

# L V P FOODS PRIVATE LIMITED

Regd. Office: "Link House", 3 Bahadur Shah Zafar Marg, New Delhi-110002

## NOTICE

NOTICE is hereby given that the 4<sup>th</sup> (*Fourth*) Annual General Meeting of the Members of L V P FOODS PRIVATE LIMITED will be held at the Registered Office of the Company at "Link House" (4<sup>th</sup> Floor) 3 Bahadur Shah Zafar Marg, New Delhi-110002, on Friday, the 24<sup>th</sup> September 2010, at 5.00 P.M. to transact the following business:--

1. To receive, consider and adopt the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2010 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Upendra Kumar Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration:

By Order of the Board



(Upendra Kumar Gupta)  
DIRECTOR

Place : New Delhi

Dated : 09-09-2010.

## NOTES

**A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and such a Proxy need not be a Member of the Company. The instrument appointing a Proxy, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time fixed for holding the meeting.**

## DIRECTORS' REPORT

To the Shareholders

The Directors of the Company present their Fourth (4<sup>th</sup>) Annual Report together with the Audited Accounts of the Company for the Financial Year ended on 31<sup>st</sup> March, 2010.

### Humble Respect to Late Lala Lakshmipat Singhanla

*The Company is observing this year as the **Birth Centenary Year** to pay humble respect to Late Lala Lakshmipat Singhanla (1910-1976), who had been a great Visionary and Key Architect of JK Organisation. He believed in the philosophy of inclusive growth encompassing all sections of the Society. The Company's good maiden performance this year is an appropriate tribute to the great Founder.*

### FINANCIAL RESULTS

	(Rs. In Lacs)	
	2009-10	2008-09
Sales and Other Income	8828.61	0.99
Operating Profit (PBIDT)	266.73	0.65
Profit before Depreciation (PBDT)	122.09	0.65
Net Profit /(Loss) after Tax	42.61	(0.25)

With a view to conserve resources, your Directors do not recommend any dividend.

### OPERATIONS

In pursuance of a long term contract with Mother Dairy Fruit & Vegetables Pvt. Ltd. (MDFVPL), the Company collaborated with M/s Umang Dairies Limited to put up a facility to process and pack 5 Lac Litres of liquid milk in poly pouches at Gajraula, Dist. Jyotiba Phule Nagar, Uttar Pradesh. The Plant started commercial production from 11<sup>th</sup> September 2009. Plant has fully stabilized and the product quality is fully conforming to the specs laid down by MDFVPL. MDFVPL was supposed to supply 4 Lac Litres per day of milk from 1<sup>st</sup> November 2009. However, due to some problems at MDFVPL's end, this did not materialize. Capacity Utilisation as on 31<sup>st</sup> March 2010 is about 50%. MDFVPL has promised to increase milk supply in the coming year.

### OUTLOOK

With growing consumer preference towards better hygiene, more and more consumers are moving away from loose milk supplied by Gwalas to pouched milk. The demand for pouched milk is therefore increasing in double digits YOY. Besides this, the concept of organized retail is catching up in the country. All organized retail outlets have a shelf for dairy products including pouched milk.

This is also adding to demand for pouched milk. The Company sees high potential for growth in this segment.

## **DIRECTORS**

Being a subsidiary of Bengal & Assam Company Limited (a public limited company) the provisions of Section 255 and 256 of Companies Act, 1956 regarding retirement of directors by rotation, are applicable to the Company.

Consequently, Shri Upendra Kumar Gupta, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act 1956, your Directors state that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures in the financial statement;
- ii) the accounting policies have been selected and applied consistently and judgments and estimates made 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 & loss account of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts of the Company have been prepared on a going concern basis.

## **Compliance Certificate**

As required by Section 383A of the Companies Act 1956, a Compliance Certificate received from Ms. jus & associates, company secretaries, New Delhi is annexed.

## **PARTICULARS OF EMPLOYEES**

The Company had no employee for whom information under section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employee) Rules, 1975 (as amended) is required to be given.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO**

**(a) Conservation of Energy**

The requirement of furnishing particulars of energy conservations, technology absorption, etc. is not applicable to the Company, since, as per agreement with M/s Umang Dairies Limited (UDL), all manufacturing activities are to be done by UDL.

**(b) Research & Development and Technology absorption**

No activity on Research & Development and Technology absorption.

**(c) Foreign Exchange Earnings and Outgo**

	<u>(Rs. in Lacs)</u>
Foreign Exchange earned	Nil
Foreign Exchange used	Nil

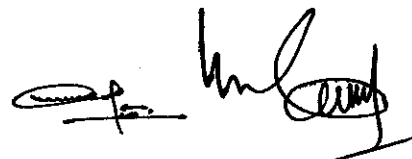
**AUDITORS**

M/s. A. K. Gutgutia & Company, Chartered Accountants, the Auditors of the Company retire at the forthcoming 4<sup>th</sup> Annual General Meeting. They have signified their willingness to be re-appointed as Auditors of the Company and confirmed that their appointment, if made, will be in accordance with the provisions of Section 224 (1B) of the Companies Act, 1956. The observations of the Auditors read with their relevant notes are self-explanatory.

**ACKNOWLEDGEMENTS**

The Directors wish to thank the Mother Dairy, Suppliers, Customers, Dealers, Vendors, Bankers, Financial Institutions and Government Authorities for their continued support. They also place on record their appreciation of the hard work put in by the employees at all levels during the period under report.

On behalf of the Board OF Directors

  
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DIRECTORS

Place : New Delhi

Date : 09-07-2010

### COMPLIANCE CERTIFICATE

[Pursuant to provision to sub-section (1) of section 383A of the Companies Act, 1956 and Rule 3(1) of the Companies (Compliance Certificate) Rules, 2001]

Company No. : U45200DL2006PTC156229  
Authorised Capital : Rs. 5, 00, 00,000/-  
Paid-up capital : Rs. 2, 00, 00,000/-

To,  
The Members,  
**LVP Foods Private Limited**  
Link House, 4th Floor,  
3, Bhahdurshah Zafar Marg  
New Delhi-110002

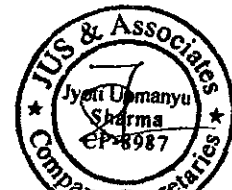
I have examined the registers, records, books and papers of M/s. **LVP Foods Private Limited**, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended March 31, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed or with additional fee, if filed after the time prescribed, under the Act and the rules made there under.
3. The Company being a private limited company, has the minimum prescribed paid up capital and its maximum number of members during the said financial year were 3 (three) excluding its present and past employees and the Company, during the year under scrutiny:
  - a) has not invited public to subscribe for its shares or debentures ; and
  - b) has not invited or accepted any deposits from any person, member, director or their relatives.
4. The Board of Directors duly met eight times on April 29, 2009, June 17, 2009, July 7, 2009, July 8, 2009, August 18, 2009, September 18, 2009, December 3, 2009 and February 25, 2010, in respect of which meetings proper notices were given and the

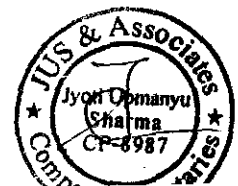


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proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended March 31, 2009 was held on **September 25, 2009** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The provisions of Section 295 are not applicable to the Company being a private limited company.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the year under review.
10. The Company was not required to make any entry under sub section (1) in the register maintained under section 301 of the Act. However, entries were made under sub section (3) of the said Section
11. As there were no instances during the period under review, which fall within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company:
  - a) has not made allotment of any security during the financial year.
  - b) has delivered certificates after due transmission of shares. No request was received for transfer, subdivision, consolidation etc. of shares, during the financial year .
  - c) has not deposited any amount in a separate Bank account as no dividend was declared during the financial year .
  - d) was not required to post any dividend warrants to any member of the company.
  - e) was not required to transfer the amounts in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund .
  - f) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. and there was no change in the Board, during the financial year.
15. The Company has not appointed any Managing Director or Manager during the financial year.



16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have, wherever required, disclosed their interest in other firms and or companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures, or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. Preference shares do not form part of the share capital of the Company. The Company has not issued any debentures during the financial year under scrutiny.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58 A of the Act during the financial year.
24. The company has not borrowed any amount from its Directors, members, public and financial institutions during the financial year.  
  
However, the company has taken loan from a Bank and a body corporate, after duly complying with the relevant provisions of the Act.
25. The Company has not made any investment or given any loan or any guarantee or provided any security for loan taken by any other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.



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31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees, as per the provisions of Section 417(1) of the Act, during the financial year.
33. The provisions of Provident Fund act are not applicable to the company.

Place: New Delhi  
Date: July 9, 2010



For JUS & Associates  
Company Secretaries

*Jyoti Upmanyu*

Jyoti Upmanyu Sharma  
C.P.: 8987



Annexure A

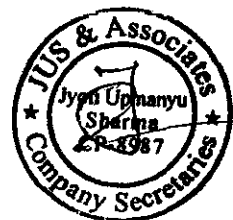
**Registers maintained by the Company**

**Statutory Registers**

1. Register of Members u/s 150
2. Register and Returns u/s 163
3. Minutes Book of Meetings
4. Books of Accounts u/s 209
5. Register of Contracts u/s 301
6. Register of Directors u/s 303
7. Register of Directors' Shareholding u/s 307
8. Register of Investments

**Other Registers**

1. Register of Share Transfer.
2. Register of Common Seal.



**Annexure B**

**Forms and Returns as filed by the Company with the Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ended March 31, 2010:**

1. Balance Sheet for the year ended March 31, 2009 was filed vide Challan No P36400612 dated October 19, 2009. (Date of Annual General Meeting - September 25, 2009).
2. Annual Return u/s 159 in respect of the Annual General Meeting held on September 25, 2009 was filed vide Challan No. 41823386 dated November 23, 2009.
3. Compliance Certificate pursuant to proviso to sub section (1) of section 383A for the year ended March 31, 2009 was filed vide Challan No P36285005 dated October 16, 2009.
4. Forms 23 for special resolution passed in EGM held on January 27, 2009 was filed along with additional fee vide Challan No.A65801185 dated July 24, 2009.
5. Form 8 evidencing modification of charge in favour of Axis Bank for was filed along with additional fee vide Challan No. A67448365 dated August 19, 2009
6. Form 8 evidencing creation of charge in favour of Axis Bank for was filed vide Challan No. A70990791 dated October 16, 2009.
7. Form 17 evidencing satisfaction of charge was filed vide Challan No. A70444203 dated October 7, 2009.



**AUDITORS' REPORT**

**To The Members,  
LVP FOODS PRIVATE LIMITED**

We have audited the attached Balance Sheet of **LVP FOODS PRIVATE LIMITED** as at 31st March, 2010 and 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.

1. We conducted our audit in accordance with 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.
2. As required by the Companies (Auditor's Report) order, 2003 issued by Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph (2) above, we report that:
  - a) 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;
  - b) 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 the books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.



**A.K. GUTGUTIA & CO.**  
Chartered Accountants

F/29 South Extension Part 1  
New Delhi 110049  
Phone : 24617983, 24626854  
Fax : 46057983

- d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956:
- e) On the basis written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion, and to the best of our information and according to explanations given to us, the accounts, read with notes thereon give the informations required by the Companies Act, 1956, in the manner so required and give a true & 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, 2010;
- b) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- c) in the case of Cash Flow Statement , of the cash flows for the year ended on that date.

For A. K. GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 000012N



Place : New Delhi  
Date : 09-07-2010

  
R.K. JAIN  
Partner  
Membership No:11405

**ANNEXURE TO THE AUDITORS' REPORT**

**(Referred to in paragraph 2 of our report of even date)**

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the Fixed assets have been physically verified by the management once in a year. No material discrepancies were noticed on such verification.  
(c) The company has not disposed off any substantial portion of the fixed assets during the year.
- II. (a) Physical verification of the inventory was conducted at reasonable intervals by the management.  
(b) 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. There were no inadequacies observed in such procedures.  
(c) The Company is maintaining proper records of inventory and no material discrepancy was noted on physical verification.
- III. According to the information and explanations given to us, the Company has not granted or taken any loan secured / unsecured to / from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii) of Paragraph 4 of the Order is not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. Further, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in internal controls.
- V
- (a) Based upon the audit procedures applied by us and according to the information and explanations given to us by the management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act
- (b) In our opinion, and according to the information and explanations given to us, we are of the opinion that there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained



**A.K. GUTGUTIA & CO.**  
**Chartered Accountants**

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under section 301 of the Companies Act, 1956 and aggregating during the year to Rupees five lacs or more in respect of each party.

- VI. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year from the public under section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.
- VII. In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
- VIII. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
- IX. (a) The Company is regular in depositing the undisputed statutory dues including income tax, sales tax, service tax, customs duty and material statutory dues to the extent applicable with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2010
- (b) According to information given to us, there are no dues in respect of income tax, wealth tax, excise duty, sales tax, service tax and cess which have not been deposited on account of dispute.
- X. The Company has no accumulated losses at the year end. The Company has not incurred cash losses in the current year as well as immediately preceding year.
- XI. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institutions, banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- XIII. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- XIV. According to information and explanation given to us along with audit procedures applied by us, we are of the opinion that proper records for recording of investment



**A.K. GUTGUTIA & CO.**  
Chartered Accountants

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in mutual funds and other securities are maintained and timely entries are made therein. We further report that the Company is holding said securities in its own name.

- XV. According to the information and explanations given to us, the Company has not given any guarantee for the loan taken by others from bank or financial institutions during the year.
- XVI. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised for short term basis have been applied for long term basis and vice-versa.
- XVII. The Company has taken a term loan and applied the same for the purpose for which it was obtained.
- 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 Act.
- XIX. The company does not have any outstanding debentures outstanding at the year end..
- XX. The Company has not raised money by public issues during the year under audit.
- XXI. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the company or have we been informed of such case by the management.

For A. K. GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 000012N

Place : New Delhi  
Date : 09-07-2010



  
R.K. JAIN  
Partner  
Membership No:11405

**LVP FOODS PRIVATE LIMITED**

**BALANCE SHEET**  
As at 31st.March, 2010

	Schedule	(Rs.) 31st. March 2010	(Rs.) 31st March 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	20,000,000	20,000,000
Profit & Loss Account		4,433,677	170,716
<b>Loans</b>			
Secured Loan	2	177,662,770	58,788,000
Unsecured Loan	3	79,000,000	40,000,000
<b>Deferred Tax Liability (Net)</b>		1,940,594	
<b>Total</b>		<u>283,037,041</u>	<u>118,958,716</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block		197,961,224	-
Less : Depreciation		5,838,946	-
Net Block		192,122,278	-
Capital Work in Progress (including Advances)		509,917	47,563,128
	4	<u>192,632,195</u>	<u>47,563,128</u>
<b>INVESTMENTS (LONG TERM , NON TRADE )</b>			
Mutual Fund - LIC MF Floating Rate Fund (Nil Units , PY : 1306631.880)	5	-	18,582,445
<b>Current Assets, Loans and Advances</b>			
Inventories	6	12,712,627	-
Sundry Debtors (Less than six months)	7	1,841,905	-
Cash and Bank Balance	8	1,179,568	1,547,508
Loans and Advances	9	97,141,545	54,007,000
		<u>112,875,645</u>	<u>55,554,508</u>
<b>Less : Current Liabilities and Provisions</b>			
(a) Current Liabilities	10	21,508,953	2,916,569
(b) Provisions		1,141,982	95,000
		<u>22,650,935</u>	<u>3,011,569</u>
<b>Net Current Assets</b>		<u>90,224,710</u>	<u>52,542,939</u>
Preliminary Expenses to the extent not written-off		180,136	270,204
<b>Total</b>		<u>283,037,041</u>	<u>118,958,716</u>

**Significant Accounting Policies & Notes on Accounts**

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Schedules 1 to 10 and 15 attached to the Balance Sheet are an integral part thereof.

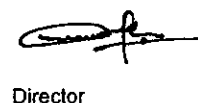
As per our report of even date.

for A.K.GUTGUTIA & CO,  
Chartered Accountants

R.K.JAIN  
Partner

New Delhi : 09-07-2010

  
Director

  
Director







**LVP FOODS PRIVATE LIMITED**

**PROFIT AND LOSS ACCOUNT  
For the year ended 31st March, 2010**

	Schedule	(Rs.) 2009-2010	(Rs.) 2008-2009
<b>INCOME</b>			
Sales		877,128,685	-
Other Income	11	5,732,223	99,922
		<u>882,860,908</u>	<u>99,922</u>
Increase/(Decrease) in Stocks		9,119,232	-
		<u>891,980,140</u>	<u>99,922</u>
<b>EXPENDITURE</b>			
Manufacturing Expenses	12	864,730,431	-
Employees		383,682	-
Other Expenses	13	193,084	35,198
		<u>865,307,177</u>	<u>35,198</u>
<b>PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION AND AMORTIZATION</b>		<b>26,672,963</b>	<b>64,724</b>
Cost of Borrowings	14	14,463,709	-
<b>PROFIT/(LOSS) BEFORE DEPRECIATION AND AMORTIZATION</b>		<b>12,209,254</b>	<b>64,724</b>
Depreciation		5,838,946	-
Preliminary Expenses written off		90,068	90,068
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<b>6,280,240</b>	<b>(25,344)</b>
Provision for Tax - Current Year		1,048,406	-
Provision for Tax - Deferred Tax Liability		1,940,594	-
MAT Credit Entitlements		(970,297)	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>		<b>4,261,537</b>	<b>(25,344)</b>
Add : Income Tax Provision for earlier year written back		1,424	-
Surplus from Previous Year		170,716	196,060
Surplus carried to Balance Sheet		<u>4,433,677</u>	<u>170,716</u>
Basic/Diluted Earning Per Share (Rs.) - refer note no. B.7 of Schedule 15		2.13	(0.01)
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	15		

Schedules 11 to 14 and 15 attached to the Profit and Loss Account are an integral part thereof.


This is the Profit and Loss Account referred to in our report of even date.

for A.K.GUTGUTIA & CO.,  
Chartered Accountants

  
R.K. JAIN  
Partner

New Delhi : 09-07-2010

  
Director

  
Director





	(Rs.) 31st March 2010	(Rs.) 31st March 2009
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
50,00,000 Equity Shares of Rs. 10 each	50,000,000	50,000,000
<b>Issued, Subscribed and Paid-up</b>		
<b>Shareholder's Fund</b>		
Share Capital (20,00,000 Equity Share of Rs.10/- each) (Out of above 19,99,800 Equity Shares held by Bengal & Assam Co. Ltd.-the Holding Company)	20,000,000	20,000,000
<b>Schedule 2</b>		
<b>SECURED LOANS</b>		
Term Loan from Axis Bank (Interest accrued & due Rs.Nil) (Secured by way of first charge on all the movable fixed assets of the company both present & future and second charge on current assets) (Amount repayable in next 12 months Rs.109.56 Lacs, (Previous year NIL))	175,300,000	58,788,000
Working Capital borrowing from Axis Bank (Secured by hypothecation of book debts, packing Material, Stores & Spares)	2,362,770	-
	<u>177,662,770</u>	<u>58,788,000</u>
<b>Schedule 3</b>		
<b>UNSECURED LOANS</b>		
From Holding Company - (Bengal & Assam Co.Ltd.)	79,000,000	40,000,000
	<u>79,000,000</u>	<u>40,000,000</u>



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**SCHEDULE 4**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Sales/Adj- ustments	As at 31.03.2010	Upto 01.04.2009	For the Year	Sales/Adj- ustments	UPTO 31.03.10	As at 31.03.2010	As at 31.03.2009
Plant and Machinery	-	193,532,429	-	193,532,429	-	5,588,924	-	5,588,924	187,943,505	-
Furniture & Fixtures	-	2,067,098	-	2,067,098	-	72,271	-	72,271	1,994,827	-
Office Equipments	-	535,095	-	535,095	-	13,886	-	13,886	521,209	-
Computers & Softwares	-	1,826,602	-	1,826,602	-	163,865	-	163,865	1,662,737	-
<b>Total</b>	-	197,961,224	-	197,961,224	-	5,838,946	-	5,838,946	192,122,278	-
Previous Year	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	47,563,128	150,908,013	197,961,224	509,917					509,917	47,563,128

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	(Rs) 2009-2010	(Rs) 2008-2009
<b>Schedule 5</b>		
<b>INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS (Non Trade , At Cost)</b>		
<b>UNQUOTE</b>		
i) Mutual Funds NIL (previous year 1306631.88 LICMF Floating Rate Fund Growth Plan.)	-	18,582,445
	<u>-</u>	<u>18,582,445</u>
<b>Schedule 6</b>		
<b>INVENTORIES</b>		
Packing material (Poly Film)	3,593,395	-
Raw Material (Milk)	9,119,232	-
	<u>12,712,627</u>	<u>-</u>
<b>Schedule 7</b>		
<b>SUNDRY DEBTORS</b>		
<b>(Less than six months)</b>		
MDFVPL	1,841,905	-
	<u>1,841,905</u>	<u>-</u>
<b>Schedule 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	10,443	362
Balance in Current Accounts with Scheduled Banks	1,169,125	1,547,146
	<u>1,179,568</u>	<u>1,547,508</u>
<b>Schedule 9</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received	96,064,248	53,900,000
MAT Credit Entitlements	970,297	-
Income Tax Advance payment	107,000	107,000
	<u>97,141,545</u>	<u>54,007,000</u>
<b>Schedule 10</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES :</b>		
Sundry Creditors	16,996,069	-
Other Liabilities	4,204,184	2,258,770
TDS payable	308,700	657,799
<b>Total (A)</b>	<u>21,508,953</u>	<u>2,916,569</u>
<b>B. PROVISIONS :</b>		
For Tax	1,141,982	95,000
<b>Total (A+B)</b>	<u>22,650,935</u>	<u>3,011,569</u>

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	(Rs) 2009-2010	(Rs) 2008-2009
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**Schedule 11**

**OTHER INCOME**

Profit on Redemption of Mutual Fund	402,797	98,085
Incentive for Short Lifting	5,329,426	-
Miscellaneous income	-	1,837
	<u>5,732,223</u>	<u>99,922</u>

**Schedule 12**

**Manufacturing Expenses**

Milk Purchases	821,112,002	-
Conversion Charges	23,743,035	-
Poly Film Consumed	19,875,394	-
	<u>864,730,431</u>	<u>-</u>

**Schedule 13**

**OTHER EXPENSES**

Insurance Exp.	28,631	-
Audit Fees	33,090	8,273
Travelling & Conveyance	14,734	-
Miscellaneous expenses	116,629	26,925
	<u>193,084</u>	<u>35,198</u>

**Schedule 14**

**COST OF BORROWINGS**

Interest on:

Unsecured Loans	3,615,781	-
Terms Loans From Bank	10,832,516	-
Others	15,412	-
	<u>14,463,709</u>	<u>-</u>

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**LVP FOODS PRIVATE LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st. March, 2010**

	(Rs) 2009-2010	(Rs) 2008-2009
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before taxation and extraordinary items	6,280,240	(25,344)
Adjustments for :		
Depreciation	5,838,946	-
Interest & Finance Charges	14,463,709	-
Provision for Income Tax written back	1,424	-
Preliminary Expenses Written Off	90,068	90,068
Operating Profit before working capital changes	<u>26,674,387</u>	<u>64,724</u>
(Increase)/ Decrease in Sundry Debtors	(1,841,905)	47,908
(Increase)/ Decrease in Inventories	(12,712,627)	-
(increase) / Decrease in Loans & Advances	(43,134,545)	(29,400,000)
Increase/ (Decrease) in Trade and Other Payables	<u>19,561,257</u>	<u>2,908,274</u>
Cash Generated from Operations	(11,453,433)	(26,379,094)
Adjustment for Preliminary Expenses	-	-
Net Cash from Operating Activities	<u>(11,453,433)</u>	<u>(26,379,094)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(143,940,130)	(42,699,968)
Proceeds from Mutual Fund	18,582,445	(18,582,445)
Net Cash from Investing Activities	<u>(125,357,685)</u>	<u>(61,282,413)</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	-	-
Proceeds from Secured Loan	118,874,770	58,788,000
Proceeds from Unsecured Loan	39,000,000	30,000,000
Interest paid	(21,431,592)	-
Net Cash used in financing activities	<u>136,443,178</u>	<u>88,788,000</u>
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(367,940)	1,126,493
Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year	1,547,508	421,015
Cash and Cash equivalents being Cash and Bank balances as at the end of the year	<u>1,179,568</u>	<u>1,547,508</u>

**Notes:**

Cash and Cash equivalents include:

\_\_\_ Cash, Cheques on hand and Remittances in transit

\_\_\_ Balances with Scheduled Banks

10,443	362
1,169,125	1,547,146
<u>1,179,568</u>	<u>1,547,508</u>

Note : Previous year's figures have been regrouped / rearranged / recasted wherever necessary

As per our report of even date.

for A.K.GUTGUTIA & CO.  
Chartered Accountants



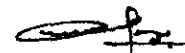
R.K.JAIN  
Partner

New Delhi : 09-07-2010





Director



Director

**LVP FOODS PRIVATE LIMITED**

**SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**15 A SIGNIFICANT ACCOUNTING POLICIES:**

**1. Basis of Accounting**

The Accounts have been prepared on the historical cost convention and on the basis of going concern. These comply with the disclosure requirements of Schedule VI to the Companies Act, 1956 and mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with the generally.

**2. Fixed Assets**

Fixed Assets are stated at cost of acquisition/purchase less accumulated depreciation.

**3. Depreciation**

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Continuous process plants as defined in Schedule XIV have been considered on the basis of technical evaluation.

**4. Capital Work in Progress**

- i.) Advance paid towards the acquisition and/ or construction of fixed assets is disclosed under Capital Work in Progress.
- ii) Expenditure during construction awaiting allocation is disclosed under Capital Work in Progress.

**5. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as a part of cost of such fixed asset till the date of commencement of commercial production.

**6. Investment**

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

**7. Inventories**

Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Cost for the purpose of Finished Goods and Process Stock is determined considering material, labour and related overheads.

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**8. Deferred Tax**

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax for timing difference between tax profit and book profits is accounted for using the tax rates and the laws that have been enacted on the Balance Sheet date. Deferred Tax Asset is recognised on the basis of reasonable certainty that sufficient future taxable income will be available against which the same can be realised.

**9. Staff Benefits:**

Gratuity and Leave Encashment benefits are accounted on accrual basis.

**10. Preliminary Expenses:**

Preliminary Expenses are being written off over a period of 5 years from the date of commencement of business.

**11. Contingent Liabilities:**

Contingent Liabilities are not provided for and are disclosed by way of Notes to the Accounts.

**12. Subsidy on Capital Investment:**

Subsidy from Government is accounted for as and when the same is approved by the relevant authority. The amount so received / approved shall be reduced from the cost of Plant & Machinery.

**15B. Notes on Accounts**

1. Estimated amount of contracts remaining to be executed on capital account Rs. NIL (Previous year Rs.9,94,50,660/-).
2. In the opinion of Management, the Current Assets, Loans and Advances , have a value on realisation in normal course of business not less than the value at which they are stated unless specified otherwise . Further, provisions for all known liabilities have been made.
3. Balances of certain creditors/ suppliers are in the process of confirmation.

4.

(a) Details of Deferred Tax Asset/Liability in accordance with provisions of AS-22

		Particulars	2009-10	2008-09
(A)	Deferred Tax Liability	Difference in Fixed Assets	1,87,05,946	NIL
(B)	Deferred Tax Assets	Unabsorbed Depreciation	1,67,65,352	NIL
	Deferred Tax Liability (Net) (A) - (B)		19,40,594	NIL

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#### 4(b) MAT Credit

Provision for Income Tax for the current year has been computed based on Minimum Alternate Tax in accordance with Section 115JB of the Income Tax Act, 1961. Taking into consideration the future profitability in the subsequent years, the Company has recognised "MAT Credit Entitlement" of Rs. 9,70,297 in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under Income Tax Act issued by the Institute of Chartered Accountants of India.

#### 5. Disclosure as required under 'Related Party Disclosures' (AS 18) issued by The Institute of Chartered Accountants of India are as below:

i. Holding Company-Bengal & Assam Company Limited

ii. Fellow Subsidiaries

- Fenner (India) Ltd.
- Southern Spinners and Processors Ltd.
- Modern Cotton Yarn Spinners Ltd.
- Acorn Engineering Ltd.
- Panchmahal Properties Ltd.
- Dwarkesh Energy Ltd.
- BMF Investments Ltd.

iii. The following transactions were carried out with related parties in the ordinary course of business during the year ended 31<sup>st</sup> March 2010:

	Holding Company	2009-10	2008-09
S. No.	Particulars	Amount (Rs.)	Amount (Rs.)
1.	Unsecured Loan	3,90,00,000	3,00,00,000
2.	Interest Paid/Payable	36,15,781	27,97,150
3.	Balance outstanding as at the year end	7,90,00,000	4,00,00,000

#### 6. Quantitative Information pursuant to the Companies Act, 1956 are as follows:-

Particulars	Unit	2009-10		2008-09	
		Qty	Rupees	Qty	Rupees
Opening Stock		-	-	-	-
Milk Purchases	Kilograms	3,60,49,343	82,11,12,002	-	-
Milk Sales	Kilograms	3,53,04,106	87,71,28,685	-	-
Milk Closing Stock	Kilograms	3,92,199	-	-	-

(Quantitative information for the year 2009-10 has been shown in terms of Fat & SNF at Std. of (6.50 : 8.50), Process loss for the year is 3,53,038 Kg.)

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7. Basic and Diluted Earnings per Share (Pursuant to Accounting Standard - 20):

	2009-10	2008-09
Surplus (Deficit) for the year (Rs.)	42,61,537	(25,344)
Weighted average number of equity shares (Nos.)	20,00,000	20,00,000
Nominal value of equity shares (Rs.)	10	10
Basic Earning per Share (Rs.)	2.13	(0.01)
Diluted Earning per Share (Rs.)	2.13	(0.01)

8. No amount has been incurred /earned in foreign currency, so no disclosure is required under clause 4D of Part II of Schedule VI of the Companies Act, 1956.
9. The company has only one Business Segment i.e. Dairy products, hence segment reporting as defined in Accounting Standard \_\_ 17 is not applicable.
10. Loans and advances includes Rs. 887,00,000 (P.Y. Rs 539,00,000) paid for Building for which permission has to be sought from BIFR by the transferee.
11. Capital Work-in Progress includes advance to suppliers and pre-operative expenses pending capitalization.
12. The Company has incurred some expenditure related to construction of fixed assets and therefore accounted for the same under Capital Work in Progress which is allocated to fixed assets once it is capitalised. The break up of expenditure is as follows:

	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Salaries & Wages	1,66,882	
Interest on Term Loans and other Loans	74,66,535	56,66,472
Travelling Expenses	2,22,770	
Insurance	75,114	
Miscellaneous	3,02,390	19,060
Total	82,33,691	56,85,532
Add : Expenditure upto Previous Year	62,47,332	5,61,800
Total	1,44,81,023	62,47,332
Less Allocated to Fixed Assets	1,44,81,023	
Net Preoperative Expenditure (Pending for Allocation )	NIL	NIL

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13. Investment purchased & sold during the year (LIC, MF, Floating Rate Fund)

Details of Investments purchased and sold during the year :

Particulars of Investments	Purchase of Investments		Sale of Investments	
	Units	Amount	Units	Amount
LIC MF Floating Rate Fund	2287549.078	2,75,00,000	2287549.078	2,76,92,886

14. There is no eligible employee to whom the provisions of Payment of Gratuity Act is applicable. Further, as there are no leaves due to any employee, there is no liability for leave encashment as at the year end.

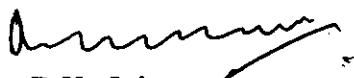
15. Amount paid to Auditors: (Including Service Tax)

	31 <sup>st</sup> March 2010	31 <sup>st</sup> March 2009
Audit Fees	27575	8273
Tax Audit Fees	5515	-
	33090	8273

16. Based on information so far available with the company in respect of MSME (as defined in 'The Micro Small & Medium Enterprises Development Act 2006', there is no delay in payment of dues to such enterprises during the period.

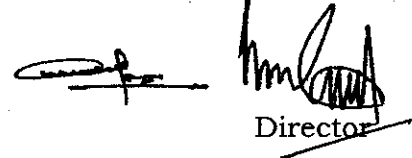
17. Previous Year figures have been regrouped and rearranged wherever considered necessary to correspond with the current year's figures.

For A.K. Gutgutia & Co.  
Chartered Accountants



R.K. Jain  
Partner  
M.No. 11405  
F-29 South Extension, Part-1  
New Delhi-110049

For & on behalf of Board



Director