Distt. Muzaffar Nagar (U.P.)
 - iii) Shamli Distillery & Chemical Works,
SHAMLI - 247776,
Distt. Muzaffarnagar (U.P.)

p) 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.

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- q) **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 Auditor certifies that the total listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL & CDSL) and total number of shares in physical form.
- r) **Unclaimed Equity shares to be transferred in "Unclaimed Suspense Account"** : As per the Circular issued by SEBI and insertion of Clause 5A to the Listing Agreement, three reminders were issued for shares issued in physical form, which remain unclaimed. These shares will be transferred into one folio in the name of Unclaimed Suspense Account in due course.
- (12) **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 has also been forwarded to the Stock Exchanges where the shares of the company are listed.
- (13) **CEO/CFO Certification** : Pursuant to Clause 49 of the Listing Agreement, the Managing Director and the Chief Financial Officer of the company give Annual Certification on financial reporting and internal controls to the Board in terms of Clause 49. This certificate has been submitted to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 16th July, 2011.
- The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Committee of the Directors/ Board in terms of Clause 41 of the Listing Agreement.

For and on behalf of the Board

Place : New Delhi
Dated : 16th July, 2011

Onke Aggarwal
Chairman



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

To,

The Members

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, 2011, 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 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 Shareholders / 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 : 16th July, 2011



AUDITORS' REPORT

To,
The Members of
Sir Shadi Lal Enterprises Limited

1. We have audited the attached Balance Sheet of Sir Shadi Lal Enterprises Limited as at 31st March, 2011, the Profit and Loss Account 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. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account 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, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 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, 2011;
 - b) In the case of the Profit and Loss Account, 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

Place : New Delhi
Dated : 16th July, 2011

Membership No. 6470



ANNEXURE 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, 2011)

- 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. Pursuant to such programme, a physical verification of fixed assets was carried out during the year and we are informed that no material discrepancies between the book record and physical inventory have been noticed on such verification.
 - c) The Company has disposed off its distillery unit namely "Pilkhani Distillery & Chemical Works", apart from which, in our opinion, the Company has not disposed off any other substantial part of fixed assets during the year, and the going concern status of the Company is not affected.
- ii.
 - a) During the year, the inventories have been physically verified by the management except Material sent for job work and lying with third party. 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 followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - 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 not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, except demand loans/ fixed deposits.
- c) The demand loans/ fixed deposits were taken from eighteen 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. 31.78 Crores and the year end balance of such loans/deposits was Rs. 30.51 Crores.
- d) In our opinion, the rate of interest and other terms and conditions of demand loans/ 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.
- e) The Company is regular in repayment of principal amount of demand loans/ fixed deposits and interest thereon.
- 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

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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.

- 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, 2011. The Company has incurred cash losses amounting to Rs. 436.68 Lacs during the financial year ended 31st March, 2011 but the Company has not incurred any cash losses 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.

ANNEXURE TO THE AUDITORS' REPORT CONTD.....

- 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 : 16th July, 2011

Membership No. 6470



(Annexure –1 as referred to in para ix. (b) of Annexure 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, 2011)

Following are the particulars of disputed dues (provided /considered contingent liability, as appropriate) as on 31.3.2011 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	Amount (Rs.in lacs)	Period to which the Amount relates	Forum where dispute is pending
Sales Tax Act	Entry Tax	93.83	2004-2005	High Court at Allahabad
	Entry Tax	24.62	2005-2006	High Court at Allahabad
	Interest	19.97	2005-2006	High Court at Allahabad
	Entry Tax	247.07	2005-2006	High Court at Allahabad
	Interest	190.24	2005-2006	High Court at Allahabad
	Entry Tax	222.80	2006-2007	High Court at Allahabad
	Interest	140.36	2006-2007	High Court at Allahabad
	Entry Tax	100.10	2007-2008	High Court at Allahabad
Central Excise Tax	Modvat Credit	0.41	2003-2004 2004-2005	High Court at Allahabad/ Lucknow
Central Excise Act	Duty/Penalty	60.69	2008-2009	Commissioner Appeal
		11.79	2007-2008	Commissioner Appeal
		5.01	2007-2008	Commissioner Appeal
		22.06	2008-2009	Commissioner Appeal
		43.75	2008-2009	Commissioner Appeal
Central Excise Act	Penalty/Reversal of Modvat Credit/ Service Tax	2.57	2004-2005 to 2007-2008	Central Excise and Service Tax (Appellate) Tribunal, New Delhi
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	1.85	1991-1992	Excise Commissioner, Allahabad
	Duty/Penalty	55.42	1988-1989	Weight & Measurement Department Saharanpur.

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 : 16th July, 2011

**SIR SHADI LAL ENTERPRISES LIMITED****BALANCE SHEET
AS AT 31ST MARCH, 2011**

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	5,25,00,000	5,25,00,000
Reserves & Surplus	2	63,91,46,872	78,04,57,572
		69,16,46,872	83,29,57,572
Loan Funds			
Secured Loans	3	1,81,80,22,466	1,44,30,76,146
Unsecured Loans	4	50,59,19,755	51,70,76,655
		2,32,39,42,221	1,96,01,52,801
Total Funds Employed		3,01,55,89,093	2,79,31,10,373
Deferred Tax Assets		(11,04,88,389)	(5,92,28,349)
Total		2,90,51,00,704	2,73,38,82,024
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	1,86,06,19,320	2,04,73,91,509
Less: Depreciation		96,58,86,356	99,71,53,716
Net Block		89,47,32,964	1,05,02,37,793
Capital work in Progress		—	1,69,676
		89,47,32,964	1,05,04,07,469
Investments	6	1,51,020	1,88,030
Current Assets, Loans & Advances			
Inventories	7	2,48,45,58,926	2,14,03,04,692
Sundry Debtors		10,07,12,823	7,79,91,652
Cash and Bank Balances		9,33,65,447	13,19,68,252
Other Current Assets		3,28,78,264	4,61,01,312
Loans and Advances		1,64,37,278	3,36,98,750
		2,72,79,52,738	2,43,00,64,658
Less: Current Liabilities & Provisions	8		
Current Liabilities		36,81,95,986	38,70,71,207
Provisions		34,95,40,032	35,97,06,926
		71,77,36,018	74,67,78,133
Net Current Assets		2,01,02,16,720	1,68,32,86,525
Total		2,90,51,00,704	2,73,38,82,024
Significant Accounting Policies, Contingent liabilities and Notes to Accounts. 16			

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

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 16th July, 2011

P.K. GOYAL
*Vice President (Accounts)
Cum Dy. Secretary*

VIVEK VISWANATHAN
Joint Managing Director

SUNIT MALHOTRA
*Chief Financial Officer
Cum Company Secretary*

RAJAT LAL
Managing Director

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan



PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
INCOME :			
Gross Sales		3,39,88,18,884	4,64,65,12,575
Less : Excise Duty		15,77,80,217	59,22,98,717
Net Sales		3,24,10,38,667	4,05,42,13,858
Other Income	9	23,74,48,326	18,39,92,232
Variation in Stocks	10	36,05,60,941	(10,89,83,314)
		3,83,90,47,934	4,12,92,22,776
EXPENDITURE :			
Raw Materials Consumed	11	3,21,13,03,701	2,81,07,60,224
Manufacturing Expenses	12	37,08,94,816	40,70,40,858
Salaries, Wages & Benefits	13	34,19,78,301	33,83,39,731
Administrative, Selling & Other Expenses	14	8,43,40,081	12,04,41,488
Interest & Finance Charges	15	18,46,80,078	16,05,36,100
		4,19,31,96,977	3,83,71,18,401
Loss/(Profit) Before Depreciation , Tax and exceptional item		35,41,49,043	(29,21,04,375)
Depreciation		12,86,51,012	14,56,11,582
Loss/(Profit) for the year before Tax, Previous year adjustment and exceptional item		48,28,00,055	(14,64,92,793)
Net excess of previous year's income over expenditure		1,86,544	(2,28,408)
Loss/(Profit) Before Tax and exceptional item		48,26,13,511	(14,62,64,385)
Exceptional item and Non- recurring items (refer note No. 3 in schedule 16)		31,02,94,291	-
Loss/(Profit) before Taxation		17,23,19,220	(14,62,64,385)
Provision for Taxation			
Current Tax *		2,00,00,000	88,24,114
Wealth Tax		2,51,520	2,60,690
Provision for Deferred Tax Asset/(Liability) (Refer note no.11 in Schedule 16)		(5,12,60,040)	1,36,94,411
Loss/(Profit) after Taxation		14,13,10,700	(12,34,85,170)
Proposed Dividend		-	1,05,00,000
Tax on Dividend		-	17,43,920
Net Deficit/(Surplus) adjusted from General Reserve		14,13,10,700	(11,12,41,250)
Number of Shares		52,50,000	52,50,000
Earning per Equity share		(-) 26.916	23.521

* Provision for taxation includes Rs. 2,00,00,000 relating to earlier years, (Previous year Rs. 40,59,040)

Note : (1) Sales include Rs. 7,38,18,518 Inter-unit transfers (Previous Year Rs. 14,79,63,827).

(2) Figure in Bracket () denote minus figure.

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

P.K. GOYAL
Vice President (Accounts)
Cum Dy. Secretary

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 16th July, 2011

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director

**SCHEDULE - 1 : SHARE CAPITAL**

	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	<u>Rs.</u>	<u>Rs.</u>
Authorised :		
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>
Issued, subscribed and paid-up :		
52,50,000 Equity Shares of Rs. 10/- each fully paid-up	5,25,00,000	5,25,00,000
– 6,50,000 Equity Shares of Rs. 10/- each issued for cash	65,00,000	65,00,000
– 49,57,018 Equity Shares of Rs. 10/- each allotted as fully paid-up Bonus Share by capitalization of General Reserve & Capital Redemption Reserve	4,95,70,180	4,95,70,180
	<u>5,60,70,180</u>	<u>5,60,70,180</u>
Less : 3,57,018 Equity shares of Rs. 10/- each bought back in Financial year 1999-2000	35,70,180	35,70,180
	<u>5,25,00,000</u>	<u>5,25,00,000</u>
	<u>5,25,00,000</u>	<u>5,25,00,000</u>

SCHEDULE - 2 : RESERVES & SURPLUS

	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	<u>Rs.</u>	<u>Rs.</u>
General Reserves :		
As per last Balance Sheet	77,68,87,392	66,56,46,142
Deficit/(Surplus) transferred from Profit & Loss Account	14,13,10,700	(11,12,41,250)
	<u>63,55,76,692</u>	<u>77,68,87,392</u>
Capital Redemption Reserve		
As per last Balance Sheet	35,70,180	35,70,180
	<u>63,91,46,872</u>	<u>78,04,57,572</u>



SCHEDULE - 3 : SECURED LOANS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
I. Cash Credit from Banks	1,43,12,84,437	84,88,96,133
<p>(Secured against first pari passu charge by way of Hypothecation of 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)</p>		
II. Term Loan		
(A) From Banks		
(a) State Bank of India	1,23,04,214	1,83,34,463
(Secured against first pari passu charge with Sugar Development Fund on the Fixed Assets of the company at Shamli)		
(Repayable within one year Rs. 59,32,000 Previous year Rs. 59,32,000)		
(b) State Bank of India	20,85,23,616	28,40,57,537
(Repayable within one year Rs. 7,50,00,000 Previous year Rs. 7,50,00,000)		
(c) Punjab National Bank	2,96,43,086	4,04,24,789
(Repayable within one year Rs. 1,00,00,000 Previous year Rs. 1,00,00,000)		
(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)		
(d) Financial Assistance to Sugar Undertaking Scheme 2007		
(i) State Bank of India	7,31,68,703	15,30,05,659
(Repayable within one year Rs. 7,24,21,000 Previous year Rs. 7,89,96,000)		
(ii) Punjab National Bank	2,98,98,410	6,51,57,565
(Repayable within one year Rs. 2,95,62,500 Previous year Rs. 3,22,50,000)		
(Secured against residual charge on the Fixed Assets of Sugar Unit at Shamli and Unn)		
(B) From Others		
Sugar Development Fund :	3,32,00,000	3,32,00,000
(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)		
(Repayable within one Year Rs. NIL Previous Year Rs. NIL)		
	1,81,80,22,466	1,44,30,76,146



SCHEDULE - 4 : UNSECURED LOANS

	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	<u>Rs.</u>	<u>Rs.</u>
Fixed Deposits :		
From Directors		
(Repayable within one Year Rs. 1,41,00,000 Previous Year Rs. 3,30,39,000)	25,60,16,000	25,94,89,000
From others	20,69,60,000	23,67,61,000
(Repayable within one Year Rs. 9,77,41,000 Previous Year Rs. 9,56,82,000)		
Interest accrued and due on other Deposits repayable within One Year	<u>1,53,179</u>	<u>34,518</u>
	20,71,13,179	23,67,95,518
Other Loans :		
Loan from Directors	2,57,84,942	1,58,43,209
Earnest Money and Security Deposits	1,70,05,634	49,48,928
	<u><u>50,59,19,755</u></u>	<u><u>51,70,76,655</u></u>



SCHEDULE- 5 : FIXED ASSETS

Nature of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost As per last balance sheet 31.03.2010	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2011	Depreciation written off upto 31.03.2010	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FIXED ASSETS										
Land (Free hold)	2,52,58,423	-	4,77,598	2,47,80,825	-	-	-	-	2,47,80,825	2,52,58,423
Land (Lease hold)	13,97,05,665	-	-	13,97,05,665	-	-	-	-	13,97,05,665	13,97,05,665
Buildings	24,83,93,109	20,35,706	2,85,43,304	22,18,85,511	7,62,50,409	1,20,36,020	1,41,02,176	7,41,84,253	14,77,01,258	17,21,42,700
Plant & Machinery	1,60,44,91,486	4,74,37,842	20,25,45,780	1,44,93,83,548	90,15,26,983	11,38,77,401	14,11,61,963	87,42,42,421	57,51,41,127	70,29,64,503
Railway sidings & Trolley lines	19,202	-	-	19,202	19,076	-	-	19,076	126	126
Furniture & Fixtures	64,16,645	1,22,920	23,25,247	42,14,318	49,57,754	3,71,026	16,40,364	36,88,416	5,25,902	14,58,891
Vehicles	1,20,78,474	15,33,730	40,10,458	96,01,746	79,65,419	11,68,018	30,13,869	61,19,568	34,82,178	41,13,055
Assets on rented Land	1,10,28,505	-	-	1,10,28,505	64,34,075	11,98,547	-	76,32,622	33,95,883	45,94,430
Total :	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	89,47,32,964	1,05,02,37,793
Previous Year	2,01,67,02,665	3,23,50,136	16,61,292	2,04,73,91,509	85,25,58,023	14,56,11,582	10,15,889	99,71,53,716	-	1,69,676
Work in Progress										
Total :									89,47,32,964	1,05,04,07,469

Note:

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

**SCHEDULE- 6 : INVESTMENTS
(Other than Trade Investments)**

	As at 31.03.2011		As at 31.03.2010	
	Face Value	Book Value	Face Value	Book Value
	Rs.	Rs.	Rs.	Rs.
1 In Government Securities (at cost) :				
a) National Savings Certificates	1,51,000	1,51,000	1,88,000	1,88,000
2 In Shares Fully paid-up (at cost) :				
a) Shamli Co-operative Cane Development Union Limited (One Share)	10	10	10	10
b) Saharanpur Co-operative Cane Development Union Limited (One Share)	10	10	10	10
c) Indo International Distillers Association Pvt. Ltd., (58,500 Shares of Rs. 10/-each)	–	–	5,85,000	10
		<u>1,51,020</u>		<u>1,88,030</u>

NOTES :

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. 1,88,000/-).
2. All the above investments are unquoted.
3. The nominal value of Rs. 10/- of 58500 shares of M/s Indo International Distillers Association Pvt.Ltd. has been written off during the current year.



SCHEDULE- 7 : CURRENT ASSETS, LOANS & ADVANCES

	As at 31.03.2011		As at 31.03.2010	
	Rs.		Rs.	
CURRENT ASSETS :				
a) Stores and Stocks as per Inventories certified and valued by the management :				
Stores and Spares at average cost	7,73,31,409		10,24,90,458	
Loose Tools and Implements at average cost	23,89,248		33,93,346	
Finished Stocks at lower of cost and net realisable value	2,35,38,34,108		1,95,07,69,287	
Semi - finished stocks at estimated cost	4,22,04,785		3,97,94,624	
Raw materials at average cost	87,99,376	2,48,45,58,926	4,38,56,977	2,14,03,04,692
b) Sundry Debtors (Unsecured) :				
Debts outstanding for a period more than six months :				
Considered Good	5,69,37,572		1,13,55,066	
Considered Doubtful	1,58,30,497		1,77,26,725	
Less : Provision for doubtful debts	1,58,30,497	-	1,77,26,725	-
Other debts considered good	4,37,75,251	10,07,12,823	6,66,36,586	7,79,91,652
c) Cash and Bank Balances :				
Cash, Drafts and Stamps	7,39,703		12,13,998	
Balance with Scheduled Banks in Current Account	3,04,71,282		5,55,65,953	
Balance with Scheduled Banks in Dividend Account	13,01,266		10,99,200	
Balance with Scheduled Banks in Savings Bank Account	3,80,15,928		3,28,24,489	
Balance with Scheduled Banks in Fixed Deposits*	2,28,37,268	9,33,65,447	4,12,64,612	13,19,68,252
d) Other Current Assets :				
Interest accrued	8,35,371		73,11,340	
Claims pending settlement	50,427		1,37,782	
Security Lodged	52,98,240		56,48,612	
Interest on excise loan recoverable	2,66,94,226	3,28,78,264	3,30,03,578	4,61,01,312
LOANS & ADVANCES :				
(Unsecured Considered good unless otherwise specified)				
Due from a Co-operative Society bearing no interest	50,000		50,000	
Loan to employees	70,000		83,000	
Advances recoverable in Cash or in Kind or for value to be received :				
Considered good	36,70,691		68,57,542	
Considered Doubtful	1,87,192		2,18,348	
Less : Provision for doubtful advances	1,87,192	-	2,18,348	-
Recoverable or adjustable from Govt. Departments :				
Income Tax paid	-		1,22,40,942	
Sales Tax paid	3,74,653		14,00,000	
Excise Duty Deposited	1,03,14,071		98,96,311	
Prepaid Expenses	19,57,863	1,64,37,278	31,70,955	3,36,98,750
Total	2,72,79,52,738		2,43,00,64,658	

* Includes Rs. 27,53,265 as Security with various Government Departments (Previous year Rs. 43,91,500), Rs. 84,000 with Banks as margin money (Previous year Rs. 20,000)

**SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS**

	As at 31.03.2011	As at 31.03.2010
	<u>Rs.</u>	<u>Rs.</u>
A. CURRENT LIABILITIES:		
Sundry Creditors – Micro, Small Scale and Medium Industries*	1,57,997	10,24,886
– Others	32,75,28,402	35,71,78,638
Interest accrued but not due	3,92,08,370	2,77,68,553
Unclaimed Dividends	<u>13,01,217</u>	<u>10,99,130</u>
	36,81,95,986	38,70,71,207
B. PROVISIONS FOR:		
Provision for Income Tax	5,35,315	25,956
Proposed Dividend	–	1,05,00,000
Tax on Dividend	–	17,43,920
Expenses	19,25,30,229	19,17,64,197
Gratuity	3,24,81,067	2,90,91,456
Leave Salary	2,11,36,690	2,17,52,002
Excise Duty on closing stock of Finished Goods	<u>10,28,56,731</u>	<u>10,48,29,395</u>
	<u>34,95,40,032</u>	<u>35,97,06,926</u>
	<u>71,77,36,018</u>	<u>74,67,78,133</u>

* Refer Note No. 14 in Schedule ‘ 16 ’

Signature to Schedules 1 to 8 and 16 forming part of the Balance Sheet.

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

P.K. GOYAL
Vice President (Accounts)
Cum Dy. Secretary

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

H.K. CHADHA
Partner
Membership No. 6470

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director

Place : New Delhi
Date : 16th July, 2011



SCHEDULE-9 : OTHER INCOME

	For the year ended 31.03.2011	For the year ended 31.03.2010
	<u>Rs.</u>	<u>Rs.</u>
Interest Earned-Gross		
(Tax deducted at source Rs. 6,03,549 Previous year Rs. 15,52,816)		
(i) From Banks	19,07,105	1,12,00,234
(ii) From Others	<u>18,37,845</u>	<u>68,37,121</u>
Rent realized	1,95,371	1,95,409
Profit on sale of Fixed Assets/Stores	1,28,239	3,92,996
Unclaimed Credit Balances written back	41,85,905	98,516
Sundry Receipts	3,78,675	9,68,178
Sale of Scrap	54,94,705	62,13,973
Bottling charges	1,81,91,145	1,84,37,423
Income from agricultural activity	7,72,333	7,05,122
Refund of Excise Duty/Sales Tax paid in earlier years	2,60,607	3,15,000
Provision for bad & doubtful debts provided in earlier years written back	19,27,384	59,33,836
Miscellaneous Sales :		
(i) Sale of Bagasse	17,57,76,277	11,40,18,788
(ii) Sale of Press Mud	1,83,12,670	1,08,53,016
(iii) Sale of Bio-Compost	<u>80,80,065</u>	<u>78,22,620</u>
	<u>20,21,69,012</u>	<u>13,26,94,424</u>
	<u>23,74,48,326</u>	<u>18,39,92,232</u>

**SCHEDULE-10 : VARIATION IN STOCKS**

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.		Rs.	
Stocks at commencement :				
Finished Goods				
Manufactured Goods	1,94,84,98,485		2,08,28,68,778	
Traded Goods	22,70,802	1,95,07,69,287	11,18,097	2,08,39,86,875
Semi-finished Goods		3,97,94,624		2,00,25,161
		1,99,05,63,911		2,10,40,12,036
Add: Purchase of Traded Goods		4,68,86,705		3,26,95,062
		2,03,74,50,616		2,13,67,07,098
Less : Stocks at Close :				
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
Excess of Closing Stocks over opening Stocks		35,85,88,277		(14,61,43,187)
Less:				
Variation in Excise Duty of Closing Stocks over opening Stocks		(19,72,664)		(3,71,59,873)
Net variation in Opening & Closing Stocks of Finished & Semi-Finished Goods		36,05,60,941		(10,89,83,314)

Note : Figure in Bracket () denote minus figure.

SCHEDULE-11 : RAW MATERIALS CONSUMED

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.		Rs.	
Raw Materials at Commencement		4,38,56,977		3,36,01,249
Add : Purchases during the year		3,17,62,46,100		2,82,10,15,952
		3,22,01,03,077		2,85,46,17,201
Less : At Close		87,99,376		4,38,56,977
Raw Materials consumed		3,21,13,03,701		2,81,07,60,224

Note : Purchases include Rs. 7,38,18,518 Inter - unit transfers (Previous Year Rs. 14,79,63,827).



SCHEDULE- 12 : MANUFACTURING EXPENSES

	For the year ended 31.03.2011	For the year ended 31.03.2010
	<u>Rs.</u>	<u>Rs.</u>
Stores consumed	6,51,12,907	4,82,17,089
Power & Fuel	9,55,02,707	8,80,15,567
Packing & Forwarding	9,60,43,647	14,74,75,533
Repairs :		
Plant & Machinery	9,18,04,237	10,25,66,903
Buildings	1,38,37,045	1,05,01,270
Others	<u>39,08,962</u>	<u>47,88,202</u>
Cane & Road Development	44,17,042	51,84,973
Expenses for Agriculture Activity	2,68,269	2,91,321
	<u>37,08,94,816</u>	<u>40,70,40,858</u>

SCHEDULE- 13 : SALARIES, WAGES & BENEFITS

	For the year ended 31.03.2011	For the year ended 31.03.2010
	<u>Rs.</u>	<u>Rs.</u>
Salaries, Wages & Bonus	29,68,32,083	30,01,71,344
Contribution to Provident Fund and Family Pension Fund etc. (Including Rs. 2,83,200 for Managerial Personnel Previous year Rs. 3,88,800)	2,54,42,090	2,39,18,063
Contribution to Approved Superannuation Fund (Including Rs. 3,54,000 for Managerial Personnel Previous Year Rs.4,86,000)	3,54,000	4,86,000
Provision/Contribution to Approved Gratuity Fund	1,58,66,587	1,02,70,239
Staff Welfare	34,83,541	34,94,085
	<u>34,19,78,301</u>	<u>33,83,39,731</u>

Note : Salaries, Wages & Bonus includes Rs. 69,54,217 paid under Voluntary Retirement Scheme.

**SCHEDULE-14 : ADMINISTRATIVE, SELLING
& OTHER EXPENSES**

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Rent	12,81,641	12,31,056
Rates & Taxes	47,84,989	57,79,763
Insurance	23,58,499	25,80,908
Travelling & Vehicles	1,06,98,382	1,10,18,699
Legal & Professional	88,70,775	69,51,144
Postage, Telegram and Telephones	16,97,110	20,78,445
Stationery & Printing	20,36,643	20,58,135
Subscription and Advertisement	15,71,546	13,58,695
General Charges	66,80,688	67,10,531
Managerial Remuneration :		
Salary	23,60,000	32,40,000
Perquisites (in addition to Rs.6,37,200 towards Provident Fund & Superannuation Contribution-Previous Year Rs. 8,74,800)	16,56,653	23,58,508
Directors Fee	6,36,000	5,00,000
Directors Travelling	4,93,007	4,50,810
Charity & Donations	96,000	1,93,801
Bad Debts & Claims written off	37,08,673	8,51,177
Provision for Bad & Doubtful debts	-	5,73,768
Fines & Penalties	1,60,910	2,30,041
Audit Fee	3,00,000	2,50,000
Loss on Sale & Disposal of :		
Fixed Assets	40,65,259	1,49,259
Other Assets	10,90,096	29,32,114
Excise Duty & Bottling Fee	2,56,492	-
Transportation & Selling	1,21,95,556	58,46,198
Commission on Sales	1,28,21,928	1,73,13,999
Rebate on sales	10,000	4,57,84,437
Transit loss on sales	1,97,887	-
Commitment charges paid under contractual agreement	43,11,347	-
	<u>8,43,40,081</u>	<u>12,04,41,488</u>



SCHEDULE-15 : INTEREST AND FINANCE CHARGES

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Interest :		
Fixed Deposits/Term Loans	9,30,81,588	10,80,66,699
(Including Rs. 2,54,09,796 paid to Managerial Personnel Previous Year Rs. 2,68,71,880)		
Other Interest	8,32,75,744	4,60,76,917
(Including Rs. 14,72,070 paid to Managerial Personnel Previous year Rs. 30,58,348)	17,63,57,332	15,41,43,616
Bank Charges	83,22,746	63,92,484
	18,46,80,078	16,05,36,100

Signature to Schedules 9 to 15 forming part of the Profit & Loss Account.

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

P.K. GOYAL
*Vice President (Accounts)
Cum Dy. Secretary*

SUNIT MALHOTRA
*Chief Financial Officer
Cum Company Secretary*

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

H.K. CHADHA
Partner
Membership No. 6470
Place : New Delhi
Date : 16th July, 2011

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director

**SCHEDULE - 16 : SIGNIFICANT ACCOUNTING POLICIES,
CONTINGENT LIABILITIES & NOTES TO ACCOUNTS****16. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR :**

	<u>As on 31.03.2011</u>	<u>As on 31.03.2010</u>
	Rs.	Rs.
(a) In respect of Statutory Liabilities :		
(i) Subjudice Income tax determined by Income tax department	NIL	3,43,34,261
(ii) Subjudice Sales tax and Entry Tax including interest	10,42,74,474	13,66,70,705
(iii) Excise Duty and penalty thereof	1,53,86,796	11,37,896
(b) In respect of alleged claim of interest on arrears of late payment of cane price	73,08,696	73,08,696
(c) In respect of alleged lease rent of land demanded by Northern Railway	2,41,99,346	2,32,71,109
(d) In respect of administrative charges on Molasses	4,38,706	72,49,515
(e) In respect of alleged claim of Stamping fee on vats	55,42,460	-
(f) In respect of labour cases in dispute, the amount of which is not ascertainable		

16. (B) NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT :**1. Significant Accounting Policies :**

- (a) **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.
- (b) **Depreciation** : (i) Depreciation is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
(ii) Depreciation on Fixed Assets on Rented land are amortized over the lease period.
(iii) 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.
- (c) **Inventory Valuation** : (i) Raw materials and stores & spares are valued at average cost.
(ii) Stock-in-process is valued at estimated cost.
(iii) 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.
- (d) **Other Current Assets** : Current Assets, Loans and Advances are accounted for at their net realizable value.



- (e) **Investments** : Investments are accounted for at cost as reduced by amount written off.
- (f) **Sales** : Sales are recognized when supply of goods takes place and include Excise Duty but exclude Sales Tax.
- (g) **Recognition of Income/ Expenditure** : Income/Expenditure are accounted for on accrual basis.
- (h) **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.

2. The Company has provided the cane price liability for the season 2007-08 @ Rs. 125/- per qtl. for general variety and Rs. 130/- per qtl. for early maturing variety as per the State Advised price (SAP) for the financial year ending 31.03.2008. Thereafter on an appeal the Hon'ble Supreme Court had passed an interim order directing the Sugar Mills to pay @ Rs. 110/- per qtl. The Company however, decided not to provide the cane price liability in excess of Rs.110/- per qtl. for sugar cane purchased during the period from 01.04.2008 to the end of the season 2007-08 amounting to Rs.402.40 lacs. The necessary adjustments shall be made on the final order of the Hon'ble Supreme Court.
3. During the year the Company has disposed off its distillery unit "Pilkhani Distillery & Chemical Works" after obtaining approval from Share holders for consideration of Rs. 38.40 crores as slump sale.

4. Employee Benefits

i. 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.

ii. 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.

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

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.

Contribution to Provident fund, Superannuation fund and Family pension fund charged off during the year are as under:

PARTICULARS	2010-2011	2009-2010
Employer contribution to Provident fund	1,18,01,315	1,10,10,245
Employer contribution to Family pension fund	1,08,57,310	1,05,21,121
Employer contribution to Superannuation fund	3,54,000	4,86,000

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SIR SHADI LAL ENTERPRISES LIMITED

SCHEDULE '16' ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES-CONTD.....

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 is 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.

The detail of Gratuity and Leave liability calculation as determined by actuary are as under :-

PARTICULARS	31.03.2011	31.03.2010
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	08.25% 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	15.82 Years
B GRATUITY LIABILITY		
1 CHANGES IN PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	10,52,18,462	9,51,12,871
Interest Cost	80,12,937	75,80,892
Current Service Cost	54,16,441	55,04,812
Benefit Paid	(1,61,83,899)	(64,46,543)
Actuarial Gain/Loss on obligation	26,57,620	34,66,430
Present value of obligation as on 31 st March	10,51,21,561	10,52,18,462
2 CHANGES IN THE PRESENT VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the I.V.P.	7,68,44,503	7,20,32,110
Expected Return on Plan Assets	66,65,191	66,28,335
Contribution	54,84,753	47,71,448
Withdrawal	(1,58,36,319)	(62,90,838)
Actuarial Gain/Loss on Plan Assets	(5,17,636)	(2,96,552)
Fair value of plan Asset at 31 st March	7,26,40,492	7,68,44,503
3 FAIR VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the I.V.P.	7,68,44,503	7,20,32,110
Actuarial Return on Plan Assets	61,47,555	63,31,783
Contribution	54,84,753	47,71,448
Withdrawal	(1,58,36,319)	(62,90,838)
Fair Value of Plan Assets at the end of the I.V.P.	7,26,40,492	7,68,44,503
Present value of obligation at the end of the I.V.P.	10,51,21,561	10,52,18,462
Funded Status/Net Liability recognised in Balance Sheet	3,24,81,069	2,83,73,959



<u>PARTICULARS</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
4 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS		
Current Service Cost	54,16,441	55,04,812
Interest Cost	80,12,937	75,80,892
Expected Return on Plan Assets	(66,65,191)	(66,28,335)
Actuarial (Gain)/Loss recognised in the I.V.P.	31,75,256	37,62,982
Expenses Recognised in the statement of Profit & Loss	99,39,443	1,02,20,351

NOTE : To match the figures with Actuary liability as on 31.3.2011 additional amount of Rs. 59,27,144 has been charged to Profit & Loss Account (Previous year Rs. 49,888/-).

C LEAVE LIABILITY

1 Present value of obligation at the beginning of the year	1,31,92,013	81,50,279
Interest Cost	5,82,001	3,15,516
Current Service Cost	81,66,434	71,88,442
Benefit Paid	1,22,74,921	86,51,684
Actuarial Gain/Loss for the I.V.P.	45,07,741	61,89,460
Present value of obligation long term as on 31 st March	1,41,73,268	1,31,92,013
Present value of obligation short term as on 31 st March	69,63,422	85,59,989
Net Liability recognised in Balance Sheet as on 31 st March	2,11,36,690	2,17,52,002

2 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS

Current Service Cost	81,66,434	71,88,442
Interest Cost	5,82,001	3,15,516
Expected Return on Plan Assets	(-)	(-)
Actuarial (Gain)/Loss recognised in the I.V.P.	45,07,741	61,89,460
Expenses Recognised in the statement of Profit & Loss	1,32,56,176	1,36,93,418

NOTE: Expenses charged on leave payment/provision included in Salary Wages & Bonus under Salary Wages & Benefits in Schedule 13.

Termination Benefits – Voluntary Retirement Scheme

5. Estimated amount of contracts remaining to be executed on capital Account is Rs. NIL (Previous year Rs. NIL) against which advance of Rs. NIL has been made (Previous Year Rs. NIL).
6. State Bank of India have given bank guarantees on behalf of Company for Rs. 306.20 Lacs in favour of various Government Department by way of noting 100 % lien against the drawing power of cash credit account of the Company.
7. In absence of balance confirmations from certain creditors, debtors and securities lodged shown in Schedule '7' and '8', the Auditors have relied upon the figures appearing in the books of the Company.
8. Income Tax assessments have been completed upto the Accounting year 2007-2008 (Assessment Year 2008-2009). However intimation for processing of return for the Accounting Year 2009-10 (Assessment year 2010-2011) 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 have been legally advised that in view of expected reliefs the provision for Income Tax made in accounts is considered adequate.
9. 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.

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SIR SHADI LAL ENTERPRISES LIMITED

SCHEDULE '16' ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES-CONTD.....

10. Additional information pursuant to the Provisions of Part II of the Schedule VI of the Companies Act, 1956.

Managerial Remuneration under Section 198 of the Companies Act, 1956 paid/provided.

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
a) Salary	23,60,000	32,40,000
b) Commission on profits	-	-
c) Provident Fund & Superannuation Fund	6,37,200	8,74,800
d) Perquisites	16,56,653	23,58,508
e) Leave liability of Sr. Executive Director	9,335	-
	<u>46,63,188</u>	<u>64,73,308</u>
f) Directors Fee	6,36,000	5,00,000
	<u>52,99,188</u>	<u>69,73,308</u>

A) Computation of profits U/S 309 (5) read with Section 198 & 349 of the Companies Act, 1956 :

(Loss)/Profit as per Profit & Loss Account (Before Tax)	(17,23,19,220)	14,62,64,385
Add/Less : – Profit on sale of unit	15,76,20,619	-
– Provision for Bad and doubtful debts provided in earlier years written back	19,27,384	59,33,836
	(15,95,48,003)	59,33,836
	<u>(33,18,67,223)</u>	<u>14,03,30,549</u>
Less/Add : – Managerial Remuneration Paid/provided*	52,99,188	69,73,308
– Loss on sale of Assets	40,65,259	1,49,259
– Amount paid under Voluntary Retirement Scheme	69,54,217	-
– Provision for leave encashment of Sr. Executive Director	-	1,12,000
– Provision for Bad & Doubtful debts	-	5,73,768
	<u>1,63,18,664</u>	<u>78,08,335</u>
	<u>(31,55,48,559)</u>	<u>14,81,38,884</u>
Less: Excess of expenditure over income of earlier years	<u>(32,07,28,992)</u>	<u>(46,88,67,876)</u>
Net (Loss) for Managerial personnel commission	<u>(63,62,77,551)</u>	<u>(32,07,28,992)</u>

Commission to Managerial personnel :

Because of inadequacy of Profit, no commission is payable.

* Managerial Remuneration is exclusive of provision for gratuity and leave salary for which separate actuarial Valuation has not been provided by Actuary.

B) Auditors' Remuneration :

(I) Statutory Auditors

(a) For Statutory Audit	3,00,000	2,50,000
(b) For Tax Audit	75,000	60,000
(c) For Audit of Trusts	15,000	15,000
(d) For certification	75,000	70,000
	<u>4,65,000</u>	<u>3,95,000</u>

(e) Service Tax on auditors remuneration	42,745	40,685
(f) Travelling Expenses	33,406	-

(II) Cost Auditor

(a) For cost Audit	50,000	45,000
(b) For other services	6,000	6,000
	<u>56,000</u>	<u>51,000</u>

(c) Service Tax on remuneration	5,768	4,635
(d) Out of pocket Expenses	-	12,600



C. Particulars of Capacity, Production, Stock and Sales of Salable Products :

	OPENING STOCKS		PRODUCTION	PURCHASES		TURNOVER		CLOSING STOCKS		LICENSED	INSTALLED
	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.	QUANTITY QTLs.	VALUE Rs.	CAPACITY (AS CERTIFIED BY THE MANAGEMENT)	CAPACITY
FOR THE YEAR ENDED 31.03.2011											
SUGAR											
MANUFACTURED GOODS	6,23,507	1,78,83,33,233	12,26,761			10,42,102	2,79,22,98,510	8,08,166	2,26,66,05,774	NOT	11250 MT
										APPLICABLE	CANE CRUSHED
											PER DAY
MOLASSES											
MANUFACTURED GOODS	2,92,624	7,23,51,173	7,16,277			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	7364 KL	7364 KL
TRADED GOODS		22,70,802			4,68,86,705		4,91,57,507			PER ANNUM	PER ANNUM
OTHER SALES							20,21,69,012				
FOR THE YEAR ENDED 31.03.2010											
SUGAR											
MANUFACTURED GOODS	9,83,807	1,87,84,73,626	9,44,500			13,04,800	3,57,95,72,676	6,23,507	1,78,83,33,233	NOT	11250 MT
										APPLICABLE	CANE CRUSHED
											PER DAY
MOLASSES											
MANUFACTURED GOODS	2,37,493	12,28,43,125	5,26,252			4,70,039	19,64,81,829	2,92,624	7,23,51,173		
DISTILLERY PRODUCTS											
MANUFACTURED GOODS		8,15,52,027					83,89,15,713		8,78,14,079	18364 KL	18364 KL
TRADED GOODS		11,18,097			3,26,95,062		3,15,42,357		22,70,802	PER ANNUM	PER ANNUM
OTHER SALES							13,26,94,424				

NOTES :

- Quantitative figures of Distillery products are not ascertainable, because the basic product of spirits is converted later into various strengths with water dilution.
- Closing stock of Molasses arrived at after adjustment of wastage of 4,170 Qtls.(Previous year 1,082 Qtls & excess of 2,541 Qtls.).
- Turnover includes inter-unit transfer of Rs. 7,38,18,518 (Previous year Rs. 14,79,63,827).

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SIR SHADI LAL ENTERPRISES LIMITED

SCHEDULE '16' ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES-CONTD.....

		For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
D) Other Information :			
(a) Value or imports calculated on CIF basis during the year		NIL	NIL
(b) Expenditure in Foreign Currency		NIL	11,784
(c) Value of imported/indigenous raw materials, spare parts, components consumed :			
	Quantity Qtls.		Quantity Qtls.
(I) Raw Materials including expenses thereon :			
(i) Sugarcane (100% indigenous)	1,37,36,234	3,05,78,97,036	1,05,70,861
(ii) Molasses (100% indigenous)	5,01,999	14,66,54,840	4,44,947
(iii) Malt (100% indigenous)	3,026	67,51,825	2,942
(II) Spare Parts and components :	% of total consumption		% of total consumption
(i) Indigenous	100	4,73,91,779	100
(ii) Imported	NIL	NIL	NIL
(d) Amount remitted during the year in Foreign Exchange on account of Dividend		NIL	NIL
(e) Earning in Foreign Currency		NIL	NIL
11. Deferred Tax Assets at the year end comprising timing difference on account of :			
		As at 31.03.11	As at 31.03.10
(a) Depreciation		5,80,71,160	8,82,49,407
Less :- Expenditure/Provisions allowable on account of :			
– Employees Benefits		17,42,892	60,01,703
– Taxes, duties, cess etc.		2,84,37,805	2,83,56,052
– Provision for Bad & doubtful debts.		–	1,95,024
– Assessed loss under Income Tax Act' 1961.		13,83,78,852	11,29,24,977
Net deferred Tax Assets		11,04,88,389	5,92,28,349
(b) In accordance with “Accounting Standard-22” the company has recognised the deferred Tax Assets Rs. 5,12,60,040 which has been adjusted in Profit & Loss account.			



12. Related parties' Disclosures :

I Relationship

A Key Management personnel :

1. Mr. Rajat Lal
2. Mr. Vivek Viswanathan
3. 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 Viswanathan**
12. Smt. Radhika

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

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

** Smt. Manjula Viswanathan has expired on 19.12.2010.

II Transactions of Expense/Income carried out during the year

	Remuneration	Directors' Fee	Interest on Deposits/Loans	Total
	Rs.	Rs.	Rs.	Rs.
A. Key Management Personnel :	46,53,853 (64,73,308)	– (–)	2,68,81,866 (2,99,30,229)	3,15,35,719 (3,64,03,537)
B. Relatives of Key Management Personnel	– (55,450)	1,20,000 (1,24,000)	35,41,731 (36,42,152)	36,61,731 (38,21,602)
TOTAL (A+B):	46,53,853 (65,28,758)	1,20,000 (1,24,000)	3,04,23,597 (3,35,72,381)	3,51,97,450 (4,02,25,139)

III Transactions of Loans and Deposits during the year

	Opening Balance As on 01.04.2010	Received	Repaid	Closing Balance As on 31.03.2011
	Rs.	Rs.	Rs.	Rs.
1 Loans				
– Key Management Personnel	1,22,67,878 (3,80,58,192)	4,52,37,460 (4,31,98,909)	3,28,34,036 (6,89,89,223)	2,46,71,302 (1,22,67,878)
– Relatives of Key Management Personnel	35,41,116 (12,93,720)	14,00,460 (27,75,071)	38,64,281 (5,27,675)	10,77,295 (35,41,116)
2 Deposits				
– Key Management Personnel	24,28,39,000 (23,26,01,000)	3,12,50,000 (24,28,39,000)	2,58,39,000 (23,26,01,000)	24,82,50,000 (24,28,39,000)
– Relatives of Key Management Personnel	3,32,90,000 (2,44,88,000)	1,85,10,000 (2,34,60,000)	3,43,96,000 (1,46,58,000)	1,74,04,000 (3,32,90,000)

Note : Figures in () denote Previous Year figures.

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

SCHEDULE '16' ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES-CONTD.....

13. 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:	Sugar Amount Rs.	Alcohol Amount Rs.	Total Amount Rs.
Particulars			
-Segment Revenue including Excise Duty			
External Revenue	2,89,19,55,636	43,30,44,730	3,32,50,00,366
	(3,59,38,46,620)	(87,04,58,069)	(4,46,43,04,689)
Inter-segment	7,38,18,518	-	7,38,18,518
	(18,22,07,886)	(-)	(18,22,07,886)
Total	2,96,57,74,154	43,30,44,730	3,39,88,18,884
	(3,77,60,54,506)	(87,04,58,069)	(4,64,65,12,575)
-Segment Result before interest & tax and exceptional item - Profit/Loss(-)	(-) 24,26,21,568	(-) 2,44,42,061	(-) 26,70,63,629
	(39,19,16,394)	(-) (5,44,22,444)	(33,74,93,950)
Less : Unallocated expenses (Net of Unallocable Income)			3,91,92,549
			(3,70,85,949)
Less : Finance Charge			17,63,57,333
			(15,41,43,616)
Profit/(Loss) (-) before tax & exceptional item			(-) 48,26,13,511
			(14,62,64,385)
Add : Exceptional Item			31,02,94,291
			(-)
Profit/(Loss) (-) before tax			(-) 17,23,19,220
			(14,62,64,385)
- Segment assets	3,46,54,94,423	11,13,86,749	3,57,68,81,172
	(3,01,30,02,497)	(42,70,55,102)	(3,44,00,57,599)
Unallocated Assets			4,59,55,550
			(4,06,02,558)
Total Assets			3,62,28,36,722
			(3,48,06,60,157)
- Segment Liabilities	64,44,06,995	1,04,58,444	65,48,65,439
	(63,32,79,936)	(5,50,99,292)	(68,83,79,228)
Unallocated Liabilities			6,28,70,579
			(5,83,98,905)
Total Liabilities			71,77,36,018
			(74,67,78,133)
Segment capital expenditure	4,69,49,401	23,39,456	4,92,88,857
	(2,76,64,260)	(37,66,778)	(3,14,31,038)
Unallocated capital Expenditure			18,41,341
			(9,19,098)
Total capital expenditure			5,11,30,198
			(3,23,50,136)
-Segment Depreciation	10,62,41,040	2,11,56,161	12,73,97,201
	(11,91,27,398)	(2,50,64,158)	(14,41,91,556)
Unallocated Depreciation			12,53,811
			(14,20,026)
Total Depreciation			12,86,51,012
			(14,56,11,582)

Note : Figures in () denote Previous year figures.



CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011

ANNEXURE-1

	Year ended 31st March, 2011 (Rs. in lakhs)	Year ended 31st March, 2010 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and exceptional item as per Profit & Loss Account	(4,826.14)	1,462.64
Adjustments for : Depreciation	1,286.51	1,456.12
Interest (Net)	1,726.12	1,361.06
Bad debts & claims written off (Net)	17.82	14.25
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	39.37	(2.44)
Prior period adjustment (Net)	(1.87)	2.28
Unclaimed Credit Balances Written Back	(41.86)	(0.99)
Stores Written off	10.90	29.32
Operating Profit before working capital changes	(1,789.15)	4,322.24
Adjustment for : Trade and other receivables	(127.34)	158.31
Inventories	(3,453.44)	872.75
Trade Payables	5,696.81	(2,196.90)
Cash generated from operations	326.88	3,156.40
Prior period adjustment (Net)	1.87	(2.28)
Interest paid	(928.89)	(676.09)
Direct tax paid (Net)	(72.50)	(210.06)
Wealth Tax Paid	(2.51)	(2.60)
Net Cash from operating activities	(675.15)	2,265.37
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (net of advance)	(509.60)	(323.50)
Sale of fixed assets	740.47	8.89
Exceptional item – Profit on sale of Pilkhani Unit	3,102.94	–
Investment in Securities	0.37	(0.50)
Interest received	102.21	113.30
Net Cash used in investing activities	3,436.39	(201.81)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from fixed Deposit/Directors Loan	(232.14)	637.30
Proceeds from Term Loan/Repayment of Finance Liability	(2,074.42)	(1,989.34)
Dividend paid	(102.98)	(3.16)
Tax paid on Dividend	(17.44)	–
Interest paid	(720.29)	(781.76)
Net Cash used in Financing Activities	(3,147.27)	(2,136.96)
Net increase in Cash and Cash equivalents	(386.03)	(73.40)
Opening balance of Cash and Cash equivalents	1,319.68	1,393.08
Closing balance of Cash and Cash equivalents	933.65	1,319.68

Note : Figures in () denote Cash Outgo

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

P.K. GOYAL
Vice President (Accounts)
Cum Dy. Secretary

SUNIT MALHOTRA
Chief Financial Officer
Cum Company Secretary

Directors :
Onke Aggarwal
Hemantpat Singhania
Sudha Singhania
R.L. Srivastava
R.C. Sharma
P.K. Viswanathan

H.K. CHADHA
Partner
Membership No. 6470

VIVEK VISWANATHAN
Joint Managing Director

RAJAT LAL
Managing Director

Place : New Delhi
Date : 16th July, 2011