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Attendance Slip/Proxy Form

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 18th (eighteenth) Annual General Meeting (AGM) of the Members of **Lakshmi Energy and Foods Limited** will be held on **Friday, March 27, 2009 at 11.00 A.M. at Chandigarh Club, Sector 1, Chandigarh**, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Accounts of the company and the Profit and Loss Account of the company for the period from 1st April, 2007 to 30th September, 2008, the Audited Balance Sheet of the company as at 30th September, 2008 together with the Reports of the Auditors and Directors thereon.
2. To declare a dividend on equity shares for the financial year ended 30th September, 2008.
3. To appoint a director in place of Mr. Sanjeev Sood who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Ms. Vijay Luxmi who retires by rotation and, being eligible, offers herself for re-appointment.
5. To appoint a director in place of Mr. Amarjit Singh who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint M/s. S. Kumar Gupta & Associates, Chartered Accountants, Chandigarh, as the statutory auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the board of directors of the company to fix their remuneration.

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

“RESOLVED THAT pursuant to Section 224 and other applicable provisions of the Companies Act, 1956, M/s. S. Kumar Gupta & Associates, Chartered Accountants, Chandigarh, the retiring statutory auditors of the company, having offered themselves for re-appointment, be and are hereby re-appointed as the statutory auditors of the company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the company to conduct the audit at a remuneration to be fixed by the board of directors of the company and re-imbursment of the out-of-pocket expenses incurred in connection with the audit.”

Special Business:

7. Re-appointment of Mr. Balbir Singh Uppal as Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 317 and Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any, including any statutory modifications or re-enactment thereof, and subject to the provisions of Memorandum and Articles of Association of the Company and subject to such approvals and sanctions, as may be required, Mr. Balbir Singh Uppal be and is hereby re-appointed as the Managing Director of the Company, for a period of 5 years with effect from 1st September, 2009 on the terms and conditions mentioned below:

- i. Gross monthly remuneration not exceeding Rs. 10,00,000 (Rupees ten lacs only) whether paid as salary, allowance(s), perquisites or a combination thereof; and
- ii. Commission not exceeding @ 5% of the net profit of the Company calculated in the manner provided under the provisions of the Companies Act, 1956, if any.

Provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbursment of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the gross monthly remuneration shall be paid as prescribed under the Companies Act, 1956.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Managing Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

By Order of the Board
For **Lakshmi Energy and Foods Limited**

Sd/-
(Ajay K. Ratra)
Company Secretary

Place: Chandigarh
Date : 28.02.2009

Notes:

A. Appointment of Proxy: A Member entitled to attend and vote at the annual general meeting may appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company.

Proxies, in order to be effective, the proxy form must be deposited and received at the registered office of the company not less than 48 hours before the scheduled time fixed for commencement of the annual general meeting.

B. Corporate Members: Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the board resolution authorizing the representatives to attend and vote at the annual general meeting.

C. Members / Proxies attending the meeting are requested to bring their admission slips alongwith their copy of Annual Report to the annual general meeting.

D. Queries at the AGM: Queries proposed to be raised at the annual general meeting may be sent to the company at its registered office at least 7 (seven) days prior to the date of annual general meeting to enable the management to compile the relevant information to reply the same in the annual general meeting.

E. Book Closure: The Register of Members of the company and Share Transfer Books of the company shall remain closed from March 25th, 2009 to March 27th, 2009 (both days inclusive) for the purpose of the annual general meeting. Share transfer received in order by the company and / or company's registrar by 5.30 pm on March, 24th, 2009 will be processed for the payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid to those members entitled thereto and whose names shall appear on the Register of Members of the company, or to their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956, or any amendment or re-enactment thereof. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on March 24th, 2009 as per details to be furnished by National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL') for this purpose.

F. Members are requested to notify any change in their address / mandate / bank details as furnished by them or by NSDL / CDSL to the company for the shares held in certificate form and in the dematerialized form, respectively immediately to the share transfer Agent of the company - M/s. Beetal Financial & Computer Services (P) Limited.

G. Inspection of Documents: Documents referred to in the Notice etc., are open for inspection at the registered office of the company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of annual general meeting.

- H. Explanatory Statement:** Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business under Item No. 7 is enclosed herewith.
- I. The details pertaining to the directors being appointed and / or reappointed required to be provided pursuant to Clause 49 of the listing agreement with the stock exchanges are furnished in the statement on Corporate Governance, which is enclosed with the Directors' Report.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

Annexed to the Notice convening the 18th (eighteenth) Annual General Meeting.

Item No. 7

Mr. Balbir Singh Uppal was Chairman cum Managing Director of the Company since its incorporation and under his able leadership and guidance, the company had performed exceedingly well over the years. The term of Mr. Balbir Singh Uppal as Managing Director expires on 31st August, 2009. Keeping in view his past record, it is proposed to re-appoint Mr. Balbir Singh Uppal as the Managing Director of the Company on the terms and conditions as set out in the resolution at item no.7. Mr. Balbir Singh Uppal upon reappointment as Managing Director shall continue to hold office of the Chairman and Managing Director.

The Board of Directors and the Remuneration Committee have already approved the re-appointment of Mr. Balbir Singh Uppal as Managing Director for next five years w.e.f 1st September 2009. The members' approval is required by way of an ordinary resolution in this regard. This explanatory statement together with the accompanying notice is to be treated as relevant abstracts of the terms under Section 302 of the Companies Act, 1956.

The Board of Directors of your company recommend passing of the aforesaid Ordinary Resolution at Item No.7

Memorandum of concern/interest:

Mr. Balbir Singh Uppal and Mr. Janak Raj Singh are deemed to be interested and concerned in the proposed resolution.

By Order of the Board
For **Lakshmi Energy and Foods Limited**

Sd/-
(Ajay K. Ratra)
Company Secretary

Place: Chandigarh
Date : 28.02.2009

DIRECTORS' REPORT

Dear Members

Your directors have the pleasure in presenting and submitting the 18th Annual Report of your company together with the Audited Annual Accounts for the financial year ended September 30, 2008.

Indian Economy, Business opportunities and the Socio Economic Environment

India sustained its pre-eminent position as one of the fastest growing economies in the world in 2007-08. Despite the relative deceleration in several sectors, real GDP notched an impressive growth of 9%, as per revised estimates of the Central Statistical Organization India joined the ranks of the trillion dollars economies in the world, giving us yet another moment of national pride. The Indian growth rate declined in line with the meltdown of major global economies, such as US and European. The declining trend continues till now. However, the fiscal stimulus packages announced by the Central Government involving additional public spending/infrastructure spending together with cuts in indirect taxes would have positive impact in coming periods.

The revised estimates of the year 2007-08 indicate that the agriculture sector has grown by a handsome 4.5%. While higher support prices and closely directed extension services which have been the primary growth drivers, the challenge of sustaining such a growth level calls for focused attention to the sector, backed by substantial investments. Already there have been some visible signs of deceleration in the sector.

Domestic demand in the above referred period continued to fuel economic growth, driven by investment demand, the fastest growing component. Strong private sector investment, buoyed by surging capital inflows, easier bank credit and reinvestment of profits, resulted in strengthening the build up of Gross Fixed Capital Formation, an important pre-requisite for sustaining high rates of economic growth. Private consumption grew by 8.3%, supported by a steady growth in real wages and remittances. In the current year, this is showing a strong trickle down movement.

During the early part of the year, the capital market overall did well despite some volatility which was to be followed by sharp decline, unprecedented in nature. The Rupee proved to be a sturdy and reliable currency initially which also slipped on account of heavy withdrawals by FIIs. Foreign exchange reserves remained volatile amidst the backdrop of global volatility and incipient signs of a global slowdown.

A major concern during the year has been the sustained high inflationary trends. The Government initiated several policy measures to improve the supply side and ease the pressure on consumers and industry. Measures such as the duty free import of wheat and pulses, ban on the export of non-basmati rice, reduction or withdrawal of import duties on cement, steel and non-ferrous metals and prohibition of futures trading in certain commodities were implemented. Natural fallout of the inflationary spiral has been a gradual erosion of consumer spends. Additionally, RBI's interventions on policy rates and liquidity, while justified in the current context, have however had an adverse impact on growth in rate-sensitive sectors. Lately inflation has come in control as measure of Government and RBI started bearing fruits and has already come down under 4% level.

Currently, agriculture contributes only 17.8% of GDP, despite engaging 52% of the total workforce. Structural weaknesses stemming from small land holdings, low productivity, falling levels of public investment and steady deterioration in public institutions that provide credit, inputs, research and extension services have resulted in this sector performing far below its potential. The green revolution that transformed productivity is well behind us now and it is time that a new movement is unleashed to usher in the next wave of agricultural development. Rural India remains poor and the gap between urban and rural incomes is unfortunately widening with faster growth in urban-centric industries and the services sector.

The challenge of delivering stronger agricultural growth to boost the rural economy, reinforce food security and secure inclusiveness demands a multi-pronged approach to:

- (a) Promote Public-Private and People Partnerships in rural India to enhance productivity, strengthen market linkages and create additional income avenues through efficient non-farm livelihoods;
- (b) Enable consolidation of fragmented rural land parcels to permit the deployment of technology for improving agricultural productivity, given the future scenario of fewer people being dependent on agriculture as the single source of livelihood;
- (c) Rapidly scale up rural infrastructure to eliminate wastages, ensure last mile connectivity and build efficiencies for adding value to agricultural produce;
- (d) Promote engagement in rural services which can be employment intensive and remunerative;
- (e) Facilitate R&D in agriculture and life sciences to support better horticultural and agricultural practices;

Financial Highlights of the Company

(Amount in Rs. Million)

Particulars	Financial Year	
	2007-2008	2006-2007
	1 st April, 2007 to 30 th September, 2008	1 st April, 2006 to 31 st March' 07
Sales	15401.93	6962.66
Other Income	28.21	21.01
Total Income	15430.14	6983.67
Profit before Interest, Depreciation and Tax	3222.56	1188.17
Financial Expenses	487.97	45.02
Depreciation	335.02	121.94
Profit before tax	2399.57	1021.21
Provision for tax		
- Income tax	271.87	152.77
- Fringe benefit tax	1.93	0.85
Deferred Tax Liabilities	527.99	264.28
Profit after tax	1597.78	603.31
Add: Excess Provisions of tax in earlier years	0.28	0.00
Add: Balance of Profit brought forward	1158.53	674.21
Profit available for appropriation	2756.59	1277.52
Appropriations		
Final Dividend paid for 2005-06	-	22.87
Interim Dividend for 2006-07	-	28.58
Dividend Tax Paid	-	7.22
Provision for Dividend (inclusive of tax)	35.54	-
Transfer to General Reserve	159.78	60.33
Balance carried to Balance Sheet	2561.27	1158.53

Change in Accounting year of the company

On the request of the company, the Registrar of Companies (ROC)/ Ministry of Corporate Affairs (MCA) has granted approval vide its order dated 04-09-2008 under section 210(4) of the Companies Act, 1956 for the extension of Accounting Year of the company by 6 months. Consequently, FY 2007-08 of the company will comprise of period starting from 1st April, 2007 to 30th September, 2008 and from the next year onwards, the Accounting year of the company would be starting from 1st October to 30th September so as to have an accounting year to suit company's nature of business.

Year in Retrospect

During the period under review, Sales of the company was Rs. 15401.93 million as against Rs. 6962.66 million in the previous year. The company was able to earn a profit before tax of Rs. 2399.57 million during the current financial year as against a profit before tax of Rs. 1021.21 million in the previous year. This depicts an annualised growth of 47.47% and 56.65% in turnover and profit respectively. Also, Profit after tax increased from Rs. 603.31 million to Rs. 1597.78 million in current year, registering an annualised growth of 76.56%. Your directors are putting in their best efforts to improve the performance of the company.

Expansion & Diversification

Your company continued to pursue the policy of strengthening its presence in its strategic markets by judicious expansion of its business operations.

Paddy/Rice processing

During the year, a third state of the art paddy processing plant with processing capacity of 40 MT / hour has been commissioned and at the same time, the old plant is being phased out, so as to replace the same with modern plants. With this installation of the most advanced plant and machinery, the manufacturing unit of the company has become world's latest paddy processing plant. The company has also enhanced its Dryer (with automated cleaning and silo storage) facility to 3000 MT/day, Steam Plant facility to 240MT/day, Par-boiling to 400 MT/day. Besides this, a Cleaning/Polishing Sortex and Grading unit with of 150 MT/day has also been set up separately to cater to demand for specific quality rice.

Power project

The company's Biomass based co-generation power plant has been commissioned in August 2008. This would qualify for carbon credits under Kyoto Protocol. The revenue accrual from power plant would be available to the company during the financial year 2008-09 for its working capital and capital expenditure.

Transfer to Reserves

The company has transferred Rs.159.78 million in the General Reserve during the financial year under review in pursuance to the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975.

Dividend

Your directors recommend a final dividend of Rs. 0.50 /- per share (25%) for the year ended September 30th, 2008.

Material Changes and Commitments

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company September 30th, 2008 and the date of this Report.

Management Discussions and Analysis Report

Management Discussions and Analysis Report as required under Clause 49 of the Listing Agreement is given as a separate statement in the Annual Report and forms part of this Report.

Taxation

During the period, the company has accounted for deferred tax liability in accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Provision for income tax has been reviewed as on the balance sheet date and has been adjusted to reflect the current best estimate in accordance with the Accounting Standard (AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India. Income tax demands raised in the earlier years upto the assessment year 2005-2006 have been fully settled.

Public Deposits

During the period under Report, your company did not accept any deposits from the public in terms of the provisions of Section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

a. Conservation of Energy & Technology Absorption:

i. Energy Conservation Measures taken:

In pursuit of continual improvement towards energy conservation and compliance with environmental regulations, many initiatives have been taken and implemented in the year under review. The company is aware about energy consumption and environmental issues related with it and is, therefore, continuously making sincere efforts towards conservation of energy. The maintenance of the Boiler and Electrical Equipments is carried out regularly with optimum care with the help of the technical professionals and modern equipments.

The company is in fact engaged in the continuous process of further energy conservation through improved operational and maintenance practices.

ii. Additional Investments / Proposals, if any, being implemented for reduction of consumption of energy

During the year, the company has made substantial progress in installing the state of the art equipments being purchased from Japan, Germany, Demark and USA. These equipments are highly efficient and consume less energy for the same productivity. It has also commissioned a husk based power plant to produce "Green Power" and conserve environment.

With the present resources, the company had taken overall measures to reduce the consumption of energy. This was made possible through proper maintenance, on regular intervals, of Plant & Machinery and other electrical installed in the manufacturing / processing unit of the company as well as replacing low energy consuming electrical items in place of old ones.

iii. Impact of i & ii above for reduction of energy consumption

The above energy conservation measures would result in reduction in energy consumption and effectively saving in withdrawal of power from the State Grid. With the commissioning of husk based power plant, the company has captive power and has become a net exporter of energy.

iv. Total Energy consumption and Energy consumption per unit of production as per Form 'A'

The additional information as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are given as Annexure-I to this report and forms part of it.

b. Technology Absorption: The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The company is using latest technology which is well established the world over. The company has installed / is installing new equipments with latest technology for the purpose of rice processing. The company has started certain experiments on Bio-Mass fuel to reduce the cost of Power Generation.

c. Foreign Exchange Earnings and Outgo: The Company finds it advantageous to sell its produce in the domestic market, in view of the high minimum support price of paddy fixed by the Government of India. However, the company remains committed to and is also working out different strategies to tap the international market.

During the year under review, the earning on account of foreign exchange was Rs. 226.66 million (Previous year nil), and the outgo in foreign exchange on account of spare parts, capital goods and travelling was Rs. 215.14 million (Previous year Rs. 317.75 million).

Particulars of Employees

Details and information of employees of the company who were in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure-II to this Report.

Directors

Ms. Harnita Ahluwalia was appointed as an additional director of the company by the board of directors on April 12th, 2008. She is holding the office of director only upto the date of Annual General Meeting (AGM) of the company as per section 260 of the Companies Act, 1956.

At the ensuing annual general meeting, Mr. Sanjeev Sood, Ms. Vijay Luxmi and Mr. Amarjit Singh will retire by rotation and being eligible, offer themselves for re-appointment.

Human Resource Development

During the period under review, your company's commitment to building harmonious employee relations was evident from the successful and smooth running of its operations at its works. The collaborative spirit of partnership across all sections of employees and their sense of ownership and commitment has sustained the culture of excellence, learning and readiness to change. The collective dedication of the employees of the company is helping your company in delivering superior customer and shareholder value. Your company salutes the unflinching commitment of its dedicated team of employees.

Sustainability

Your company believes in long term sustainability initiatives in the interest of its various stakeholders. Your company's strategies to become 'carbon positive' have yielded rewards and in future will result in significant saving in the energy costs.

Corporate Governance

The company has complied with the Corporate Governance requirements, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges. A separate section on Corporate Governance alongwith a certificate from the Auditors of the company confirming the compliance is annexed and forms part of this Report.

Subsidiary Companies' Accounts

Punjab Greenfield Resources Limited (PGRL)

PGRL is wholly owned subsidiary of LEAF. PGRL has assisted LEAF in creating network of dealers to handle its retail sales. PGRL also assisted LEAF in appointing dealers in various states of India who are handling sales of packaged long grain white rice, wheat flour and marketing of proposed rice bran cooking oil under the brand name "Lakshmifoods". The market response to PGRL's products is very encouraging. During the year under review, PGRL has also undertaken, assumed, performed and carried out various procurement operations and business for LEAF. PGRL briefly carried out domestic trade and business of various agricultural commodities like cotton, barley and oil seeds. During the year under review, PGRL was also briefly engaged in contract farming with Kinnow growers.

Victor Foods India Limited (VFIL)

To tap the international market, LEAF's wholly owned subsidiary viz. PGRL acquired substantial stake of M/s. Victor Foods India Limited, a company incorporated, registered and existing under the Companies Act, 1956 having its registered office at New Delhi. However, not much business was conducted in it due to ban/controls on export of rice.

A statement under Section 212 of the Companies Act, 1956, relating to PGRL and VFIL is enclosed with this Report.

Further pursuant to Accounting Standard -21 (AS- 21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the company includes financial information of PGRL and VFIL, subsidiaries of LEAF.

Auditors

M/s. S. Kumar Gupta & Associates, Chartered Accountants, Statutory Auditors of the company hold office until the conclusion of the ensuing annual general meeting and are recommended for re-appointment to audit the accounts of the company for the financial year 2008-09. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the company has obtained a certificate from M/s. S. Kumar Gupta & Associates, Chartered Accountants to the effect that their proposed re-appointment, if made, would be in accordance and conformity with the limits as specified in that section.

Auditors' Report

The observations made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

Internal Control Systems and their Adequacy

Your company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your company remains committed to ensuring an effective internal control environment that provides assurances on the efficiency of the operations and security of the assets.

Group for inter-se transfer of shares

As required under Clause 3 (1) (e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting Group (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of aforesaid SEBI Regulations, are given herein below:

S. NO.	NAME
i.	M/s. Punjab Greenfield Resources Limited
ii.	M/s. LOIL Health Foods Limited
iii.	M/s. LOIL Continental Foods Limited
iv.	M/s. LOIL Overseas Foods Limited
v.	M/s. Ganeshay Overseas Industries Limited
vi.	M/s. Victor Foods India Limited
vii.	Mr. Balbir Singh Uppal
viii.	Mr. Janak Raj Singh
ix.	Mrs. Vijay Luxmi

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 30th September, 2008 and of the profit of the company for the year ended on that date;
- c. the directors 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 and detecting fraud and other irregularities; and,
- d. the directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The securities of the company are presently listed on the following Stock Exchanges:

1. National Stock Exchange of India Limited;
2. Bombay Stock Exchange Limited;
3. Ludhiana Stock Exchange Association Limited; and,
4. Delhi Stock Exchange Association Limited

Further, the company had applied for voluntary delisting of the securities of the company from Delhi Stock Exchange Association Limited (DSE) and Ludhiana Stock Exchange Association Limited (LSE) and approval(s) for such delisting are awaited. Pursuant to the company's application for voluntary delisting from the Calcutta Stock Exchange Association Limited (CSE), the equity shares of the company have been voluntarily delisted from CSE vide its letter no. CSEA/LD/333/2008 dated May 29th, 2008 w.e.f. March 25th, 2008.

The company has duly paid the listing fees for the financial year 2008-09 to all the Stock Exchanges wherein the equity shares of the company are presently listed.

Consolidated Financial Statement

In accordance with Accounting Standard AS-21 on Consolidated Financial Statements, LEAF Group accounts form part of this Report & Accounts. These Group accounts also incorporate the Accounting Standard AS-23 on Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. These Group accounts have been prepared on the basis of audited financial statements received from the subsidiary companies viz. PGRL and VFIL, as approved by their Boards.

Enhancing Shareholders Value

Your company's strategic vision statement accords top position to value creation. All the company's operations are guided and aligned towards maximizing shareholders value. Motivation and encouragement to employees of LEAF to contribute towards achieving higher operational efficiency and profitability is a continuous process. Besides, cost-effectiveness and innovation are placed at the forefront of all activities.

Acknowledgement

Your company's board and employees are inspired by their vision of sustaining LEAF's position as one of India's most valuable company in the food segment through world class performance creating enduring value for all stakeholders, including the shareholders and the Indian society.

The vision of enlarging your company's contribution to the Indian economy is manifest in the creation of unique business models that foster competitiveness of not only its business but also the entire value chain of which it is a part.

Inspired by this Vision, driven by Values and powered by internal Vitality, your directors look forward to the future with confidence.

Your directors wish to convey their sincere appreciation for the co-operation and excellent assistance the company has received from Banks, central / state government(s) and various ministries, dealers and valued business associates without which it would not have been possible to achieve all round progress and growth of the company. The Board also places on record its appreciation to shareholders for their continued trust and support and also for the devoted services of all the employees of the company for their outstanding contribution to the operations during the year under review. The Board also places on record its appreciation for the continuous patronage of the customers of the company.

For and on Behalf of the Board

Place: Chandigarh
Date : 28.02.2009

Sd/-
Balbir Singh Uppal
Chairman and Managing Director

FORM 'A'

Form of Disclosure of Particulars with respect to conservation of energy

**ANNEXURE I
TO DIRECTORS' REPORT**

	Period ended 30.09.2008	Year ended 31.03.2007
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
Purchased		
-Unit (KWH in Thousand)	11771.50	5328.05
-Total Amount (Rs. Lacs)	551.49	223.62
-Rate / Unit (Rs.)	4.68	4.20
Own Generation	-	-
(i) Through Diesel Generator		
-Unit (KWH in Thousand)	1575.53	1061.00
-Unit per liter of Diesel / Oil	3.75	4.00
-Rate / Unit (Rs.)	8.11	6.69
(ii) Through Stream Turbine/ Generator		
-Unit (KWH in Thousand)	2828.00	-
-Rate / Unit (Rs.)	7.50	-
2. Coal		
-Quantity (MT)		
-Total Cost (Rs. In Lacs)		
-Average rate (Rs. Per MT)		
3. Furnace Oil	-	-
-Quantity (K Its.)		
-Total Cost (Rs. In Lacs)		
-Average rate (Rs. per K Its.)		
4. Other/ Internal Generation	-	-
-Quantity		
-Total Cost		
-Rate/ Unit		
B. CONSUMPTION PER MT		
Electricity (KWH)		
Paddy/Rice	12.19	10.97

For and on Behalf of the Board

Place: Chandigarh
Date : 28.02.2009**Sd/-**
Balbir Singh Uppal
Chairman and Managing Director

ANNEXURE II TO DIRECTORS' REPORT

Details and information of employees of the company who were in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Name of Employee	Age(Yrs.) Date of Birth	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Shareholding (in %age)	Date of Employment	Last Employment
Mr. Balbir Singh Uppal	(54) 13-10-1954	Chairman and Managing Director (Overall management of the affairs of the company)	1,41,00,000/-	Privately educated	37	15.39	20-07-1990	-
Mr. Janak Raj Singh	(36) 08-04-1972	Executive Director (Overall management of the affairs of the company)	75,00,000/-	Graduate	16	4.74	30-04-1992	-
Mr. I S Gumber	(51) 03-03-1958	Executive Director (Overall management of the affairs of the company)	40,50,000/-	Bsc. (H) MBA LL.B CAIIB & CAIB (U.K.)	30	0.30	01-03-2005	Whole-Time Director of Networth Stock Broking Ltd

Notes:

- Information has been furnished on the basis of employees employed throughout the financial year, who were in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 24,00,000.00 (Rupees twenty four lacs only) per annum and those employed for the part of the financial year, were in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Rs. 2,00,000.00 (Rupees two lacs only) per month. There was no person employed either throughout the financial year or part thereof, who was holding either by himself or alongwith the spouse and dependent children 2% or more of the shares of the company and drawing remuneration in excess of the remuneration drawn by the Managing Director / Executive Director.
- Remuneration includes salary, commission if any, other allowances, payments and expenditures incurred on perquisites and company's contribution to Provident, Superannuation and Gratuity Funds.
- All appointments are on contractual basis.
- Mr. Balbir Singh Uppal, Chairman and Managing Director is father of Mr. Janak Raj Singh, Executive Director. None of the other employees is a relative of any director of the company

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments

The new global crisis is “food shortage”. The demand for food is growing at a pace which is almost two times than the growth in population. The steady growth of population, rising income levels in developing countries, diversion of food grains for bio-fuel production and industrial uses is accelerating the demand. The supply of food grains is not keeping pace with plateauing of productivity in agriculture due to under investment in farm sector for the last many years and nearly zero growth in land area under agriculture.

India had been self-sufficient in food except wheat and edible oil. But with under investment in farm sector the growth in agriculture has slowed down. India's GDP has grown at a rate of 7.1% CAGR since the year 2000, whereas farm output has grown at 2.5% only. The dwindling buffer stocks of India at 19 million tons in March 2008, is a warning bell. The country had to import wheat during the last fiscal year. India is still maintaining self-sufficiency in Rice though, the Government for the first time, imposed ban on export of non-Basmati rice to check soaring domestic rice prices and preserve the stocks.

The Indian rice industry is highly fragmented, thus the efficiency levels are poor and wastage is high. Multitude of small units lack integration, and are unable to make use of by-products. LEAF is the largest organized player in non-basmati rice space. The large capacity has resulted in complete downstream integration, thus leading to almost zero wastage in the production process; adding value to each by-product; reducing power consumption and labour cost. LEAF has also realized its dream of producing “green energy” from its husk based co-generation Power Plant. The company has started exporting power to the state grid. LEAF has also commenced sale of its packaged Rice and wheat flour under “Lakshmi foods” brand.

Opportunities & Threats

The demand for food grains all over the world and India would continue to grow with rise in income levels. With the change in life style of the people, the demand for packaged rice, wheat flour and rice oil would also grow in the years to come. The shortage of rice in various countries is also opening up opportunities for export of non-basmati rice. The Government has also started rebuilding its buffer stocks to avert any food crisis in future. Looking at aforesaid developments LEAF has already started scaling up its capacities for processing of paddy and by-products. The company will also add to existing power generation capacity to produce “green energy” environment friendly. Further opportunities to venture into “ready-to-eat” food products are also emerging.

The Government policies in relation to procurement of paddy/rice and their pricing for the Public Distribution System and the policy on exports of non-basmati rice would continue to affect LEAF in as much as the rice industry in general. However, the large production capacity of LEAF including by-product processing and its diversification into power will always mitigate such potential risk to the industry.

Segment-wise/product-wise performance

Rice continues to be the dominant product of our Company contributing 86% of total revenue, followed by rice bran oil (5%), De-Oiled Cake (2%), Cattle Feed (2%). This product mix would continue in the same ratio however, within rice segment company will focus more on Retail and Export Segment.

Outlook

The Government of India, through Food Corporation of India (FCI) manages the food-grains in the country. FCI maintains the buffer stocks and also distributes wheat and rice for masses through the ration shops under Public Distribution System. FCI is building up its buffer stocks to combat any threat of food crisis in future. With the rise in income levels and culture of buying daily kitchen requirements from organized malls, cash-n-carry stores is increasing demand for packaged non-basmati rice. Both of these developments give further opportunities to your Company to expand its production facilities and venture into retail sales in a big way.

The Company has commenced export of “green energy” from its husk based co-generation Power Plant. Sale of power will boost the top and bottom-line of the company. The Power Plant qualifies to earn carbon credit under Kyoto Protocol.

Risks & Concerns

In general, food grain processing Industry is agro based industry and governed by Government's guidelines regarding pricing etc. However Government takes care to revise prices at each harvest for the benefit and protection of farmers. The Government also protects millers/industry by revising prices of essential finished products. Increasing modernization and diversification in the industry in terms of new modes of processing and packaging, may seem to impact prices negatively but in reality it does not happen as the demand growth is much stronger than the supply. In nutshell the risk in the business is one of the lowest.

Internal Control Systems and their Adequacy

The Company has established adequate systems for internal control relating to purchase of raw materials, components, plant & machinery, equipments and other assets and sale of goods which are commensurate with size and nature of business of your Company. The Company has got effective system of accounting and administrative controls which ensure that all assets are safeguarded and protected against loss. The Company has well defined organization structure with clear functional authority limits for approval of all transactions and to strengthen and support the same. The company has engaged "Praneel Innovations Limited" to implement "System Application Program" for Enterprise Resource Planning.

The Company has also strong reporting system, which evaluate and forewarns the management on issues related to compliance. The performance of the Company is regularly reviewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with pre-set objectives. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

Human Resource Development

The Company's Human Resource philosophy is to identify the attitude, aptitude of each employee, provide motivation to them and place them in a position where they can contribute to the growth and performance of the Company to the best of their ability. During the year, M/s Zeus Consulting was retained to map the ideal organizational structure for the Company, keeping in view its business and growth plans during the next 3 years and identify the gaps, if any. The consultants have given job charts for various positions and suggested an organizational chart. The recommendations of consultants are being deliberated by the Board and would get implemented. In addition, the Company has also awarded contract for building of housing colony, which would not only provide accommodation to the employees of the Company but would also give a sense of togetherness.

The Company provides to the staff healthy environment and maintains cordial relations with the employees. The company treats the people as the most valuable asset and has a system of performance appraisal and career development. Steps have also undertaken towards manpower rationalization through multi task training and job rotation.

The Company has ensured recognition of meritorious performance and achievements through timely rewards. Recognition is also in the form of increased responsibility and job enrichment.

As on 30th September 2008 around 338 employees are on the roll of the Company.

Pollution and Environment Control

The Company continues to be compliant with applicable environment laws and regulations. The Company has started generating power from biomass waste and is keeping the environment clean through control of pollutants by deploying the Electrostatic Precipitators and Effluent Treatment Plant.

Safety and health of people working in and around the premises of the Company continues to receive the highest importance from the management. Employees are continuously trained and coached in safety and are provided appropriate safety equipments.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates / would operate, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on Behalf of the Board

Place: Chandigarh
Date : 28.02.2009

Sd/-
Balbir Singh Uppal
Chairman and Managing Director

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The company believes that good Corporate Governance practices enable a company to attract and enhance financial and human capital and leverage these resources to maximize long-term shareholders' value and preserve the interests of multiple stakeholders, including society at large. The company believes in good Corporate Governance and has made Corporate Governance a practice and a continuous process of development. The company is fully committed to practicing sound corporate governance and upholding the highest business standards in conducting business. The company's philosophy on Corporate Governance envisage the attainment of high level of transparency and accountability in the functioning of the company and conduct of business and places due emphasis on regulatory compliance. This would help the company to meet its obligation to its customers, employees and shareholders.

Being a valued-driven organization, the company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on principles of good corporate governance viz. integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The company fosters the culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its board of directors, management and employees. The company has established systems and procedures to ensure that its board of directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with a strategic direction needed to create long term shareholder value.

2. Board of Directors

Composition of the Board of the Company

The board of directors of the company has an optimum combination of Executive, Non Executive and Independent directors. As on September 30th, 2008, the board of directors of the company consisted of 11 members. Mr. Balbir Singh Uppal is the Chairman cum Managing Director of the company. Mr. Janak Raj Singh and Mr. I. S. Gumber are the other two executive directors on board of directors of the company. All other directors are non-executive directors.

The details of directors with regard to their outside directorships, committee positions as well as attendance at meeting of the board of directors of the company / annual general meeting are as follows:

Director	Executive/ Non-Executive/ Independent	No. of the Board Meetings Attended	Whether last AGM Attended	No. of Outside Directorships Held	No. of Committee Membership
Mr. Balbir Singh Uppal	Promoter and Managing Director	14	Yes	6	Nil
Mr. Janak Raj Singh	Promoter and Executive Director	14	Yes	6	Nil
Mr. I. S. Gumber	Executive Director	-	No	3	Nil
Ms. Vijay Luxmi	Promoter and Non-Executive Director	8	No	Nil	3
Mr. Amarjit Singh	Independent	14	Yes	Nil	3
Mr. Varinder Kumar	Independent	4	No	1	Nil
Mr. Sanjeev Sood	Independent	11	No	Nil	3
Maj. Gen. A. L. Suri (Retd.)	Independent	-	No	3	Nil
Mr. Nirdosh Bali	Independent	4	Yes	1	Nil
Mr. Rajendra Sharma	Independent	4	Yes	Nil	Nil
Ms. Harnita Ahluwalia	Non-Executive Director	-	No	1	Nil

Disclosure regarding appointment & re-appointment of directors and changes in the directorate during the year.

Mr. Balbir Singh Uppal is being re-appointed as the Managing Director of the Company, for a period of 5 years with effect from 1st September, 2009. Mr. Sanjeev Sood, Mrs. Vijay Luxmi and Mr. Amarjit Singh, directors who shall be retiring in this annual general meeting, being eligible have offered themselves for re-appointment. Ms. Harnita Ahluwalia was appointed as an additional director of the company by the board of directors of the company on April 12th, 2008, only upto the date of ensuing Annual General Meeting of the company. Brief particulars of these directors are as follows:

Particulars	Mr. Balbir Singh Uppal	Mr. Sanjeev Sood	Ms. Vijay Luxmi	Mr. Amarjit Singh	Ms. Harnita Ahluwalia
Father's Name	Late Sh. Chaman Lal	Mr. Krishan Dev Sood	Mr. Ram Parshad	Mr. Hazara Singh	Mr. B. S. Sehgal
Date of Birth	13.10.1954	15.03.1972	31.05.1950	06.04.1941	15.11.1966
Date of Appointment	20.07.1990	30.12.2005	20.07.1990	12.12.2002	12.04.2008
Address	Lakshmi Complex, VPO Khamano, Distt. Fatehgarh Sahib, Punjab	VPO Chabbal, Dist. Amritsar, Punjab	188-A, Rani Ka Bagh, Amritsar, Punjab	60-C, Rajguru Nagar, Ferozepur Road, Ludhiana	S-478, Greater Kailash, Part-II, New Delhi-110048
Designation	Chairman and Managing Director	Director	Director	Director	Additional Director
Education	Privately Educated	Graduate	Graduate	IAS (Retd.)	Post Graduate Diploma in Foreign Trade
Experience	37 years	12 years	18 years	42 years	20 years
Salary, etc	Rs.10 lac p.m	Nil	Nil	Nil	Nil
Companies in which holds Directorship	6	Nil	Nil	Nil	1
Companies in which holds membership of committees	Nil	Nil	Nil	Nil	Nil
Equity shares held	97,25,985	Nil	19,71,000	Nil	Nil

The Meetings of the board of directors of the company held during the year:

During 2007-08, the board of directors of the company met 14 (Fourteen) times on the following dates: -

Date of the Meetings		
April 13 th , 2007	September 4 th , 2007	May 26 th , 2008
April 26 th , 2007	October 29 th , 2007	July 28 th , 2008
June 22 nd , 2007	December 11 th , 2007	September 2 nd , 2008
July 24 th , 2007	January 23 rd , 2008	September 4 th , 2008
August 20 th , 2007	April 22 nd , 2008	

Information Supplied to the board of directors of the company.

The board of directors of the company was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meetings of the board of directors of the company held.

Code of Conduct

The board of directors of the company play an important role in ensuring good corporate governance and have laid down the Code of Conduct applicable to all members of the board of directors of the company and senior executives of the company. The board of directors of the company vide their resolution dated December 30th, 2005 adopted and approved the code of conduct. All members of the board of directors of the company and senior executives have confirmed compliance of the code of conduct. The code of conduct is also posted on the website of company. A certificate to this effect is annexed herewith.

Annual compliance reporting

Members of the board of directors of the company and Senior Managers have affirmed compliance with this Code as at the end of the financial year ending on September 30th, 2008.

Acknowledgement of receipt of the code

Each Member of the board of directors of the company and Senior Managers, both present and future, have acknowledged receipt of the code or any modification(s) thereto, in the acknowledgement form and have forwarded the same to the Compliance Officer.

No breach of the aforesaid Code has been brought to the notice of the Compliance Officer or any member of the board of directors of the company or Senior Management.

The CEO / CMD of the company has given the certificate as per the requirement of clause 49 of the listing agreement which is annexed hereto.

3. Audit Committee**Composition & Terms of Reference**

The Audit Committee of the company comprises of three members, all of whom are non-executive with two third independent directors. The Chairman of the Committee is Mr Amarjit Singh, a non-executive independent director. Other members are Mrs Vijay Luxmi, promoter & non-executive director and Mr. Sanjeev Sood, non-executive independent director.

Terms of references and powers of the Audit Committee are as per the guidelines set out in the listing agreement (Clause 49) with the stock exchanges that, inter alia, include the overview of the company's financial reporting processes, review of the half yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies etc.

Meetings held during the year and the Attendance thereat:

During 2007-2008, 7(Seven) Audit Committee Meetings were held on: -

Date of the Meetings			
April 26 th , 2007	September 4 th , 2007	January 23 rd , 2008	July 28 th , 2008
July 24 th , 2007	October 29 th , 2007	April 22 nd , 2008	

The attendance of members of the Audit Committee at these Meetings is as follows:

S. No.	Director	Category	No. of Meetings Attended
1	Mr. Amarjit Singh	Chairman	7
2	Mr. Vijay Luxmi	Member	6
3	Mr. Sanjeev Sood	Member	7

1. The Chairman of the Audit Committee was present at the Annual General Meeting of the company held on September 28th, 2007.
2. Finance head is the permanent invitee of the Audit Committee and the Statutory and Internal Auditors of the company are also invited to the Audit Committee Meetings.
3. Company Secretary acted as Secretary to the Committee.

Whistle Blower Policy

The Audit Committee at its meeting held on January 12th, 2006, approved framing of a Whistle Blower Policy that provides a formal mechanism for all employees of the company to approach the Chairman of the Audit Committee of the company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the company has an assured access to the Chairman of the Audit Committee.

4. Remuneration Committee

Composition & Terms of Reference

The Remuneration Committee of the board of directors of the company comprises of three non-executive directors namely Mr Amarjit Singh - as Chairman, Mr. Sanjeev Sood, and Mrs. Vijay Luxmi as members.

The Committee was constituted to approve the remuneration payable to Managing Director, Whole time Director and Executive directors of the company. Thus, the Committee shall have the meetings as and when so required.

Meetings held during the year and the Attendance thereat:

During 2007-08, one Remuneration Committee Meeting was held on: -

Date of the Meeting	September 4 th , 2007
----------------------------	----------------------------------

The attendance of members of the Remuneration Committee at these Meetings is as follows:

S. No.	Director	Category	No. of Meetings Attended
1	Mr. Amarjit Singh	Chairman	1
2	Mrs. Vijay Luxmi	Member	1
3	Mr. Sanjeev Sood	Member	1

Remuneration Policy of the Company

The company is presently paying remuneration to Mr. Balbir Singh Uppal, Chairman and Managing Director, Mr Janak Raj Singh and Mr. I. S. Gumber, Executive Director of the company. Other than that, company is not paying remuneration to any other director. No significant material transactions have been made with the non-executive directors vis-à-vis the company.

Details of the directors' Remuneration for the financial year ended September 30th, 2008.

Name of the Director	Sitting fees	Salaries & Perquisites (Rs. in million)	Commission, Bonus Ex-gratia	Total Amount (Rs. in million)
Mr. Balbir Singh Uppal	Nil	14.10	Nil	14.10
Mr. Janak Raj Singh	Nil	7.50	Nil	7.50
Mr. I. S. Gumber	Nil	4.05	Nil	4.05
Mrs. Vijay Luxmi	Nil	Nil	Nil	Nil
Mr. Amarjit Singh	Nil	Nil	Nil	Nil
Mr. Varinder Kumar	Nil	Nil	Nil	Nil
Mr. Sanjeev Sood	Nil	Nil	Nil	Nil
Maj. Gen. A. L. Suri (Retd.)	Nil	Nil	Nil	Nil
Mr. Nirdosh Bali	Nil	Nil	Nil	Nil
Mr. Rajendra Sharma	Nil	Nil	Nil	Nil
Ms.Harnita Ahluwalia	Nil	Nil	Nil	Nil

Notes:

1. No director is related to any other director on the board of directors of the company except for Mr. Balbir Singh Uppal and Mr. Janak Raj Singh, who are father and son respectively.
2. The company does not have any scheme for grant of stock options to its directors or employees.
3. The appointment of Mr. Balbir Singh Uppal, Chairman cum Managing Director is for a period of 5 years w.e.f. September 1st, 2004.
4. The appointment of Mr. Janak Raj Singh, Executive Director is for a period of 5 years w.e.f. October 1st, 2005.
5. The appointment of Mr. I. S. Gumber, Executive Director is for a period of 5 years w.e.f. March 1st, 2005.
6. No severance fee is payable to any Managing / Executive Director of the company.
7. The remuneration paid to the Executive directors is recommended by the Remuneration Committee and approved by the board of directors of the company in the meeting of the board of directors of the company, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be. Independent / Non-Executive directors are not being paid any sitting fees.
8. All directors have disclosed their shareholding in the company. Details of shareholding of directors as on September 30th, 2008 is as follows:

Name of the Director	Shares
Mr. Balbir Singh Uppal	9725985
Mr. Janak Raj Singh	2993645
Mr. I. S. Gumber	189891
Mrs. Vijay Luxmi	1971100
Mr. Amarjit Singh	Nil
Mr. Varinder Kumar	Nil
Mr. Sanjeev Sood	Nil
Maj. Gen. A. L. Suri (Retd.)	Nil
Mr. Nirdosh Bali	Nil
Mr. Rajendra Sharma	Nil
Ms. Harnita Ahluwalia	Nil

5. Shareholders'/Investors' Grievance Committee**Composition & Terms of Reference**

Shareholders'/Investors' Grievance Committee of the company comprises of three non-executive directors namely Mr. Amarjit Singh - as Chairman, Mr. Sanjeev Sood, and Mrs. Vijay Luxmi as members.

The Committee is constituted and functions as per the guidelines set out in listing agreements with the Stock Exchanges that inter alia include redressal of investors' grievances arising out of issues regarding share transfers, Transmissions, dividends, dematerialization and related matters.

Mr. Ajay K. Ratra, is appointed as the Compliance Officer for this purpose of Clause 47 of the Listing Agreements.

Meetings held during the year and the Attendance thereat:

During the year 6 (six) Shareholders'/ Investors' Grievance Committee Meetings were held on: -

Dates of the Meeting		
April 26 th , 2007	October 29 th , 2007	April 22 nd , 2008
July 24 th , 2007	January 23 rd , 2008	July 28 th , 2008

The attendance of members of the Shareholders'/ Investor Grievance Committee at these Meetings is as follows:

S. No.	Director	Category	No. of Meetings Attended
1	Mr. Amarjit Singh	Chairman	6
2	Mrs. Vijay Luxmi	Member	5
3	Mr. Sanjeev Sood	Member	6

CEO/CFO Certification

Mr. Balbir Singh Uppal, Chairman and Managing Director and Mr. K.I. Singh, G.M. (Finance) have certified to the board of directors of the company that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee-
 - (i) Significant changes in internal control during the year, if any;
 - (ii) Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and,
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

The above certificate was placed before the Meeting of the board of directors of the company held on 28-02-2009.

6. General Body Meetings

a) Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	Summary of resolutions passed (Special Business)
2007	28.09.2007	Chandigarh Club, Sector-1, Chandigarh	11.00 A.M.	Ordinary Resolutions <ul style="list-style-type: none"> • Appointment of Mr. A.L Suri as Director • Appointment of Mr. Nirdosh Bali as Director • Appointment of Mr. Rajendra Sharma as Director • Revision in remuneration of Mr. Balbir Singh Uppal, Chairman and Managing Director • Revision in remuneration of Mr. Janak Raj Singh, Executive Director • Revision in remuneration of Mr. I.S Gumber, Executive Director
2006	22.09.2006	Bal Bhawan, Sector 23, Chandigarh	11.00 A.M.	Ordinary Resolutions <ul style="list-style-type: none"> • Appointment of Mr. Varinder Kumar as Director • Appointment of Mr. Sanjeev Sood as Director Special Resolutions <ul style="list-style-type: none"> • Investment by FIIs and NRIs upto an aggregate limit of 49% and 10% of paid up equity capital respectively.
2005	29.09.2005	Bal Bhawan, Sector 23, Chandigarh	11.00 A.M.	Ordinary Resolutions <ul style="list-style-type: none"> • Appointment of Mr. I S Gumber as Executive Director Special Resolutions <ul style="list-style-type: none"> • Increase in remuneration of Mr. Balbir Singh Uppal, Managing Director • Re-appointment of Mr. Janak Raj Singh as Whole Time Director • Investment by FIIs, NRIs, OCBs upto an aggregate limit of 49% of paid up equity capital

- b) Pursuant to the provisions of Section 192A of the Companies Act, 1956, there was no matter as required to be dealt by the company to be passed through postal ballot during the financial year 2007-08.
- c) None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

7. Disclosures

- a) There was no such materially significant related party transaction(s) with its promoters, the directors or the management, their relatives, etc. that may have the potential conflict with the interests of the company at large. The other related party transactions are given in Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the company.
- b) Your company has followed all relevant Accounting Standards while preparing the financial statements.
- c) Your company has established a comprehensive and appropriate risk assessment and management policy and minimization procedures and the same is periodically reviewed by the board of directors of the company.
- d) During the last three years, there were no instance of imposition of penalties, strictures by Stock Exchange or SEBI or any statutory authority on the company on any matter related to capital markets, hence no details thereof could be provided.
- e) The company has instituted a comprehensive code of conduct for its board, senior executives, managerial staff and relevant business associates in compliance with the SEBI regulations on prevention of insider trading.
- f) The board of directors of the company periodically reviews reports of compliance with all laws applicable to the company, as well as steps taken by the company to rectify instances of non-compliances, if any.
- g) The company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behaviour. No personnel has been denied access to the Chairman of the Audit Committee.
- h) Your company is fully compliant with the mandatory requirements of the Clause 49 of the Listing Agreement. The company has not adopted the non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement except the following:
 - a) The Company has set up a Remuneration Committee.
 - b) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism.
- i) 28,75,000 Equity shares of Rs 2/- each were allotted on April 13th, 2007 at a premium of Rs. 128/- per share on preferential basis and the same have been listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- j) 31,50,000 Equity shares of Rs 2/- each were allotted on September 4th, 2008 at a premium of Rs.185/- per share on preferential basis and the same have been listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- k) The company has not issued any GDRs/ADRs.

8. Means of Communication

- i) Quarterly results of the company are published regularly in **BUSINESS STANDARD** and **DESH SEWAK** (Punjabi) newspapers and also displayed on the website of the company www.lakshmigroup.in shortly after their submission to the Stock Exchanges.
- ii) Official news releases and presentations, if any, made to Institutional Investors and analysts are posted on the company's website.
- iii) Pursuant to clause 51 of the listing agreements, financial information like quarterly financial statements, shareholding pattern are available on SEBI's website www.sebidifar.nic.in.
- iv) Management Discussion and Analysis Report has been included in this Annual Report and forms the part of this Annual Report being sent to the shareholders of the company.

Company's snapshot

S. No.	Heading	Particulars
i.	Incorporation.	20.07.1990
ii.	CIN.	LOOOOCH1990PLC010573
iii.	Equity Structure	6,31,90,000 equity shares of Rs. 2/- each.

9. GENERAL / ADDITIONAL SHAREHOLDER INFORMATION**Annual General Meeting Details**

Day & Date	Friday, 27 th March, 2009
Time	11.00 A.M.
Venue	Chandigarh Club, Sector-1, Chandigarh

Financial/Accounting year of the company

FY 2007-08 of the company will comprise of period of 18 months starting from 1st April, 2007 to 30th September, 2008 and from the next year onwards, the Accounting year of the company would be starting from 1st October to 30th September.

Calendar for the financial year ending September 30th, 2009

Events	Tentative time frame
Financial Reporting for the first quarter ended December 31 st , 2008.	January 28 th , 2009 (Actual).
Financial Reporting for the second quarter ending March 31 st , 2009.	Last Week of April, 2009.
Financial Reporting for the third quarter ending June 30 th , 2009.	Last Week of July, 2009.
Financial Reporting for the fourth quarter ending September 30 th , 2009.	Last Week of September, 2009.
Annual General Meeting for the year ended September 30 th , 2009.	March 2010.

Book Closure

Book Closure Dates	25 th March, 2009 to 27 th March, 2009 (both days inclusive).
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Dividend Payment

The board of directors of the company has recommended 25% (Rs.0.50/- per share) final dividend for the financial year 2007-08. The final dividend, if approved by shareholders at the ensuing annual general meeting shall be paid to those shareholders whose names appear on the Register of Members as on 24th March, 2009. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 24th, 2008 as per the details furnished by the Depositories for this purpose. The dividend, if approved, will be paid within 30 days of declaration at annual general meeting.

Listing on Stock Exchanges

The equity shares of the company are presently listed on the following Stock Exchanges:

1. National Stock Exchange of India Limited;
2. Bombay Stock Exchange Limited;
3. Ludhiana Stock Exchange Ass. Limited;
4. Delhi Stock Exchange Ass. Limited.

Further, the company had applied for voluntary delisting to Delhi Stock Exchange Association Limited and Ludhiana Stock Exchange Association Limited and their approval(s) are awaited. Shares of the company have already been voluntarily delisted from Calcutta Stock Exchange during the financial year ending on September 30th, 2008.

Listing Fees

The company has paid the annual listing fees for the year 2008-09 to all the Stock Exchanges wherein the equity shares of the company are listed. The company has also paid the annual custodial fee for the year 2008-09 to both the depositories namely, National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL').

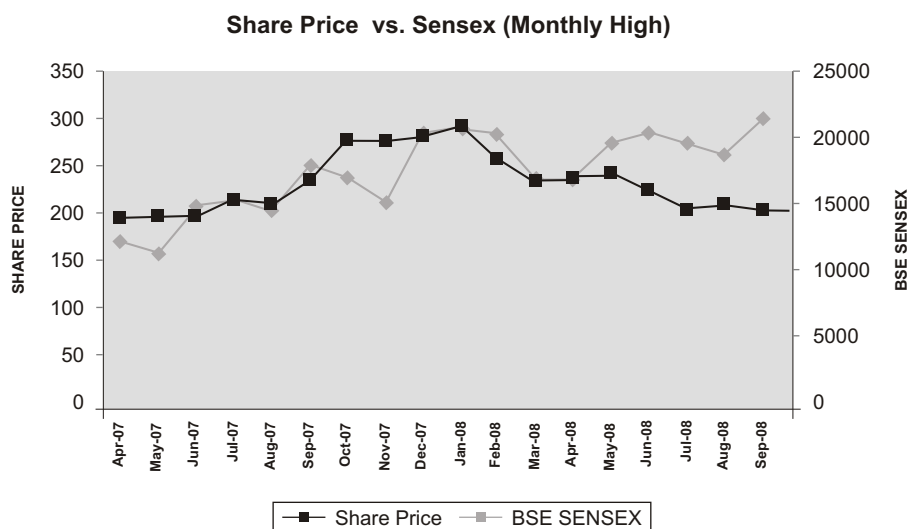
Stock Codes

ISIN (for equity shares)	INE 992B01026
NSE SYMBOL	LAKSHMIEFL
BSE Stock Code	519570

Market Price Data and performance in comparison to BSE Sensex

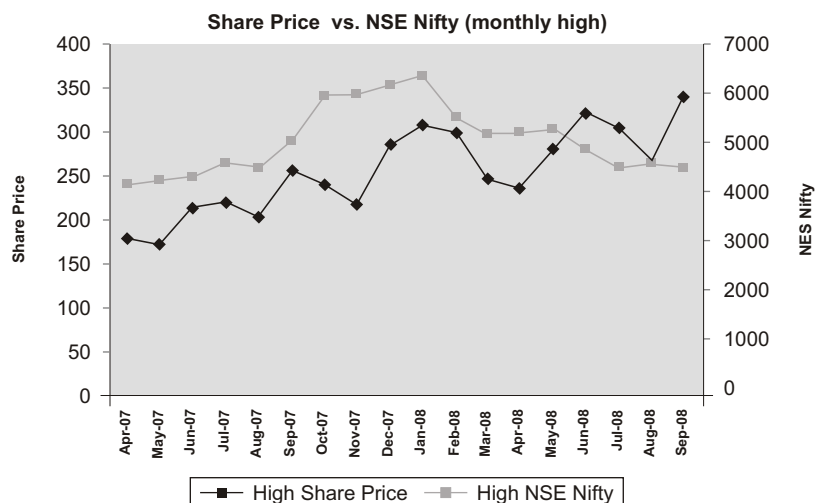
Month	Share Price at BSE			BSE SENSEX	
	High (Rs)	Low (Rs)	Volume (Nos.)	High	Low
April, 2007	178.95	149.00	1385871	14,383.72	12,425.52
May, 2007	167.00	152.00	1169119	14,576.37	13,554.34
June, 2007	216.00	150.00	558998	14,683.36	13,946.99
July, 2007	221.00	174.05	595697	15,868.85	14,638.88
August, 2007	211.00	183.00	400763	15,542.40	13,779.88
September, 2007	258.00	178.10	407460	17,361.47	15,323.05
October, 2007	245.00	185.00	457735	20,238.16	17,144.58
November, 2007	220.00	181.00	1425361	20,204.21	18,182.83
December, 2007	290.50	197.00	207584	20,498.11	18,886.40
January, 2008	295.00	205.00	492237	21,206.77	15,332.42
February, 2008	289.55	236.60	137032	18,895.34	16,457.74
March, 2008	242.00	182.25	2784290	17,227.56	14,677.24
April, 2008	243.00	195.00	71745	17,480.74	15,297.96
May, 2008	280.00	205.00	277095	17,735.70	16,196.02
June, 2008	290.00	243.00	1122000	16,632.72	13,405.54
July, 2008	280.00	243.00	29418	15,130.09	12,514.02
August, 2008	268.70	240.05	19962	15,579.78	14,002.43
September, 2008	305.00	240.00	2642458	15107.01	12153.55

Company's Share Price Movement vis a vis BSE Sensex



Market Price Data and performance in comparison to NIFTY of NSE

Month	Share Price at NSE			NIFTY	
	High (Rs)	Low (Rs)	Volume (Nos.)	High	Low
April, 2007	180.00	142.00	55395	4217.90	3617.00
May, 2007	172.00	150.25	42281	4306.75	3981.15
June, 2007	215.00	150.00	370899	4362.95	4100.80
July, 2007	221.00	173.00	227236	4647.95	4304.00
August, 2007	205.15	182.00	228101	4532.90	4002.20
September, 2007	258.00	170.10	123873	5055.80	4445.55
October, 2007	240.00	170.30	266399	5976.00	5000.95
November, 2007	219.95	180.00	1214419	6011.95	5394.35
December, 2007	285.00	197.35	127599	6185.40	5676.70
January, 2008	307.90	202.20	1513845	6357.10	4448.50
February, 2008	299.00	221.60	196186	5545.20	4803.60
March, 2008	248.00	182.50	1674862	5222.80	4468.55
April, 2008	238.00	193.00	220539	5230.75	4628.75
May, 2008	280.00	202.05	3434516	5298.85	4801.90
June, 2008	322.00	235.00	283629	4908.80	4021.70
July, 2008	305.00	241.00	195371	4539.45	3790.20
August, 2008	269.00	239.05	29291	4649.85	4201.85
September, 2008	340.00	245.60	78887	4558.00	3715.05



Registrar & Share Transfer Agents

The company had appointed M/s. Beetal Financial & Computer Services (P) Ltd. as its Common Registrar and Transfer Agent.

Particulars	Beetal Financial & Computer Services (P) Ltd
Contact Person	Mr. S. P. Gupta
Address	Beetal House, 3 rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062
Telephone No.	011-2996 1281
Fax No.	011-2996 1284
E mail	beetal@rediffmail.com

Share Transfer System

M/s Beetal Financial & Computer Services (P) Limited has been appointed as Registrar & Transfer Agent for processing, transfers, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialization and rematerialisation of the company's Shares.

The share transfers, which are received in physical form, are approved (subject to the documents being valid and complete in all respects) by the committee which meets regularly on a fortnightly basis. Shares under objection are returned within two weeks time.

Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL expeditiously.

Distribution of Share holding as on September 30th, 2008.

Shareholding of Nominal Value of Rs.	Number of Shareholders		No of Share	
	Number	% to Total	Number	% to Total
Up to 5000	5,231	97.03	30,22,010	4.7824
5,001 10,000	87	1.61	3,37,164	0.5336
10,001 20,000	30	0.56	2,23,309	0.3534
20,001 30,000	5	0.09	57,310	0.0907
30,001 40,000	1	0.02	19,500	0.0309
40,001 50,000	2	0.04	43,603	0.0690
50,001 1,00,000	3	0.06	1,15,061	0.1821
1,00,001 and Above	32	0.59	5,93,72,043	93.9580
Total	5,391	100.00	6,31,90,000	100.0000

Shareholding Pattern as on September 30th, 2008

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
a	Individuals/ Hindu Undivided Family	4	14690730	12719630	23.25%	23.25%
b	Central Government/ State Government(s)	0	0	0	0.00%	0.00%
c	Bodies Corporate	5	13725000	1482000	21.72%	21.72%
d	Financial Institutions/ Banks	0	0	0	0.00%	0.00%
e	Any Others (Specify)	0	0	0	0.00%	0.00%
	Sub Total(A)(1)	9	28415730	14201630	44.97%	44.97%

CORPORATE GOVERNANCE REPORT

Annual Report 2007-08

2	Foreign					
a	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0.00%	0.00%	0.00%
b	Bodies Corporate	0	0	0.00%	0.00%	0.00%
c	Institutions	0	0	0.00%	0.00%	0.00%
d	Any Others(Specify)	0	0	0.00%	0.00%	0.00%
	Sub Total(A)(2)	0	0	0	0.00%	0.00%
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	9	28415730	14201630	44.97%	44.97%
(B)	Public shareholding					
1	Institutions					
a	Mutual Funds/ UTI	3	545876	545876	0.86%	0.86%
b	Financial Institutions/ Banks	1	274043	274043	0.43%	0.43%
c	Central Government/ State Government(s)	0	0	0	0.00%	0.00%
d	Venture Capital Funds	0	0	0	0.00%	0.00%
e	Insurance Companies	0	0	0	0.00%	0.00%
f	Foreign Institutional Investors	20	23686175	23686175	37.48%	37.48%
g	Foreign Venture Capital Investors	0	0	0	0.00%	0.00%
h	Any Other (specify)	0	0	0	0.00%	0.00%
	Sub-Total (B)(1)	24	24506094	24506094	38.78%	38.78%
B-2	Non-Institutions					
a	Bodies Corporate	116	6370847	87347	10.08%	10.08%
b	Individuals					
i	Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5160	3533036	1445540	5.59%	5.59%
ii	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh..	2	316891	316891	0.50%	0.50%
c	Any Other (specify) (clearing members)	38	18,208	18,208	0.03%	0.03%
c-1	NRIs	42	29,194	29,194	0.05%	0.05%
	Sub-Total (B)(2)	5358	10268176	1897180	16.25%	16.25%
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	5382	34774270	26403274	55.03%	55.03%
	TOTAL (A)+(B)	5391	63190000	40604904	100.00%	100.00%
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NIL			N.A	N.A
	GRAND TOTAL (A)+(B)+(C)	5391	63190000	40604904	N.A	100.00%

Dematerialization of Shares and liquidity

The company's shares are required to be compulsorily traded in dematerialized form and these shares are available for dematerialization on both the depositories i.e. National Securities Depository Limited ('**NSDL**') and Central Depository Service (India) Limited ('**CDSL**').

Details of Demat Shares as on September 30th, 2008.

Particulars	Number of Shares	% of shares
NSDL	40107183	63.47
CDSL	497721	0.79
Total Shares held in DEMAT form	40604904	64.26
Shares held in Physical form	22585096	35.74
TOTAL (Demat + Physical)	63190000	100.00

There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments as on date.

Plant Location

The company has a paddy / food grains processing plant and husk based Power plant located at VPO Khamanon, Ludhiana-Chandigarh Highway, Khamanon, District Fatehgarh Sahib, Punjab- 140801, India.

Address for Correspondence

All the investor queries may be directed either to the Companies Common Registrar & Share Transfer Agents i.e. M/s Beetal Financial & Computers Services (P) Ltd or to the company at the following address:

Particulars	Registrar & Share Transfer Agent	Company
Place of Contact	M/s Beetal Financial & Computers Services (P) Ltd. Beetal House, 3 rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062	Lakshmi Energy and Foods Limited SCO 18-19, 1 st Floor, Sector 9D, Madhya Marg, Chandigarh- 160 017
Contact Person	Mr. S. P. Gupta	Mr. Ajay K. Ratra (Company Secretary)
Telephone No	011-2996 1281, 82	0172-2744 008
Fax No	011-2996 1284	0172-2743 057
E-mail	beetal@rediffmail.com	cs@lakshmigroup.in

For and on Behalf of the Board
For **Lakshmi Energy and Foods Limited**

Place: Chandigarh
Date : 28.02.2009

Sd/-
Balbir Singh Uppal
Chairman and Managing Director

Declarations

Compliance with Code of Business conduct and ethics

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the members of the board of directors of the company and the Senior Management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended September 30th, 2008.

Place: Chandigarh
Date : 28.02.2009

Sd/-
Balbir Singh Uppal
Chairman and Managing Director

AUDITORS' CERTIFICATE

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES.

To the Members of Lakshmi Energy and Foods Limited

We have examined the compliance of conditions of Corporate Governance by Lakshmi Energy and Foods Limited for the year ended on September 30th, 2008, as stipulated in the Clause 49 (revised) of the Listing Agreement of the said company with the Stock Exchange(s).

The Compliance of the conditions of Corporate Governance is the responsibility of company's management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financials statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and management, we certify that the company has, in all material respect, complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement(s) and that there were no investor grievances remaining unattended / pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For S.Kumar Gupta & Associates
Chartered Accountants**

(CA Sunil Gupta)
Partner
M.No.085624

Place: Chandigarh
Date : 28.02.2009

AUDITORS' REPORT

To The Members of,
Lakshmi Energy and Foods Limited.

1. We have audited the attached Balance Sheet of Lakshmi Energy and Foods Limited as at September 30th, 2008, the Profit and Loss account and the Cash Flow statement for the 18 months period from 1st April 2007 to 30th September 2008 annexed thereto, which we have signed under reference to this report. 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 have 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 the 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) ("the Order"), issued by the 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 the books and records of the company as we considered appropriate, we enclose in the Annexure, a statement on the matters as specified in paragraphs 4 and 5 of the 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 the Cash Flow statement dealt with by this report have been prepared in compliance with the applicable accounting standards as referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information as 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, September 30th, 2008;
 - b) In the case of the Profit and Loss account, of the profit for the period ended on the date; and,
 - c) In the case of the Cash Flow statement, of the cash flows for the period ended on that date.
5. On the basis of written representation as received from the Directors of the company, as on September 30th, 2008, and taken on record by the Board of Directors of the company, we report that none of the directors is disqualified as on September 30th, 2008 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

For S.Kumar Gupta & Associates
Chartered Accountants

(CA Sunil Gupta)
Partner
M.No.085624

Place: Chandigarh
Date : 28.02.2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - b) A substantial portion of the Fixed Assets of the company has been physically verified by the management during the year as per the program of verification of fixed assets and in our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventories have been noticed on such verification.
 - c) Fixed Assets disposed of during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the company.
2.
 - a) The inventories of the company have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventories and according to the information and explanations given to us, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to books and records.
3.
 - a) As informed, the company has not granted loans (secured) to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The company has taken short term unsecured loan, aggregating Rs. 6.25 million (previous year Rs. 0.45 million) from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) As informed, in our opinion, the terms and conditions on which loans have been taken from companies, firms or 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.
 - c) The company is regular in repaying the principal amounts of such loans, if any.
 - d) There is no overdue amount of loans taken from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have we been informed by the company of any instance of major weakness in the aforesaid internal control system in respect of these areas.
5.
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements as referred to in Section 301 of the Companies Act, 1956 has been entered in the register required to maintained under Section 301 of the Companies Act, 1956.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Hundred Thousand only in respect of any party during the year have been entered into at price which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 apply.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost as maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

9. According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance (as informed to us, ESI is not applicable to the company), Income Tax, Wealth Tax, Sales Tax, Service Tax, Cess and any other statutory dues applicable to it. According to the information and explanations as given to us, no undisputed amount payable in respect of Provident Fund, Employees State Insurance (as informed to us, ESI is not applicable to the company), Income Tax, Wealth Tax, Sales Tax, Service Tax, Cess and any other statutory dues applicable to the company and other statutory dues were outstanding, at the year end, for a period of more than 6 (six) months from the date they became payable.
10. In our opinion, the company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution / banks or a bank.
12. Based on our examination of the records and information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of any special statute applicable to a chit fund or a nidhi / mutual benefit fund / society or and the provisions of clause 4 (xiii) of the Order are not applicable to the company.
14. 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.
15. The company has given corporate guarantee for loans for its subsidiary company from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us by the company, the term loans are being applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term basis have been used or applied for long-term investments.
18. According to the information and explanations given to us, the company has made preferential allotment of shares to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 to the extent of Rs. 962.80 million during the year under audit.
19. In our opinion and according to the information and explanations given to us, no debentures have been issued by the company during the year and clause 4 (xix) of the Order is not applicable to the company.
20. The company has not raised any money by way of public issue during the period. Therefore, the provisions of clause (xx) of the Order are not applicable to the company.
21. 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 by the management, 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 any such case or instance by the company's management.

For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(CA Sunil Gupta)
Partner
M.No.085624

BALANCE SHEET

AS AT 30th September, 2008

PARTICULARS	ANNEXURE	(Rs.in Millions) As at 30.09.2008	(Rs.in Millions) As at 31.03.2007
SOURCES OF FUNDS			
1 SHAREHOLDER'S FUND			
i) Capital	1	126.38	114.33
Share Application Money Received		0.00	96.38
ii) Reserve and Surplus	2	4743.09	2283.51
		4869.47	2494.22
2 LOAN FUNDS			
i) Secured Loans	3	4117.16	2147.97
ii) Unsecured Loans	4	91.25	85.45
		4208.41	2233.42
Deferred Tax Liabilities		886.35	358.36
TOTAL		9964.23	5086.00
APPLICATION OF FUNDS			
1 FIXED ASSETS	5		
Gross Block		4762.04	2529.91
Less : Depreciation		1011.65	622.92
Net Block		3750.39	1906.99
Capital Work In Progress		32.61	456.35
2 INVESTMENTS	6	601.03	111.38
3 CURRENT ASSETS AND LOANS & ADVANCES			
i) Inventories	7	5378.99	2803.59
ii) Sundry Debtors	8	184.35	38.84
iii) Cash & Bank Balances	9	57.92	586.47
iv) Loans, Advances & Other Current Assets	10	612.26	818.98
		6233.52	4247.88
LESS: CURRENT LIABILITIES & PROVISIONS			
i) Current Liabilities	11	288.67	1241.36
ii) Provisions	12	364.65	395.24
		653.32	1636.60
NET CURRENT ASSETS		5580.20	2611.28
TOTAL		9964.23	5086.00
Notes on Accounts :	21		

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For **S.Kumar Gupta & Associates**
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K. RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30th September 2008

PARTICULARS	ANNEXURE	(Rs.in Million) For the Period ended on 30.09.2008	(Rs.in Million) For the Year ended on 31.03.2007
INCOME :			
Sales	13	15401.93	6962.66
Other Income	14	28.21	21.01
TOTAL	A	15430.14	6983.67
EXPENDITURE :			
Cost of Material	15	11816.47	5611.15
Manufacturing Expenses	16	161.54	91.86
Personnel Expenses	17	47.16	23.51
Admn. Expenses	18	101.15	37.94
Selling Expenses	19	81.26	31.04
Financial Expenses	20	487.97	45.02
TOTAL	B	12695.55	5840.52
Profit before Depreciation (Cash Profit) (A-B)		2734.59	1143.15
Depreciation		335.02	121.94
PROFIT BEFORE TAX		2399.57	1021.21
Less : Provision for Income Tax		271.87	152.77
Provision for Fringe Benefit Tax		1.93	0.85
PROFIT AFTER TAX BUT BEFORE DEFERRED TAX ASSETS/LIABILITIES		2125.77	867.59
Less : Deferred Tax Liabilities		527.99	264.28
PROFIT AFTER TAX		1597.78	603.31
Add Excess provision of tax in earlier years		0.28	0.00
Add : Previous Year Balance B/F		1158.53	674.21
Profit Available for Appropriation		2756.59	1277.52
Final Dividend Paid for 2005-06		0.00	22.87
Interim Dividend for 2006-07		0.00	28.58
Dividend Tax paid		0.00	7.22
Provision for Dividend (inclusive of tax)		35.54	0.00
Amount Transferred to General Reserve		159.78	60.33
BALANCE T/F TO BALANCE SHEET		2561.27	1158.53
TOTAL		2561.27	1158.53
BASIC EARNING PER SHARE		35.35	15.26
- Face value Rs		2.00	2.00

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K. RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624

CASH FLOW STATEMENT FOR THE PERIOD ENDED

PARTICULARS	Rs. In Million For the Period ended on 30.09.2008	Rs. In Million For the Year ended on 31.03.2007
A. Cash Flow from Operating Activities		
Net Profit before tax	2399.57	1021.21
Adjustments for:		
Interest Paid	487.97	44.62
Miscellaneous Expenditure	0.00	0.00
Depreciation	335.02	121.94
Interest Income	0.00	-4.07
Dividend Income	0.00	0.00
	3222.56	1183.70
Operating Profit before Working Capital Changes		
Adjustments for:		
Trade and other receivable	-136.22	-398.20
Inventories	-2575.41	-820.31
Trade payable & Other Liabilities	-952.69	815.59
Cash Generated from operation	-441.77	780.78
Interest paid	-487.97	-44.62
Income Tax Paid	-142.18	0.00
Net Cash flow from Operating Activities	-1071.92	736.16
B. Cash Flow From Investing Activities		
Additions to Fixed Assets	-1808.38	-1688.78
Investments	-489.65	-6.70
Dividend Income	0.00	0.00
Interest Income	0.00	4.07
Net Cash used in Investing Activities	-2298.03	-1691.41
Sub Total (A+B)	-3369.95	-955.25
C. Cash Flow from Financing Activities		
Increase in Share Capital	12.05	31.70
Increase in Share Application Money	-96.38	0.00
Increase in Share Premium	950.75	322.14
Increase in Long Term Loans (Net)	1969.19	1304.52
Increase in Short Term Borrowings(Net)	5.80	-153.42
Dividend Paid	0.00	-51.45
Cash Flow from Financing Activities	2841.41	1453.49
Net Increase in Cash & Cash Equivalent	-528.54	498.24
Cash & Cash Equivalents at beginning of the year	586.46	88.22
Cash & Cash Equivalents at end of the year	57.92	586.46

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For **S.Kumar Gupta & Associates**
Chartered Accountants
(C.A. SUNIL GUPTA)

Place: Chandigarh
Date : 28.02.2009

(AJAY K. RATRA) (K.I.SINGH)
Company Secretary General Manager-Finance

Partner
M.No.085624

AUDITOR'S CERTIFICATE

The Board of Directors
Lakshmi Energy and Foods Limited

We have examined the attached Cash Flow Statement of Lakshmi Energy and Foods for the period ended 30th September 2008. The Statement has been prepared in accordance with the requirement of Clause 32 of Listing Agreement with the stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our report of even date to the members of the company.

For S. Kumar Gupta & Associates
Chartered Accountants
(CA.Sunil Gupta)

Place: Chandigarh
Date : 28.02.2009

Partner
M.No. 085624

ANNEXURES FORMING PART OF THE BALANCE SHEET

PARTICULARS	(Rs.in Million)	(Rs.in Million)
	As At 30.09.2008	As At 31.03.2007
ANNEXURE - 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
10,00,00,000 Equity Shares of Rs 2/- each	200.00	200.00
ISSUED & SUBSCRIBED CAPITAL		
6,36,10,000 Equity Shares of Rs 2/- Each (Previous year 5,75,85,000 Equity shares of Rs 2/-each)	127.22	115.17
PAID UP CAPITAL		
6,31,90,000 Equity Shares of Rs 2/- Each (Previous year 5,71,65,000 Equity shares of Rs 2/-each)	126.38	114.33
TOTAL	126.38	114.33

Notes of the above :

- (i) Existing Equity Shares of the Company of the Face Value of Rs.10/- each were subdivided into 5 Equity shares of the face value of Rs. 2/- each in December 2006.
- (ii) 84,000 Equity shares of the face Value of Rs 10/- were already forfeited.
- (iii) 5,46,000 Equity shares of the face value of Rs 10/- each were allotted pursuant to exercise of option for conversion by holder of convertible warrants during the year 2006-07.
- (iv) 43,21,500 Equity shares of the face value of Rs 10/- each were issued as fully paid Bonus shares by capitalization of reserves.
- (v) 60,25,000 Equity shares of the face value of Rs 2/- each were allotted pursuant to exercise of option for conversion by holder of convertible warrants during the Financial Year.

ANNEXURE - 2
RESERVE & SURPLUS

General Reserve

Opening Balance	200.91	140.58
Add : Transferred from Profit & Loss Account	159.78	60.33
	360.69	200.91
Share Premium		
Opening Balance	698.12	375.98
Add : Addition during the year	950.75	322.14
	1648.87	698.12
Revaluation Reserves		
Opening Balance	225.95	261.75
Less : Utilized for Depreciation A/c	53.69	35.80
	172.26	225.95
Profit Trf. From Profit & Loss A/C	2561.27	1158.53
TOTAL	4743.09	2283.51

ANNEXURES FORMING PART OF THE BALANCE SHEET

PARTICULARS	(Rs.in Million) As At 30.09.2008	(Rs.in Million) As At 31.03.2007
ANNEXURE - 3 SECURED LOAN		
Term Loans :		
i) Punjab National Bank		
- For Rice Expansion	318.45	286.55
- For Power Project	205.86	221.25
ii) Syndicate Bank		
- For Rice Expansion	259.63	353.12
- For Power Project	182.61	100.53
Vehicle Loans		
ABN-AMRO BANK- Vehicle Loan	0.00	0.01
HDFC BANK LTD- Vehicle Loan	5.25	1.28
ICICI Bank Vehicle Loan	8.10	27.14
Working Capital Limits :		
From Banks		
i) Punjab National Bank	1317.67	444.52
ii) Syndicate Bank	1819.59	713.56
TOTAL	4117.16	2147.97

Notes :

- (i) Term loans from Banks are secured by equitable mortgage of Properties of the company and pari-passu charge over fixed assets, both present and future of the company.
- (ii) Vehicles loans are secured by hypothecation of the respective vehicles.
- (iii) Working capital limits are secured by hypothecation of stocks of Raw Materiel , Work In progress, Finished Goods and Consumables and book debts.

ANNEXURE - 4

UNSECURED LOAN		
Directors	6.25	0.45
PEC Ltd (A Government of India Enterprise)	85.00	85.00
TOTAL	91.25	85.45

ANNEXURES FORMING PART OF THE BALANCE SHEET

ANNEXURE - 5 FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION WRITTEN OFF			(Rs.in Million) NET BLOCK		
	As on 01.04.2007	Additions for the year	Sale/ Adjustment	Total Cost as on 30.09.2008	As on 01.04.2007	During the Year	Written back for the year	As on 30.09.2008	As on 31.03.2008
LAND	178.03	2.04	0.00	180.07	0.00	0.00	0.00	180.07	178.03
BUILDING	253.63	64.68	0.00	318.32	30.14	11.49	0.00	276.69	223.49
PLANT AND MACHINERY	1990.08	667.95	0.00	2658.03	554.78	349.63	0.00	1753.62	1435.30
FURNITURE & FIXTURE	28.53	10.44	0.00	38.97	13.91	4.57	0.00	20.48	14.62
& OFFICE EQUIPMENT									
VEHICLES	79.64	8.87	0.00	88.51	24.09	13.40	0.00	51.01	55.54
POWER PLANT	0.00	1478.15	0.00	1478.15	0.00	9.62	0.00	1468.53	0.00
TOTAL	2529.91	2232.13	0.00	4762.04	622.92	388.71	0.00	1011.65	1906.98
PREVIOUS YEAR	1298.09	1232.89	1.07	2529.91	465.80	157.74	0.60	1906.98	832.29

ANNEXURE - 6 PARTICULARS

INVESTMENTS

Quoted :

Long Term

A. Trade Investments

11360 Equity Shares of Rs. 10/ each in IDBI, fully paid

NIL (Previous Year 6,184) Equity Shares of Rs. 10/-each in PNB, fully Paid

B. Subsidiary Company

1,08,00,000 (Previous year 9,69,600) Equity Shares of Rs. 10/-each fully paid in Punjab Greenfield Resources Ltd (out of which 6 shares are held by the nominees of the company but the company is beneficial owner thereof)

Short Term Investments

Short Term Investment in Gold

Share Application Money With Nav Bharat International Ltd
(Total Market value of Quoted Investments Rs. 0.85 Million)

TOTAL

601.03

111.38

(Rs.In Million)
As At 30.09.2008

(Rs.In Million)
As At 31.03.2007

ANNEXURES FORMING PART OF THE BALANCE SHEET

PARTICULARS	(Rs.in Million)	(Rs.in Million)
	As At 30.09.2008	As At 31.03.2007
CURRENT ASSETS AND LOANS & ADVANCES		
ANNEXURE - 7		
INVENTORIES (As taken, valued and certified by management)		
Raw Materials	3543.24	1734.71
Finished Goods	1823.40	1066.21
Consumables Stores	12.35	2.67
TOTAL	5378.99	2803.59
ANNEXURE - 8		
SUNDRY DEBTORS (Unsecured but considered good)		
Debts outstanding for a period exceeding 6 months		
-Good & Unsecured	18.93	2.30
-Doubtful	0.00	0.00
Other Debts		
-Good & Unsecured	165.42	36.54
-Doubtful	0.00	0.00
TOTAL	184.35	38.84
ANNEXURE - 9		
CASH & BANK BALANCES		
Cash in Hand	3.96	4.11
Cheques in Hand - Pending Realisation	20.92	45.21
Balance with Scheduled Banks		
- In Current Accounts	3.24	55.47
- In Deposit Accounts	29.80	481.68
(includes Rs 12.30 Million as Margin Money)		
TOTAL	57.92	586.47
ANNEXURE -10		
LOANS AND ADVANCES (Unsecured but considered good)		
Good		
- Advances recoverable in cash or in kind or for value to be received	492.45	504.48
- Staff Advances	7.20	6.65
- Pre-paid Expenses	0.61	9.49
- Securities	42.35	32.46
- Advance Income Tax/TDS - Current Year	0.35	196.60
- Other Current Assets	69.30	69.30
Doubtful	0.00	0.00
TOTAL	612.26	818.98

ANNEXURES FORMING PART OF THE BALANCE SHEET

PARTICULARS	(Rs.in Million)	(Rs.in Million)
	As At 30.09.2008	As At 31.03.2007
ANNEXURE - 11		
CURRENT LIABILITIES		
Sundry Creditors - for Trade	39.64	0.62
Sundry Creditors - for Capital Goods	205.08	432.63
Other Liabilities	33.55	707.86
Statutory Liabilities	10.20	100.25
Security payable	0.20	0.00
TOTAL	288.67	1241.36
ANNEXURE - 12		
PROVISIONS		
- Income Tax	327.18	394.09
- for FBT	1.93	1.15
- for Dividend	35.54	0.00
TOTAL	384.65	395.24

ANNEXURES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	(Rs.in Million) For the period ended On 30.09.2008	(Rs.in Million) For the year ended On 31.03.2007
ANNEXURE - 13		
SALES		
Rice	13304.50	6126.90
Oil	1106.64	374.51
Wheat	80.74	295.67
Power	19.70	0.00
Other	890.35	165.58
TOTAL	15401.93	6962.66
ANNEXURE - 14		
OTHER INCOME		
Insurance Claim Received	3.05	1.17
Round off Income	0.00	0.01
Rebate and Discount	6.97	3.55
Misc. Income	0.30	0.00
Dividend Received	0.04	0.08
Interest Received	3.33	4.07
Truck Dala Received	2.79	1.70
Truck Income	5.76	10.36
Overhead Recovery A/c	0.99	0.00
Export Incentives Received	2.28	0.00
Long / Short Term Capital Gain	2.70	0.07
TOTAL	28.21	21.01
ANNEXURE - 15		
COST OF MATERIAL :		
Opening Stock		
- Raw Material	1734.71	889.35
- Finished Goods	1066.21	1093.26
	2800.92	1982.61
Less:- Loss of Stock at port	0.00	184.29
	2800.92	1798.32
Add :- Material Purchases	14382.19	6613.75
	17183.11	8412.07
Less : Closing Stock		
- Raw Material	3543.24	1734.71
- Finished Goods	1823.40	1066.21
	5366.64	2800.92
Cost of Material	11816.47	5611.15
ANNEXURE - 16		
MANUFACTURING EXPENSES		
Power and Fuel	67.92	29.46
Laboratory Expenses	0.28	0.10
Labour Charges to contractors	33.75	24.43
Direct wages	15.03	4.42
Consumable Expenses	0.39	1.01
Hexane	5.05	3.95
Freight Inward	7.79	14.43
Repair & Maintenance	22.29	14.05
Storage Charges CWC/PSWC	7.22	0.00
Other Manufacturing Expenses	1.82	0.01
TOTAL	161.54	91.86

ANNEXURES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	(Rs.in Million)	(Rs.in Million)
	For the period ended on 30.09.2008	For the year ended on 31.03.2007
ANNEXURE - 17		
PERSONNEL EXPENSES		
SALARY		
Staff	41.35	19.53
Bonus	1.52	2.18
Gratuity	0.14	0.28
Staff Welfare	1.75	1.01
Provident Fund	1.05	0.17
Medical Expenses	0.78	0.03
Workmen Compensation	0.00	0.27
Recruitment Expenses	0.57	0.04
TOTAL	47.16	23.51
ANNEXURE - 18		
ADMN. AND GENERAL EXPENDITURE		
Travelling and Conveyance		
- Directors	2.37	4.67
- Others	4.18	1.51
Directors' Remuneration & Perquisites	25.65	9.30
Printing & Stationary	1.35	1.35
Postage & Courier	0.23	0.48
Insurance	17.59	2.37
Telephone	1.99	1.08
Rent (Office)	0.98	0.76
Legal and Professional Exp.	8.55	3.86
Management Consultancy Charges	3.71	0.00
Fees and Subscription	6.49	2.26
Charity and Donation	2.77	0.38
Auditors Remuneration :		
- Audit Fee	0.84	0.17
- Tax Audit Fee	0.13	0.06
Stock Audit Fee	0.11	0.07
Misc. Exp.	1.25	0.19
Books & Periodicals	0.09	0.04
Office Maintenance	0.33	0.05
Festival & Mahurat	1.96	0.19
Rates & Taxes	0.12	0.00
Vehicle Running Exp.	4.15	8.14
Software Development Expenses	0.03	0.00
AGM/EGM Expenses	0.04	0.06
Electricity Expenses	0.31	0.17
Repair & Maintanance		
- Building	2.54	0.18
- Others	0.44	0.55
Loss on Sale of Vehicle	0.00	0.05
Difference in Exchange Rates	12.95	0.00
TOTAL	101.15	37.94

ANNEXURES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	(Rs.in Million) For the period ended on 30.09.2008	(Rs.in Million) For the year ended on 31.03.2007
ANNEXURE - 19 SELLING EXPENSES		
Brokerage	5.17	0.68
Rebate and Discount	14.30	6.38
Advertisement and Business Promotion	14.33	11.56
Freight Outward	20.90	5.46
Octroi Paid	0.00	0.28
Sales Tax	0.00	0.01
Truck Dala	1.04	0.11
Packing Expenses	15.10	3.66
Quality Cut	4.19	2.90
Clearing & Forwarding Expenses	6.24	-
TOTAL	81.26	31.04
ANNEXURE - 20 FINANCIAL EXPENSES :		
Bank Charges and Commission	11.87	0.41
Interest - Banks		
- Term Loan Interest	42.12	2.06
- Working Capital Loans	431.39	42.51
Interest - Others	2.59	0.04
TOTAL	487.97	45.02

ANNEXURE 21

A. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES / BASIS OF PREPARATION:

- i. The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and on the accounting principles of going concern except as stated hereinafter and except where impairment of assets is made and revaluation of assets is carried out, in accordance with all the applicable accounting principles generally accepted in India and comply with the mandatory applicable accounting standards notified under Sub-Section (3C) of Section 211 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956 and the rules, regulations and guidelines made thereunder.
- ii. Accounting policies not specifically referred to otherwise are consistently applied by the company and are in consonance with generally accepted accounting principles recognized in the form of accounting standards.

II. REVENUE RECOGNITION

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except for the following items, which are accounted for on cash basis:
Disposal of Sundry items & Scraps etc.

III. SALES

- i. Sales are net of returns and shortage allowed to customers.
- ii. Consignment Sales are recognized on confirmation from consignees.

IV. FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction (including attributable interest and financial costs till such assets are ready for intended use, less accumulated depreciation, impairment losses and specific grants received, if any) except assets revalued on 31st March, 1999. Capital Work-in-progress includes advance to suppliers against fixed assets. In respect of projects involving institutional loans, related pre-operative and pre-operational expenses like up-front fees and appraisal fees have been capitalized. Interest paid on loans borrowed from institutions, which are attributable to construction or acquisition of fixed assets for the period up to the completion of construction or acquisition of fixed assets, has also been capitalized.

V. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which each asset is put to use as part of the cost of asset.

VI. REVALUATION OF FIXED ASSETS

All fixed assets of the company were revalued on 31st March 1999 as per the valuation report of Chartered Engineers / approved valuers.

As and when the fixed assets are revalued, the provision for depreciation on such revalued fixed assets is adjusted, wherever applicable, in order to make allowance for the consequent additional diminution in the value.

VII. DEPRECIATION

- i. Depreciation is provided, pro-rata, on Straight Line Method by applying rates and in the manner as given in Schedule XIV of the Companies Act, 1956.
- ii. As per the Accounting Standard-6 "Depreciation Accounting" (AS-6) issued by the Institute of Chartered Accountants of India, depreciation on revalued assets has been adjusted with the revaluation reserve amount.

VIII. IMPAIRMENT OF ASSETS

As per the Accounting Standard-28 "Impairment of Assets" (AS-28) issued by the Institute of Chartered Accountants of India, impairment is ascertained at each balance sheet date in respect of each of the company's fixed assets. An impairment loss will be recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

IX. VALUATION OF INVENTORIES

i.	Raw Materials Components, Stores & Spare parts & Packing Material.	At Cost.
ii.	Finished Goods.	At Cost or net realizable value, whichever is less.
iii.	Goods in Progress.	At Estimated Cost.
iv.	By-Products.	At Estimated Cost.

X. INVESTMENTS

- (i) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- (ii) Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of investments, on an individual basis.
- (iii) Current Assets are carried at the lower of cost and fair value determined on a category-wise basis.

XI. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. In case of forward contracts, if any, the difference between the forward rates and the exchange rates on the transaction dates is recognized as income or expense over the lives of the related contracts.

The profit / loss arising out of the cancellation or renewal of forward exchange contracts are recorded as income / expense for the period.

At the year end, monetary items demonetized in foreign currency are reported using the closing rates of exchange. Exchange rate differences arising on realization / payment of foreign exchange are accounted in the year of realization / payment.

XII. RETIREMENT BENEFITS

- i. Contribution to defined provident fund schemes are being charged to revenue on accrual basis.
- ii. The company is regularly making contributions to provident fund schemes, to the extent as applicable to the company.
- iii. Gratuity is being provided on the basis of an independent actuarial valuation as at the Balance Sheet date.

XIII. TAXATION

- (i) Income tax is computed in accordance with Accounting Standard-22 "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India.
- (ii) Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.
- (iii) The difference that results between the profit offered for income tax and the profit as per the financial statements is identified and, thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered.
- (iv) The carrying amount of the deferred tax asset are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written down carrying amount is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

XIV. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged out in the year in which it is incurred. Expenditure which results in creation of assets is included in fixed assets and depreciation is provided thereon on such assets, as applicable.

XV. SEGMENT REPORTING

Segments are identified on dominant source and nature of risks and returns and the internal organization and management structure. To account for inter segment revenue on the basis of transactions which are primary market led. To include under "other unallocable expenditure net of unallocable income" revenue and expenses which relate to enterprises as a whole and are not attributable to segments.

XVI. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in terms of Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets" (AS-29) issued by the Institute of Chartered Accountants of India, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation can not be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recombined in the financial statements.

XVII. EARNING PER SHARE

In determining the earning per share, the company considers the net profit after tax but before provision of deferred tax liabilities. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

XVIII. FINANCIAL AND MANAGEMENT INFORMATION SYSTEMS

The books of accounts and other records have been designed to facilitate compliance with the relevant provisions of the Companies Act, 1956 on one hand and meet the internal requirements of information and systems for planning, review and internal control on the other.

B. NOTES TO THE ACCOUNTS

1. In the opinion of the company's management, the current assets, loans and advances are an approximation of the value stated, if realized in the ordinary course of business. The provision for all the known liabilities has been made and is adequate and not in excess of the amount considered reasonably necessary.
2. The balance outstanding as the debit and credit to the parties / persons / agencies are subject to confirmation by the parties / person/ agencies concerned.
3. Figures of previous year have been regrouped and rearranged wherever necessary.
4. The Company has changed its financial year. Current financial year 2007-08 comprises of 18 months starting from 01.04.2007 to 30.09.2008. The previous year's figures are for 12 months. So the current financial years figures are not comparable to the previous year's figures.
5. Contingent Liabilities not provided for:
 - I. Income-tax demand raised in the earlier years has been fully settled, and there is no pending income tax demand against the company.
 - ii. Claims [Rs.90.98 million (Previous year Rs. 58.57 million)] by various creditors, suppliers, agents etc. are pending before various Courts and quasi-judicial authorities (as per certificate from Lawyers of the company).
 - iii. Claims [Rs. 262.26 million (Previous year - Rs. 558.19 million)] by various State procurement agencies are pending before Arbitrators (as per certificate from Lawyers of the company).
 - iv. The company has an export obligation of Rs. 381.17 million against the import licenses taken for import of capital goods under Export Promotion Capital Goods [EPCG] Scheme . This export obligation is to be fulfilled within period of 12 years from the date of Issue of License. The expiry date for Export Obligation period ranges between March 2018 to September 2020 for different Licenses. With respect to the aforesaid export obligation, the company has also got bank guarantee amounting Rs. 17.40 million issued to the Custom Authorities against 100% margin in the shape of FDR's.

6. Auditors Fee

	Current Year (Rs. in Million)	Previous Year (Rs. in Million)
Statutory Audit Fees (Incl. Service Tax)	0.84	0.17
Tax Audit Fees (Incl. Service Tax)	0.13	0.06

7. Managerial Remuneration

	Current Year (Rs. in Million)	Previous Year (Rs. in Million)
i. Salary to Mg. Director	14.01	4.11
Perquisites	0.09	0.09
ii. Salary to Directors	11.55	5.10

8. Forward cover contracts for US \$ 1.00 million were outstanding as at September, 2008. The company has taken these forward covers for export/supplier credits.
9. During the year, the company has accounted for deferred tax liability in accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Provision for income tax has been reviewed as on the balance sheet date and has been adjusted to reflect the current best estimate in accordance with the Accounting Standard (AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India. As the income tax demands raised with respect to the assessment years till 2005-2006 have been fully settled, it is no longer probable that an outflow as reflected in the previous years will be required to settle the obligation of payment of the income tax dues, and, therefore, the pre-existing provision has been adjusted.

10. The company has examined the indications listed in Accounting Standard (AS)-28 on "Impairment of Assets" as issued by the Institute of Chartered Accountants of India and it has been found that none of the indications as listed in the said accounting standard are present in the case of the company
11. Earnings per share is calculated by dividing the profit after provision for income tax but before the deferred tax liabilities by the weighted average number of equity shares outstanding during the year.

The calculation of Earnings per share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS) - 20 on "Earning per Share" issued by the Institute of Chartered Accountants of India.

	Current Year	Previous Year
Profit after Tax (Rs. In millions)	2125.77	867.44
Weighted Average Number of equity shares outstanding during the year	60132245	56842808
Basic and Diluted Earnings per share (in Rs.)	35.35	15.26
Nominal Value per Share (in Rs.)	2.00	2.00

12. Interest costs on specific borrowing attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

13. The figure of 'Sales' appearing in the profit & loss account is the consolidated figure of sales effected through different offices of the company and does not denote sales effected through Khamano office alone. This figure also includes the sales through trading activities and job work activities.

14. The information given below is only in respect of the transactions entered into by the company during the year with the related parties.

A. Names of related parties and description of relationship:

i. Particulars of Subsidiary / Associate Parties

S. No.	Name of Related Party	Nature of Relationship
1.	Ganeshay Overseas Industries Limited	Promoter Group Company.
2.	LOIL International Foods Limited	Promoter Group Company.
3.	LOIL Health Foods Limited	Promoter Group Company.
4.	LOIL Continental Foods Limited	Promoter Group Company.
5.	LOIL Overseas Foods Limited	Promoter Group Company.
6.	Punjab Greenfield Resources Limited	Subsidiary Company.
7.	Victor Foods India Limited	Subsidiary of Subsidiary Company.

ii. Key Managerial Personnel

S. No.	Name of Related Party	Nature of Relationship
1.	Mr. Balbir Singh Uppal	Chairman cum Managing Director
2.	Mr. Janak Raj Singh Uppal	Executive Director
3.	Mr. I. S. Gumber	Executive Director

B. Transaction during the year and balance outstanding as at the year end in respect of transaction entered during the year with the related parties.

S. No.	Name of the Related Party	Nature of Transaction	Transaction during the year 2007-2008 (In Rs. Mn)	Closing Balances as at	
				30-09-2008 (In Rs. Mn)	31-03-2007 (In Rs. Mn)
i.	Ganeshay Overseas Ind. Ltd	Sale of Goods.	7.04	Nil	0.41 (Credit)
ii.	Ganeshay Overseas Ind. Ltd.	Purchase of Goods.	37.54	Nil	Nil
iii.	LOIL Overseas Foods Ltd.	Reimbursement of expenses	1.03	0.73 (Credit)	Nil
iv.	LOIL Overseas Foods Ltd.	Loan Received.	107.00	Nil	Nil
v.	Mr. Balbir Singh Uppal	Salary	14.01	Nil	Nil
vi.	Mr. Balbir Singh Uppal	Perquisite	0.09	Nil	Nil
vii.	Mr. Balbir Singh Uppal	Loan Received	67.20	6.15 (Credit)	0.45(Credit)
viii.	Mr. Janak Raj Singh Uppal	Loan Received	150.00	0.10 (Credit)	Nil

S. No.	Name of the Related Party	Nature of Transaction	Transaction during the year 2007-2008 (In Rs. Mn)	Closing Balances as at	
				30-09-2008 (In Rs. Mn)	31-03-2007 (In Rs. Mn)
ix.	Mr. Janak Raj Singh Uppal	Salary	7.50	Nil	Nil
x.	Mr. Janak Raj Singh Uppal	Lease Money Paid	0.09	Nil	Nil
xi.	Mr. I. S. Gumber	Salary	4.05	Nil	Nil
xii.	Punjab Greenfield Resources Limited	Sale of Goods	99.94	Nil	Nil
xiii.	Punjab Greenfield Resources Limited	Purchase of Goods	123.60	Nil	Nil
xiv.	Punjab Greenfield Resources Limited	Loan Given	1286.59	241.73 (Debit)	Nil
xv.	Punjab Greenfield Resources Limited	Loan Received	1044.84	Nil	Nil
xvi.	Victor Foods India Limited	Sale of Goods	250.95	52.15 (Debit)	Nil

15. Land measuring 49 Kanal & 5 Marla situated at Village Khamanon, Tehsil & District Fatehgarh Sahib, Punjab has been leased by the company from S. Janak Raj Singh Uppal, the Executive Director of the company for the purpose of setting up its power plant thereon.
16. The wheat stock of the company weighing 33028.220 MTs., which was lying at Kandla Port and was included in the stock register, has been claimed dead by the company due to the fault on the part of PEC Ltd. (A Government of India Enterprise). The company had filed a complaint against PEC Ltd. with Government of India and PEC Ltd. had offered to settle the claim of the company in lump sum for Rs. 10.41 Crore.
17. As per Accounting Standard (AS)-6 issued by the Institute of Chartered Accountants of India, the company has adjusted depreciation amount of Rs. 53.69 (previous year Rs. 35.80) million on revalued assets with the revaluation reserve account.
18. The company does not owe any amount to any small scale industrial undertaking for more than 30 days at the end of the financial year. The above information is as identified on the basis of information available with the company and has been relied upon by the auditors.
 - a. Name of Small Scale Industrial undertaking to whom the company owes any sum together with interest is outstanding for more than 30 days is NIL.
 - b. The above information has been complied in respect of parties, to the extent to which these could be identified as small scale industrial undertaking on the basis of the information available with the company.
 - c. The company has requested its suppliers to intimate whether they are registered under the provisions of Micro, Small and Medium Entrepreneurs Development Act, 2006. In absence of intimation from the suppliers, the requisite information under the above said Act was not available with the company thereby preventing it from complying with the provisions of the said Act.
19. During the year, the company has acquired 9830400 shares of its subsidiary company i.e., Punjab Greenfield Resources Limited, out of which 6 (six) equity shares are being held by the nominees of the company, with the company being the beneficial owner thereof in terms of the Companies Act, 1956. Out of 9830400 shares, the company has acquired 98,00,000 shares at premium of Rs. 40.00 per share.
20. During the year, the company's wholly owned subsidiary company viz. Punjab Greenfield Resources Limited, has acquired 509930 shares, i.e. 50.99% stake of Victor Foods India Limited.
21. The company has operated its power plant from the month of July 2008 and started its commercial production from the month of August 2008.

22. The information given below is about the segment reporting as per AS-17 issued by the Institute of Chartered Accountants of India.

PARTICULARS	2007-08		
	AGRI	ENERGY	TOTAL
A. PRIMARY SEGMENT			
1. SEGMENT REVENUE			
Sales	15382.23	19.70	15401.93
Less: Inter Segment Transfer	0.00	0.00	0.00
Net Revenue from Operation	15382.23	19.70	15401.93
2. SEGMENT RESULT	2988.69	9.62	2998.31
Less: Other unallocable Expenditure net of unallocable Income			110.77
Interest			487.97
Profit before Tax			2399.57
Provision for Tax			271.87
Provision for Fringe Benefit Tax			1.93
Deferred Tax			527.99
Profit after Tax			1597.78
3. SEGMENT CAPITAL EMPLOYED (Segment Assets-Segment Liabilities)	2705.82	884.60	3590.42
B. SECONDARY SEGMENT (GEOGRAPHICAL)			
India	14904.80	19.70	14924.50
Rest of World	477.43	0.00	477.43
TOTAL	15382.23	19.70	15401.93

(i) Previous year figures have not been furnished as reportable segment for Energy is applicable from the current financial year.

(ii) The business group comprise the following :-

- a) Agri- Agri Commodity such as Rice, Wheat, Cotton, Bran, De-oiled cake, Bran Oil etc.
- b) Energy - Power generation from husk based Power plant.

(iii) The Geographical segments considered for disclosure are:

- a) Sales within India
- b) Sales outside India

23. As per the Accounting Standard (AS)-4 "Contingent Events Occurring after the Balance Sheet Date". Events occurring after the balance sheet date under review, which do not affect the figures as stated in the financial statements normally do not require any disclosure, in the financial statements although they may be of such significance that may require a disclosure in the report of the approving authority to enable the users of the financial statements to make proper evaluations and decisions. Since the board of directors of the company are the approving authority for the financial statements, accordingly, if any such disclosure, has been made by the management of company in the report of the board of directors of company and hence no disclosure has been made herein.

Additional Information / Quantitative Data pursuant to Paragraph 3 & 4 of Part - II of Schedule VI of Companies Act, 1956.

A. PARTICULARS OF ANNUAL LICENCED, INSTALLED CAPACITIES

CLASS OF GOODS	UNIT	LICENCED CAPACITY AS AT 30-09-2008	INSTALLED CAPACITY	
			30-09-2008	31-03-2007
Paddy/Rice	TPA	N.A.	1188000.000	972000.000
** Solvent Extraction	TPA	N.A.	90000.000	60000.000
** Cattle Feed	TPA	N.A.	24000.000	24000.000
** Refinery	TPA	N.A.	9000.000	9000.000
** Wheat Flour Mill	TPA	N.A.	30000.000	NIL
Power	MW	N.A.	30	NIL

* As certified by the management being technical matter and relied on by the auditors.

** Installed capacity are based on inputs of material (on triple shift basis).

B. PARTICULARS OF PRODUCTION, SALES AND PURCHASES

PRODUCTION	2007-08 (M.T)	2006-07 (M.T)
PADDY/RICE		
Rice from paddy	965289.880	485906.764
Raw Rice Processing	0.000	0.000
OIL		
Rice Bran Oil	15328.602	8250.020
DEOILED CAKE		
Rice Bran DOC	93617.898	53453.100
OTHERS		
Cattle Feed	35950.000	21740.000
Rice Bran	128518.066	58818.962
Paddy Husk	279450.730	110860.000
Nakku	17119.453	6829.806
Power	Units 7956000	Nil

C. SALES	MT	(Rs.in Millions)	MT	(Rs.in Millions)
RICE				
Rice	914244.74	13121.41	500754.996	6079.80
Nakku	21461.73	183.09	6529.675	47.10
OILS				
Rice Bran Oil	15895.37	721.05	7415.615	262.88
DEOILED CAKES				
Rice Bran DOC	64775.90	313.75	32158.667	111.63
OTHERS				
Cattle Feed	37521.42	224.21	20880.465	103.04
Wheat	7642.08	80.74	31372.519	295.67
Paddy Husk	165561.35	355.60	50917.480	51.19
Cotton	3682.29	216.54	0.000	0.000
Barley	111.72	1.34	0.000	0.000
Wheat Flour	20.25	0.32	0.000	0.000
Rice Bran	19758.20	140.72	0.000	0.000
Bardana (no. of bags)		6.68		8.27
Power	5644000	19.70		0.00
Misc.		16.78		3.08
TOTAL		15401.93		6962.66

D. COST OF PRODUCTION

PURCHASES	MT	(Rs.in Millions)	MT	(Rs.in Millions)
Paddy	1508179.243	13580.99	649796.374	5101.52
Raw Rice /Rice	33516.776	326.36	128680.634	1145.24
Cattle Feed Raw Material		1.58		0.95
Wheat	7623.530	71.21	29272.049	252.81
Bardana (No. of Bags)	5786150	152.44	225000	4.43
Rice Bran	4845.172	32.06	5888.910	24.08
Nakku	391.035	2.21	875.605	4.05
Mustard DOC	373.305	2.02	16.490	0.08
Barley	109.580	0.84	0.000	0.000
Cotton	3682.290	211.36	0.000	0.000
Misc.	-	1.13	0.000	0.39
Loss of Stock	-	0.00	-	80.19
TOTAL		14382.20		6613.74
Other Direct Expenses	-	66.42	-	91.85
TOTAL	-	14448.61	-	6705.59

E. OPENING AND CLOSING STOCK OF GOODS

PARTICULARS	MT	(Rs.in Millions) As at 30.09.2008	MT	(Rs.in Millions) As at 31.03.2007
Paddy	325259.713	3541.79	217894.121	1724.63
Rice	113102.787	1184.56	58653.830	734.05
Rice Bran Oil	694.297	31.24	1261.065	46.66
Rice Bran	12.791	0.08	2089.954	12.54
Rice Bran DOC	381.093	1.52	4279.230	14.98
Wheat	0.000	0.00	0.000	0.00
Bardana (No. of bags)	55803430	601.18	19758446	175.85
Cattle Feed (Raw Material)	361.737	1.45	2518.937	10.08
Paddy Husk	410.060	0.41	30471.180	38.09
Cattle Feed (Finished Goods)	134.224	0.67	1705.644	8.53
Nakku	487.550	3.66	4438.795	35.51
Wheat Flour	4.427	0.07	0.000	0.00
Consumable Stores		12.35		2.67
Misc.		0.01		0.00
TOTAL		5378.99		2803.59

F. RAW MATERIAL CONSUMED

PARTICULARS	MT	(Rs.in Millions) 2007-2008	MT	(Rs.in Millions) 2006-2007
Paddy	1400813.65	11044.23	554300.000	4084.75
Rice/Rice Basmati Raw	33516.78	326.36	128680.634	1190.30
Rice Bran	85699.50	445.59	67221.700	336.11
Wheat	25.71	0.28	0.000	0.00

G. VALUE OF IMPORTS ON CIF BASIS

	(Rs.in Millions)	(Rs.in Millions)
Raw Material	NIL	NIL
Spare Parts	2.01	NIL
Capital Goods	212.16	315.68

H. EXPENDITURE IN FOREIGN CURRENCY

	(Rs.in Millions)	(Rs.in Millions)
- Travelling	0.97	2.07
- Legal & Professional Expenses	NIL	NIL

I. EARNING IN FOREIGN EXCHANGE ON EXPORTS	226.66	NIL
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J. VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS, SPARES PARTS, COMPONENTS & STORES CONSUMED

PARTICULARS	Value (Rs.in Million)	%	Value (Rs.n Million)	%
Raw Materials				
Indigenous	12573.66	100%	6704.59	100%
Imported	0.00	Nil	0.00	Nil
Stores / Spare Parts Components				
Indigenous	0.39	100%	1.01	100%
Imported	0.00	Nil	0.00	Nil

Notes :

1. Raw Material and stores consumed includes the quantity and value of Raw Material and stores sold.

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K. RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624

INFORMATION REQUIRED BY PART IV OF SCHEDULE - VI ATTACHED TO THE COMPANIES ACT,1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	010573	State Code	53
Balance Sheet Date	30.09.2008		

II Capital raised during the year (Amt. in Rs Million)

Public Issue	0.00	Right Issue	0.00
Bonus Issue	0.00	Private Placement	12.05

III Position of Mobilisation and deployment of funds (Amt. in Rs Million)

Total Liabilities	9964.23	Total Assets	9964.23
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Source of Funds

Paid Up Capital	126.38	Reserves & Surplus	4743.09
Secured Loan	4117.16	Unsecured Loan	91.25

Application of Funds

Net Fixed Assets	3783.00	Investments	601.03
Net Current Assets	5580.20	Accumulated Losses	0.00
Misc.Expenses	0.00		

IV Performance of Company (Amt in Rs Million) (Amt in Rs Million)

Total Turnover	15430.14	Total Expenditure	12695.55
Profit Before Tax	2399.57	Profit After Tax	1597.78
Earning per share	35.35	Dividend Rate	25%

V Generic Names of three principal products/services of the company (as per monetary Items)

Item Code No.	1006	27160000
Product description	Integrated Food products	Biomass based Power

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K. RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624

Statement pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Company

1. Name of the Subsidiary	Punjab Greenfield Resources Ltd.(PGRL)	Victor Foods India Ltd.(VFIL)
2. Financial year of the Subsidiary ended on	31/3/2008 Company's first financial year is for the period from the date of incorporation i.e. 31-01-2007 to 31-03-2008.	31/3/2008
3. Shares of the Subsidiary held by the Company on the above date:		
(a) Number of Shares	1,08,00,000*	Nil
(b) Extent of Holding	100.00%	Nil
*6 Shares out of 1,08,00,000 shares are held by the nominees of the Company but the Company is beneficial owner thereof		
4. Net aggregate amount of profits/(losses) of the Subsidiary for the above financial year so far as they concern members of the Company		
(i) Dealt with in the accounts of the Company for the year ended 30-09-2008 (Rs.in Million)	7.87	9.34
(ii) Not dealt with in the accounts of the Company for the year ended 30-09-2008 (Rs.in Million)	N.A.	8.97
5. Net aggregate amount of profits/(losses) for previous years of the Subsidiary, since it became a subsidiary so far as they concern members of the Company		
(i) Dealt with in the accounts of the Company for the year ended 30-09-2008	N.A.	N.A.
(ii) Not dealt with in the accounts of the Company for the year ended 30-09-2008	N.A.	N.A.
6. Change in the interest of the Company in the subsidiary between the end of the financial year of the subsidiary and of the Company	Nil	Company's subsidiary PGRL acquired 509930 equity shares of Rs.10/-each comprising of 50.99% of Total Shareholding of VFIL. Consequently, VFIL became subsidiary of the company on 27-05-2008
7. Material changes at the end of the financial year of the subsidiary and end of the financial year of the Company in respect of the subsidiary's fixed assets, investments, lending and borrowing for the purpose other than meeting current liabilities.	Nil	Company fixed assets includes residential plots which has been revalued and revaluation reserve to the tune of Rs 31.50 Millions has been created

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants
(C.A. SUNIL GUPTA)

Place: Chandigarh
Date : 28.02.2009

(AJAY K. RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

Partner
M.No.085624

BOARD OF DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 1st Annual Report of your company together with the Audited Annual Accounts for the financial year ended 31st March 2008.

Financial Highlights

(Amount in Rs. Million)

Particulars	For the period 31.01.2007 to 31.03.2008
Sales	441.90
Other Income	2.20
Total Income	444.10
Profit before Tax	0.45
Provision for Income Tax	0.26
Profit after tax	0.19

Year In Retrospect

The company got certificate of incorporation on 31st January, 2007 and certificate of commencement of business on 18th May, 2007 from Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. These are first accounts of the company for a period of 14 months (31/01/2007 to 31/03/2008).

Your company has set up marketing arrangements of retail sales of LEAF by appointing dealers in various states of India who are handling sales of packaged long grain white rice, wheat flour and rice bran cooking oil under the "Lakshmi Foods" brand. The market response to our products is very good. PGRL has conducted procurement operations for LEAF. Your company has conducted domestic trade of agricultural commodities like cotton, barley and oil seeds. Your company was also engaged in contract farming with Kinnow growers and during the season sold sorted, graded and waxed Kinnow under the "Lakshmi Foods" brand.

During the period under review total income of the company was 441.90 Million and the company was able to earn a profit after tax of 0.19 Million.

Dividend

Your directors do not recommend dividend for the year ended 31st March 2008 to conserve the profits for future growth.

Public Deposits

Your company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956.

Directors

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of your Company, all three directors of the company (Mr. Balbir Singh Uppal, Mr. Janak Raj Singh and Mr. I.S. Gumber) retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Auditors

M/s S. Kumar Gupta & Associates, Chartered Accountants, Chandigarh, Statutory Auditors of your Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for appointment. Your company has obtained a certificate from them as required under Section 224(1-B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

Auditors' Report

The Statutory Auditors Report on the Accounts of the Company for the period ended March 31, 2008 is self-explanatory and do not require any further clarification.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As the company is not undertaking any manufacturing activity, the information in respect of conservation of energy, technology absorption is not applicable. The company has not undertaken any export during the year and Foreign exchange earnings and outgo is nil.

Particulars of Employees

Details of employees of the company who were in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure-I.

Directors' Responsibility Statement

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. In preparation of the annual accounts, the applicable accounting standard have been followed;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Annual Accounts have been prepared on a going concern basis.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of Directors

Place: Chandigarh
Date : 05-07-2008

Sd/-
Balbir Singh Uppal
Chairman

ANNEXURE I TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 2008.

Name of Employee	Age (Yrs.) Date of Birth	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Shareholding (in %age)	Date of Employment	Last Employment
Mr. G.S Dhiman	(60 years) 04-02-1948	President (Agri-business)	14,00,000	B.Sc.(Agri), MBA	34	Nil	01-09-2007	Olam International

Notes:

- Information has been furnished on the basis of employees employed throughout the financial year, who were in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 24,00,000 (Rupees twenty four lacs) per annum and those employed for the part of the financial year, were in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Rs.2,00,000 (Rupees two lacs) per month. There was no person employed either throughout the financial year or part thereof, who was holding either by himself or along with the spouse and dependent children 2% or more of the shares of the Company and drawing remuneration in excess of the remuneration drawn by the Managing Director / Executive Director.
- Remuneration includes salary, commission, other allowances, payments and expenditures incurred on perquisites.

AUDITOR'S REPORT

To The Members of,
Punjab Greenfield Resources Limited.

We have audited the attached Balance Sheet of **Punjab Greenfield Resources Limited** as at 31st March 2008, 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.

We have 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order 2004 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters as specified in paragraphs 4 and 5 of the said Order.

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 and Profit and Loss account 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 the Cash Flow statement dealt with by this report comply with the applicable Accounting Standards as referred to in Section 211(3C) of the Companies Act, 1956;
- v. On the basis of written representation received from the directors as on March 31st, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31st, 2008 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 give the information required by the Companies Act, 1956 in the manner so required, 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 March 31st, 2008;
 - b) In the case of the profit and loss account, of the profit for the period ended on the date; and,
 - c) In the case of the cash flow statement, of the cash flows for the period ended on that date.

**For S.Kumar Gupta & Associates
Chartered Accountants**

Place: Chandigarh
Date : 05-07- 2008

(CA Sunil Gupta)
Partner
M.No.085624

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the management during the year as per the program of verification of fixed assets. In our opinion the same is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies noticed on such verification.
 - c) During the year, the company has not disposed off substantial part of its fixed assets.
2.
 - a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to books record.
3.
 - a) The company has granted loans to a company covered in the register maintained under section 301 of the Companies Act, 1956. The company has granted short unsecured loan, aggregating Rs, 277.945 millions to parties covered in the register maintained u/s 301 of the companies Act, 1956.
 - b) In our opinion, the terms and conditions on which loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the company.
 - c) The company is regular in repaying the principal amounts of such loans, if any.
 - d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5.
 - a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Half Million in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We are however, not required to make a detailed examination of the records with a view to determine, whether they are accurate or complete.
9. The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance (as informed to us provisions of Provident fund and Employees state insurance are not applicable to the Company), Income Tax, Wealth Tax, Sales Tax, Cess and any other statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they become payable.
10. In our opinion, the company does not have any accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has not incurred the cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution banks.
12. The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. 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 companies (Auditors Report) Order, 2003 are not applicable to the company.
15. The company has not given any guarantee for loans from bank or financial institutions.
16. In our opinion, the term loans are being applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no fund raised on short-term basis have been used for long-term investments.
18. According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 to the tune of Rs. 108.00 million during the year under audit.
19. There are no debentures that are issued by the company during the year.
20. During the year under Audit, the Company has not raised money by public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year course of our audit.

**For S.Kumar Gupta & Associates
Chartered Accountants**

Place: Chandigarh
Date : 05-07-2008

(CA Sunil Gupta)
Partner
M.No.085624

BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	SCHEDULE	(Rs In million) As at 31.03.2008
SOURCES OF FUNDS		
SHAREHOLDER'S FUND		
i) Share Capital	1	108.00
ii) Reserve and Surplus	2	392.19
		500.19
LOAN FUNDS		
i) Secured Loans	3	0.57
Deferred Tax Liability		0.17
TOTAL		500.93
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	4	44.13
Less : Accumulated Depreciation		0.12
Net Block		44.01
INVESTMENTS		
	5	0.03
CURRENT ASSETS, LOANS AND ADVANCES		
i) Inventories	6	153.82
ii) Sundry Debtors	7	88.92
iii) Cash & Bank Balances	8	1.41
iv) Loans & Advances	9	332.40
Sub Total (a)		576.55
LESS: CURRENT LIABILITIES AND PROVISIONS		
I) Current Liabilities	10	120.21
ii) Provisions		0.07
Sub Total (b)		120.28
NET CURRENT ASSETS (a - b)		456.27
Miscellaneous Expenditures (to the extent not w/ off)		
Preliminary Expenses		0.62
TOTAL		500.93
Notes on Accounts :	18	

(BALBIR SINGH UPPAL)
Chairman

(JANAK RAJ SINGH)
Managing Director

As per our report of even date
For **S.Kumar Gupta & Associates**
Chartered Accountants

Place: Chandigarh
Date : 05-07-2008

(D. K. DHAWAN)
CEO

(C.A. SUNIL GUPTA)
Partner
M.No.085624

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 31/01/2007 TO 31/03/2008

PARTICULARS	SCHEDULE	(Rs In million) CURRENT PERIOD
INCOME :		
Net Turnover	11	441.90
Other Income	12	2.20
TOTAL INCOME		444.10
EXPENDITURE :		
Purchases	13	425.20
Personnel Expenses	14	6.70
Administrative and other Charges	15	2.35
Financial Expenses	16	0.39
Selling and Distribution Expenses	17	8.74
Preliminary expenses w/ off		0.15
Depreciation		0.12
TOTAL		443.65
NET PROFIT BEFORE TAXES		0.45
PROVISION FOR TAXATION		
- Current Tax		0.05
- Deferred Tax		0.17
- Fringe Benefit Tax		0.04
NET PROFIT AFTER TAX		0.19
BALANCE CARRIED TO BALANCE SHEET		0.19
EARNING PER SHARE (RUPEES)		
Basic/ Diluted earning per share (face value of Rs. 10 each)		0.02
NOTES ON ACCOUNTS	18	

(BALBIR SINGH UPPAL)
Chairman

(JANAK RAJ SINGH)
Managing Director

As per our report of even date
For **S.Kumar Gupta & Associates**
Chartered Accountants

Place: Chandigarh
Date : 05-07-2008

(D. K. DHAWAN)
CEO

(C.A. SUNIL GUPTA)
Partner
M.No.085624

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31/03/2008

PARTICULARS	Rs. In Million Current Period
A. Cash Flow from Operating Activities	
Net Profit before Tax and Extra Ordinary Items	0.45
ADJUSTMENT FOR:	
Depreciation	0.12
Preliminary Expenses W / Off	0.15
Interest Expenses	2.22
Interest Income	(2.03)
Operating Profit before Working Capital Changes	0.91
ADJUSTMENT FOR:	
(Increase) / Decrease in Trade and other Receivables	(455.65)
(Increase) / Decrease in Inventory	(153.82)
Increase / (Decrease) in Trade Payable and Other Liabilities	120.21
Cash Generated from Operating Activities	(488.35)
Tax Paid	(0.02)
Interest Received	2.03
Net Cash Flow from Operating Activities	(486.34)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(44.13)
Share Capital	108.00
Share Premium	392.00
Purchase of NSCs	(0.03)
Preliminary Expenses	(0.77)
Net Cash from Investing Activities	455.07
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceed from Long Term Loan	0.57
Proceed from Short Term Loan (Net)	34.33
Interest Paid	(2.22)
Net Cash from Financing Activities	32.68
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	1.41
Cash and Cash Equivalents as on 31st January, 2007 (opening balance)	-
Cash and Cash Equivalents as on 31st March, 2008 (closing balance)	1.41

(BALBIR SINGH UPPAL)
Chairman

(JANAK RAJ SINGH)
Managing Director

As per our report of even date
For **S.Kumar Gupta & Associates**
Chartered Accountants

Place: Chandigarh
Date : 05-07-2008

(D. K. DHAWAN)
CEO

(C.A. SUNIL GUPTA)
Partner
M.No.085624

SCHEDULE TO THE ACCOUNTS

PARTICULARS	(Rs In million)
	As at 31st March, 2008
SCHEDULE - 1	
SHARE CAPITAL	
a) Authorised	
1,30,00,000 Equity Shares of Rs. 10/- each	130.00
TOTAL	130.00
b) Issued, Subscribed and Paid up	
1,08,00,000 Equity Shares of Rs. 10/- each*	108.00
TOTAL	108.00
* 1,07,99,994 equity shares of Rs10/- each are held by Lakshmi Energy and Foods Limited, the holding Company.	
SCHEDULE - 2	
RESERVES AND SURPLUS	
Share Premium Account	392.00
Surplus in Profit and Loss Account	0.19
TOTAL	392.19
SCHEDULE - 3	
SECURED LOANS (See Note)	
Loans and advances from Banks	
- Others	0.57
TOTAL	0.57
Note : Other Loans from Banks are secured by Hypothecation of Vehicle and guaranteed by one Director of the Company.	

SCHEDULE TO THE ACCOUNTS

SCHEDULE - 4 FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION		(Rs. In Million) NET BLOCK As at 31.03.2008
	As at 31.01.2007	As at 31.03.2008	As at 31.01.2007	As at 31.03.2008	
	Additions	Sales/ Adjustments	For the period	Sales/ Adjustments	
Tangible Assets					
Freehold Land	-	40.24	-	-	40.24
Furniture and Fixture	-	0.33	0.01	-	0.32
Office Equipments	-	0.01	-	-	0.01
Computers	-	1.24	0.03	-	1.21
Vehicles	-	2.31	0.08	-	2.23
TOTAL	-	44.13	0.12	-	44.01

SCHEDULE TO THE ACCOUNTS

(Rs In million)

PARTICULARS	As at 31st March, 2008	
SCHEDULE - 5		
INVESTMENTS		
Long Term Investments		
Trade (Unquoted)		
National Savings Certificates (with Sales Tax Deptt Rajsthan as security)		0.03
TOTAL		0.03
SCHEDULE - 6		
INVENTORIES		
Goods traded in		147.82
Packing Materials		6.00
TOTAL		153.82
SCHEDULE - 7		
SUNDRY DEBTORS (Unsecured, considered good)		
Debts outstanding for a period exceeding six months		
Other debts	123.25	
Less - Bills discounted with banks	34.33	88.92
TOTAL		88.92
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in Hand		0.08
Bank balances :		
with scheduled banks		
In current accounts	1.13	
In fixed deposits (with sales tax deptt as security)	0.20	1.33
TOTAL		1.41
SCHEDULE - 9		
LOANS AND ADVANCES (Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received		0.56
Advances to Raw Material Suppliers		53.87
Advances to Holding Company		277.95
Security Deposits		0.02
TOTAL		332.40

SCHEDULE TO THE ACCOUNTS

(Rs In million)

PARTICULARS	As at 31st March, 2008	
SCHEDULE - 10		
CURRENT LIABILITIES and PROVISIONS		
Current Liabilities :		
Advances from customers		3.80
Sundry Creditors :		
i) Total Outstanding dues to Small Scale Industrial Undertakings	-	
ii) Total Outstanding dues of Creditors other than Small Scale Industrial Undertakings	114.07	114.07
Other liabilities		2.34
TOTAL		120.21
Provisions :		
Current Tax	0.05	
Less - Prepaid taxes	0.02	0.03
Fringe Benefit Tax		
Less - Prepaid Taxes	0.04	0.04
TOTAL		0.07

For the Period ended on
31st March, 2008

SCHEDULE - 11		
TURNOVER		
Cotton		290.96
Kinnoo		24.70
Paddy		112.88
Rice		13.36
TOTAL		441.90
SCHEDULE - 12		
OTHER INCOME		
Commission Income		0.44
Interest received from suppliers/ customers	2.03	
Less - Paid to suppliers/ customers	1.84	0.19
Miscellaneous Receipts		-
Profit on trading of Guar		1.57
TOTAL		2.20
SCHEDULE - 13		
PURCHASES		
Purchases (including cost of purchases)		573.02
Less: Closing Stock		147.82
TOTAL		425.20

SCHEDULE TO THE ACCOUNTS

(Rs In million)

PARTICULARS	For the Period ended on 31st March, 2008
SCHEDULE - 14	
PERSONNEL EXPENSES	
Recruitment	0.29
Salary to staff	6.41
Staff Welfare	-
TOTAL	6.70
SCHEDULE - 15	
ADMINISTRATIVE AND OTHER CHARGES	
Audit Remuneration	0.02
Communication and Postage Expenses	0.13
Entertainment Expenses	-
Fee and Taxes	0.08
Insurance	0.15
Legal and Professional	0.06
Miscellaneous Expenses	0.06
Newspapers, Books and Periodicals	-
Office Expenses	0.11
Penalty	0.04
Printing and Stationery	0.10
Rent	0.93
Repairs & Maintenance - Computers	0.08
Repairs & Maintenance - Others	0.07
Repairs, Running & Maintenance - Vehicles	0.22
Seminar and Conference Expenses	-
Service Tax Paid	0.01
Travelling and Conveyance	0.29
TOTAL	2.35
SCHEDULE - 16	
FINANCIAL EXPENSES	
Bank Charges and Others	0.38
Interest paid for car financing	0.01
TOTAL	0.39
SCHEDULE - 17	
SELLING EXPENSES	
Advertisement	0.20
Commission to Selling Agents	1.44
Forwarding and Transportation Expenses	4.80
Others	0.05
Packing Material Consumed	2.18
Rebates and Discount	0.07
TOTAL	8.74

SCHEDULE TO THE ACCOUNTS

SCHEDULE - 18

A. Significant Accounting Policies & Notes on Accounts

1. SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTIONS

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in sub section (3C) of Section 211 and other relevant applicable provisions of the Companies Act, 1956.

II. REVENUE RECOGNITION

Turnover comprises of sales of goods. The revenue in respect of sale is recognized as and when the risk and reward in goods is transferred to the buyer.

III. FIXED ASSETS

All tangible fixed assets are stated at historical cost less accumulated amount of depreciation.

IV. DEPRECIATION

- i) Depreciation on fixed assets is provided on the straight line method in accordance with and in the manner specified in Schedule XIV to the Companies Act, 1956.
- ii) The assets costing Rs.5000/- or less acquired during the year are depreciated at 100% on pro-rata basis.

V. INVENTORIES

Inventories are stated at cost or net realizable value whichever is lower. The cost formula is determined in the following manner:

- In case of Goods traded in at cost plus direct procurement expenses.
- In case of Packing Materials at weighted average cost.

VI. INVESTMENTS

Long Term Investments are carried at cost less provision, if any for diminution in value which is other than Temporary.

VII. BORROWING COSTS

Borrowing Costs that are directly attributable to acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are recognized as an expense in the period in which they incurred.

VIII. ACCOUNTING FOR TAXES ON INCOME

- i) Provision for taxation and Fringe Benefit Tax for the year comprises of current tax, fringe benefit tax and deferred tax.
- ii) Current tax is the amount of income tax determined to be payable in respect of taxable income for the year. Deferred tax is the tax effect of timing difference between taxable income and accounting income for a period that originate in one period and is capable of reversal in one or more subsequent periods.
- iii) Fringe benefit tax is the amount of tax determined to be payable in respect of value of fringe benefit provided or deemed to have been provided to employees.

IX. IMPAIRMENT OF ASSETS

At each Balance Sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists on impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

X. PROVISIONS AND CONTINGENT LIABILITIES

- i) Provision involving substantial degree of estimate in measurement is recognised when there is a present obligation arising as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of obligation can be made.
- ii) Contingent liability is a possible obligation from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. It may also be the present obligation that arises from past events but is not recognised because it is not probable that an outflow embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

2. Contingent liabilities not provided for bills negotiated under letters of credit Rs. 34,326,212 with banks.

3. The Company got certificate of incorporation on 31st January, 2007 and certificate of commencement of business on 18th May, 2007 from Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. These are first accounts of the Company for a period of 14 months (31/01/2007 to 31/03/2008). Being first year of operation, previous year/ period figures are not applicable thus not given.
- 4 In the opinion of the Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 5
 - a) Name of Small Scale Industrial Undertakings to whom the Company owes any sum together with interest which is outstanding for more than 30 days is NIL:
 - b) The above information has been compiled in respect of parties, to extent to which these could be identified as small scale industrial undertakings on the basis of information available with the company.
 - c) The company has requested its suppliers to intimate whether they are registered under the provisions of MICRO, Small and Medium Entrepreneur Development Act 2006. In absence of intimation from the suppliers the requisite information under the above said Act could not be compiled.
- 6 Deferred Tax Liability of Rs 171869 as on 31 st March, 2008 is on account of timing difference due to depreciation.
- 7 During the period Ms Lakshmi Energy and Foods Limited (holding company) acquired 10,799,994 equity shares of Rs. 10/- each out of which 999,994 equity shares are subscribed at face value and 9,800,000 equity shares of Rs. 10/- each are subscribed at a premium of Rs. 40/- each share. Accordingly a sum of Rs. 392,000,000/- is charged to Share Premium Account.
- 8 Related Party disclosure
Details of transactions entered into with related parties during the year as required by Accounting Standard (AS)-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below

- a) Name of related parties and description of Relationship.

	Relationship	Name of Related Parties
i.	Key Management Personnel	Mr. Balbir Singh Uppal, Chairman Mr. Janak Raj Singh, Managing Director
ii.	Holding Company	Lakshmi Energy and Foods Limited

- b) Transactions with Related Parties

S. No.	Nature of Transactions	Holding Company	Key Management Personnel	Total
		Amount (In Rs. Million)	Amount (In Rs. Million)	Amount (In Rs. Million)
i.	Sales	123.60	-	123.60
ii.	Purchases	75.42	-	75.42
iii.	Loans			
	(a) Loans Given	943.54	-	943.54
	(b) Loan Received Back	665.59	-	665.59
	(c) Closing Balance	277.95	-	277.95

c. No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from or to above related parties.

d. The related party relationship is as identified by the company and relied upon by auditors.

- 9 Segment Reporting
The Company is engaged in single segment i.e. trading of agriculture commodities. Accordingly Segment Information as required by Accounting Standard (AS)-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.
- 10 The foreign exchange exposure of the Company as on 31 st March, 2008 is as under
The Company has not entered into any of the derivative transactions. Accordingly, details/ disclosure regarding derivative/ financial instruments outstanding is not applicable.

11 Earning Per Share

The calculation of Earnings per share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS) 20 on "Earning per Share" issued by the Institute of Chartered Accountants of India.

A statement of Calculation of EPS is as under:		Current Year
Profit after Tax (Amount in Rs.)		183,409.98
Weighted Average Number of Equity Shares(No.) (Nominal value Rs. 10/- each)		10,800,000
Earnings per share (in Rs.).		0.02

12 The detail of Auditor's Remuneration:**Current Year (Amount in Rs. Millions)**

Audit fees	0.010
Tax Audit fees	0.005
Reimbursement of expenses	0.005
Total	0.020

13 The Company has examined the indications listed in Accounting Standard (AS) - 28 on "Impairment of Assets" as issued by the Institute of Chartered Accountants of India. Based on such examination, it has been found that none of the indications as listed in the accounting standard are present in the case of the Company. Accordingly, no impairment loss has been provided for in the books of account.

14 Material events after Balance Sheet Date

The Company has acquired 5,09,930 Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per share on 27/05/2008 in Victor Foods India Limited, New Delhi. With this investment the Company holds 50.99% equity capital of Victor Foods India Limited.

15 Additional information as required by Para 3 & 4 of Part - II of Schedule - VI of the Companies Act, 1956

A. CAPACITY

Not applicable as the Company is not engaged in manufacturing activities.

B. ACTUAL PRODUCTION

Not applicable as the Company is not engaged in manufacturing activities.

C. TURNOVER

Particulars	Unit	Qty.*	Current year
			Amt in Rs. Million
COTTON	Qtl.	50180.53	290.96
KINNOOS	Qtl.	19887.24	24.70
RICE	Qtl.	6777.40	13.36
RICE PADDY	Qtl.	122841.87	112.88
TOTAL			441.90

* - includes quantity shortages also

D. Raw Material Consumed

Not applicable as the Company is not engaged in manufacturing activities.

E. PURCHASE OF FINISHED GOODS (GOODS TRADED IN)

Amount in Rs Millions

				Current Period
	Unit	Qty.	Value	
COTTON	Qtl.	62,508.81	352.13	
KINNOOS	Qtl.	19,887.24	20.55	
RICE	Qtl.	48,882.40	72.57	
COTTON SEED CAKE	Qtl.	16,675.45	16.05	
RICE PADDY	Qtl.	122,841.87	112.05	
OTHERS			0.00	

F. VALUE OF OPENING AND CLOSING STOCK OF GOODS PRODUCED AND TRADED IN

Amount in Rupees Million

				Current Period	Value
OPENING STOCK		Qty.			Value
COTTON	Qtl.	0.00			0.00
KINNOOS	Qtl.	0.00			0.00
RICE	Qtl.	0.00			0.00
COTTON SEED CAKE	Qtl.	0.00			0.00
RICE PADDY	Qtl.	0.00			0.00
TOTAL		0.00			0.00
				Current Period	Value
CLOSING STOCK		Qty.			Value
COTTON	Qtl.	12,328.28			71.78
KINNOOS	Qtl.	0.00			0.00
RICE	Qtl.	42,105.00			60.00
COTTON SEED CAKE	Qtl.	16,675.45			16.04
RICE PADDY	Qtl.	0.00			0.00
TOTAL		71,108.73			147.82

G. CIF VALUE OF IMPORTS :

NIL

H. EXPENDITURE IN FOREIGN CURRENCY :

NIL

I. FOB VALUE OF EXPORTS :

NIL

J. VALUE OF RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED :

N. A.

16. Schedules 1 to 17 form an integral part of the Balance Sheet and Profit and Loss Account and have been duly authenticated as such.

INFORMATION PURSUANT AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A Registration Details

Registration No.	U 15141 CH2007PLC030685	State Code	53
Balance Sheet Date	31 st March, 2008		

B Capital Raised During the Year (Amount in Rupees Million)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Issue	108.00

C Position of Mobilization and Deployment of Funds (Amount in Rupees)

Total Liabilities	621.21	Total Assets	621.21
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Source of Funds

Paid Up Capital	108.00	Reserves & Surplus	392.19
Secured Loans	0.57	Deferred Tax Liability	0.17

Application of Funds

Net Fixed Assets	44.01	Investments	0.03
Net Current Assets	456.27	Miscellaneous Expenditure	0.62
Profit and Loss	0.00	Deferred Tax Assets	0.00

D Performance of Company (Rs. In Million)

Total Turnover & Other Income	444.10	Total Expenditure	443.65
Profit Before Tax	0.45	Profit After Tax	0.19
Earning per share	0.02	Dividend Rate (%)	-

E Generic Names of three principal products/services of the company (As per Monetary Terms)

Item Code No. (ITC Code)	Not Applicable
Product description	Not Applicable

BOARD OF DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 7th Annual Report of your company together with the Audited Annual Accounts for the financial year ended 31st March 2008.

Financial Highlights

(Amount in Rs.)

Particulars	Financial Year Ended	
	31 st March, 08	31 st March, 07
Sales	Nil	Nil
Other Income	4752.03	259410.00
Total Income	4752.03	259410.00
Profit/(Loss) before tax	(29806.97)	(2827579.44)
Provision for I. Tax	Nil	Nil
Profit/(Loss) after tax	(29806.97)	(2827579.44)
Income tax of earlier years	Nil	224158.00
Balance b/f from previous year	805478.85	3857216.29
Balance transferred to balance sheet	775672.88	805478.85

Year In Retrospect

During the year under review, your company's operations have resulted in a loss of Rs. 29806.97 as against last year's loss of Rs. 2827579.44.

Change in the Nature of Company

After the last AGM, your company was converted from Private Limited Company to Public Limited Company. A special resolution in this respect was passed in Extra Ordinary General Meeting on 28.04.2008. The Registrar of Companies had issued a fresh certificate of incorporation consequent upon conversion into Public Company on 16.05.2008. Now, your company is known as Victor Foods India Limited instead of Victor Foods India Private Limited.

Dividend

Your directors do not recommend dividend for the year ended 31st March 2008 in view of loss incurred by the company.

Public Deposits

Your company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956.

Directors

After the last Annual General Meeting, your board of directors had appointed following additional directors

1. Sh. Balbir Singh Uppal
2. Sh. Janak Raj Singh
3. Sh. Iqbal Singh Gumber
4. Sh. Victor Ahluwalia

These directors have rich experience in the fields of agro based industry, banking and finance. The Directors welcome them to the Board and wish them great success.

Sh. Baldev Singh Sehgal, director had resigned after the last annual general meeting. The Directors place on record their appreciation of the valuable services rendered and guidance received from Mr. Sehgal during his tenure as member of board.

Ms. Harnita Ahluwalia retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Auditors

M/s Gupta Jalan & Associates, Chartered Accountants, Delhi, Statutory Auditors of your Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for appointment. Your company has obtained a certificate from them as required under Section 224(1-B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

Auditors' Report

The Statutory Auditors Report on the Accounts of the Company for the year ended March 31, 2008 is self-explanatory and do not require any further clarification.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As the company is not undertaking any manufacturing activity, the information in respect of conservation of energy, technology absorption is not applicable. The company has not undertaken any export during the year and Foreign exchange earnings and outgo is nil.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, and hence no particulars are required to be disclosed in this Report.

Directors' Responsibility Statement

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. In preparation of the annual accounts, the applicable accounting standard have been followed;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Annual Accounts have been prepared on a going concern basis.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the cooperation and assistance the company has received from Banks, various Government Departments and shareholders. The Board also places on record its appreciation of support and cooperation extended by the valued business associates and the continuous patronage of the customers of the company.

For & on behalf of Board of Directors

Place : New Delhi
Date : 03.09.2008

Sd/-
(Balbir Singh Uppal)
Chairman

Sd/-
Harnita Ahluwalia
Managing Director

AUDITOR'S REPORT

To The Members of,
Victor Foods India Pvt. Limited

1. We have audited the attached Balance Sheet of **Victor Foods India Pvt. Limited** as 31st March 2008, and also the Profit and Loss Account 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 have 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 misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report as under:-
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose 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 examinations of those books;
 - iii. The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable;
 - v. On the basis of written representation received from the Directors as on March 31, 2008, and taken on record by the board of Directors, we report that none of the Directors is disqualified as on March 31, 2008 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 explanation given to us, the said accounts together with the notes thereon give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of Balance sheet, of the state of affairs of the company as at March 31, 2008
 - b) In the case of the Profit and Loss Account, of the Loss for the year ended on the date.

For Gupta & Jalan & Associates
Chartered Accountants

Place : Delhi
Date : 16th April, 2008

Sd/-
Partner

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Fixed assets have been physically verified by the management during the year as per the programme of verification of fixed assets. In our opinion the same is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies noticed on such verification.
c) During the year, the company has not disposed off substantial part of its fixed assets.
2. The company did not hold any inventory during the year. As such requirements of Paragraph 4 (ii) a,b,c, or other parts are not applicable.
3. a) The company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
b) The company has granted to loans of firms, persons or other parties listed in the register maintained under section 301 of the Companies Act 1956. In our opinion, the terms and conditions on which loans have been granted are not prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) According to the information and explanation given to us, the company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
b) In our opinion and according to the information and explanations given to us, the company had not purchase of goods and material and sale of goods/materials and services made in pursuance of contacts of agreements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at the price which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. Maintenance of cost records under section 209 (I) (d) of the Companies Act, 1956 has not been prescribed for.
9. The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Cess and any other statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they become payable.
10. In our opinion, the company does not have any accumulated losses as per the Balance Sheet as at the end of the financial year. However, the company has incurred cash losses of Rs. 95324.80 during the financial year covered by our audit and Rs. 2827579.44 during in the immediately preceding financial year.
11. The company did not have any outstanding. Clause 4(xi) of the order is not applicable to the company.
12. The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. 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 companies (Auditors Report) Order, 2003 are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.

16. The company did not have any term loan outstanding during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no fund raised on short-term basis have been used for long-term investments.
18. No debentures were issued by the company during the year.
19. During the year under Audit, the Company has not raised money by public issue.
20. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

**For Gupta Jalan & Associates
Chartered Accountants**

Place : Delhi
Date : 16th April, 2008

Sd/
Partner

BALANCE SHEET

AS AT 31st MARCH, 2008

PARTICULARS	ANNEXURE	(Rs. in million) As at 31.03.2008	(Rs. in million) As at 31.03.2007
SOURCES OF FUNDS			
SHAREHOLDER'S FUND			
i) Share Capital	1	0.50	0.50
ii) Reserve and Surplus	2	3.28	3.31
Total		3.78	3.81
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	10.93	12.33
Less : Accumulated Depreciation		2.67	2.67
Net Block		8.26	9.66
CURRENT ASSETS AND LOANS & ADVANCES			
i) Sundry Debtors	4	0.50	0.85
ii) Cash & Bank Balances	5	0.27	0.42
iii) Loans & Advances	6	3.03	1.96
iv) Deferred Tax Assets		0.07	0.07
Total		3.87	3.30
LESS: CURRENT LIABILITIES & PROVISIONS			
I) Current Liabilities	7	8.36	9.16
Total		8.36	9.16
NET CURRENT ASSETS		(4.49)	(5.86)
Miscellaneous Expenditures (to the extent not written off)		0.01	0.01
TOTAL		3.78	3.81
Notes on Accounts :	11		

As per our report of even date attached
For **Gupta Jalan & Associates**
Chartered Accountants

For and on behalf of Board

Sd/-
Partner

Sd/-
B.S. Sehgal
(Director)

Sd/-
Harnita Ahluwalia
(Director)

Place: Delhi
Date : 16th April, 2008

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH 2008

PARTICULARS	ANNEXURE	(Amount in Rs. Million)	
		For the year ended 31.03.08	For the year ended 31.03.07
INCOME :			
Other Income		0.01	0.26
TOTAL		0.01	0.26
EXPENDITURE :			
Administrative Expenses	8	0.03	2.52
Financial Expenses	9	0.00	0.08
Selling Expenses	10	0.00	0.50
Depreciation		0.00	0.00
Preliminary Expenses w/ off		0.01	0.00
TOTAL		0.04	3.09
PROFIT / LOSS BEFORE TAX		(0.03)	(2.83)
Less:- Income Tax of Earlier years		0.00	0.22
Add Balance B/F from Previous year		0.81	3.86
Balance transferred to Balance Sheet		0.78	0.81

As per our report of even date attached
For **Gupta Jalan & Associates**
Chartered Accountants

For and on behalf of Board

Sd/-
Partner

Sd/-
B.S. Sehgal
(Director)

Sd/-
Harnita Ahluwalia
(Director)

Place: Delhi
Date : 16th April, 2008

ANNEXURES FORMING PART OF THE BALANCE SHEET

PARTICULARS	(Rs In million)	(Rs In million)
	As at 31st March, 2008	As at 31st March, 2008
ANNEXURE - 1		
SHARE CAPITAL		
Authorised		
50,000 Equity Shares of Rs. 10/- each	0.50	0.50
Issued, Subscribed and Paid up		
50,000 Equity Shares of Rs. 10/- each	0.50	0.50
TOTAL	0.50	0.50
ANNEXURE - 2		
RESERVES AND SURPLUS		
General Reserve	2.50	2.50
Profit and Loss Account	0.78	0.81
TOTAL	3.28	3.31

ANNEXURES FORMING PART OF THE BALANCE SHEET

ANNEXURE - 3
FIXED ASSETS

(Rs.In Million)

PARTICULARS	GROSS BLOCK		Bal as on 31.03.2008	DEPRECIATION BLOCK		NET BLOCK			
	Bal as on 01.04.07	Additions during the year		Sales/ Trf.	Upto 01.04.2007	Provided during the year	Sales/ Adjustments	Upto 31.03.2008	Bal as on 31.03.08
Residential Plots	6.64	0.00	0.00	0.00	0.00	0.00	0.00	6.64	6.64
Flat At Noida	1.40	0.00	1.40	0.00	0.00	0.00	0.00	0.00	1.40
Computers	0.29	0.00	0.00	0.25	0.00	0.00	0.25	0.03	0.03
Photocopier Machine	0.06	0.00	0.00	0.03	0.00	0.00	0.03	0.03	0.03
Office Equipments	0.11	0.00	0.00	0.05	0.00	0.00	0.05	0.06	0.06
Air Conditioners	0.18	0.00	0.00	0.08	0.00	0.00	0.08	0.10	0.10
Fan	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00
Invertor	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01
Generator	0.32	0.00	0.00	0.09	0.00	0.00	0.09	0.23	0.23
Lab Equipments	0.04	0.00	0.00	0.02	0.00	0.00	0.02	0.03	0.03
Weighting Machine	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.02
Furniture & Fixture	0.40	0.00	0.00	0.21	0.00	0.00	0.21	0.19	0.19
Car	2.82	0.00	0.00	1.91	0.00	0.00	1.91	0.91	0.91
Scooter	0.03	0.00	0.00	0.02	0.00	0.00	0.02	0.01	0.01
TOTAL	12.33	0.00	1.40	2.67	0.00	0.00	2.67	8.26	9.66
PREVIOUS YEAR	12.33	0.00	0.00	2.67	0.00	0.00	2.67	9.66	9.66

ANNEXURES FORMING PART OF THE BALANCE SHEET

PARTICULARS	(Rs In million)	(Rs In million)
	As at 31st March, 2008	As at 31st March, 2008
ANNEXURE - 4		
SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered Good	0.00	0.00
Others		
Considered Good	0.00	0.00
Considered Doubtful	0.50	0.85
TOTAL	0.50	0.85
ANNEXURE - 5		
CASH AND BANK BALANCES		
Cash in Hand (as certified by the Management)	0.26	0.30
Balances with scheduled banks :		
In current accounts	0.01	0.01
In fixed deposits (with sales tax depts as security)	0.00	0.10
Interest accrued on FDR	0.00	0.01
TOTAL	0.27	0.42
ANNEXURE - 6		
LOANS AND ADVANCES (Unsecured, considered good)		
Advances in cash or in kind for value to be received		
Security Deposits	0.02	0.02
Advances to Suppliers & Others	3.01	1.93
Advances Income Tax / Tax deducted at Source	0.00	0.00
Prepaid Expenses	0.00	0.01
TOTAL	3.03	1.96
ANNEXURE - 7		
CURRENT LIABILITIES		
Sundry Creditors	2.50	2.50
Expenses Payable	0.01	0.03
Other liabilities	5.85	6.63
TOTAL	8.36	9.16

ANNEXURES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	(Rs In million)	(Rs In million)
	For the year ended on 31st March, 2008	For the year ended on 31st March, 2007
ANNEXURE - 8		
ADMINISTRATIVE EXPENSES		
Audit Fees	0.01	0.01
Miscellaneous Expenses	0.02	0.01
Printing & Stationary	0.00	0.00
Loss in Commodities Trading	0.00	2.50
TOTAL	0.03	2.52
ANNEXURE - 9		
FINANCIAL EXPENSES		
Bank Commission	0.00	0.08
TOTAL	0.00	0.08
ANNEXURE - 10		
SELLING EXPENSES		
Sale Promotion Expenses	0.00	0.01
Difference in Exchange Fluctuation	0.00	0.49
Selling & Distribution Expenses	0.00	0.00
TOTAL	0.00	0.50

ANNEXURES FORMING PART OF THE BALANCE SHEET

ANNEXURE - 11

A.ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES / BASIS OF ACCOUNTING :

- i. The financial statements are prepared on the basis of historical cost convention and on the accounting principles of going concern except as stated hereinafter.
- ii. Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting principles.

II. REVENUE RECOGNITION

Expenses and Income considered payable and receivable respectively are accounted for an accrual basis.

III. VALUATION OF INVENTORIES

There is no opening and closing stock during the year.

IV. FIXED ASSETS

Fixed Assets are stated at their historical cost less accumulated depreciation.

V. DEPRECIATION

The company has no its business activities during the year ended 31.03. 2008. No Depreciation has been provided on its Fixed Assets.

VI. RETIREMENT BENEFITS

The company does not provide for gratuity or other retiring benefits of the employees. The same will be accounted for as and when paid.

IX. TAXATION

- i. Income tax is computed in accordance with Accounting Standard -22 " Accounting for Taxes on Income (AS-22) issued by the Institute of Chartered Accountants of India,
- ii. Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.
- iii. The difference that result between the profit offered for Income tax and the profit as per the financial statement are identified and thereafter a deferred tax assets or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered.

ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS

Provisions are recognized in terms of Accounting standard 29 "Provisions, Contingent Liabilities and Contingent Assets" (AS-29) issued by the Institute of Chartered Accountants of India, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

B. NOTES TO THE ACCOUNTS

Coningent Liabilities	Current Year (Rs.)	Previous Year (Rs.)
Bank Guarantee issued to the Sale Tax Deptt. FDR Pledged with Bank.	Nil	100000.00

Information pursuant to the provisions of paragraph 3, 4C & 4D of part II of Schedule VI to the Companies Act 1956, is not applicable as the company has closed its business activities.

In the opinion of the Board, the current assets, loans & advanced have a value in realization in the ordinary course of business, at least equal to the aggregate amount as shown in the Balance sheet.

The outstanding balances of Sundry Debtors and Creditors are as per the books of accounts of the company and are subject to confirmation.

Schedule 1 to 11 form an integral part of the Balance Sheet and Profit & Loss Account and have been fully authenticated.

As per our report of even date attached
For **Gupta Jalan & Associates**
Chartered Accountants

Sd/-
Partner

Place: Delhi
Date : 16th April, 2008

For and on behalf of Board

Sd/-
B.S. Sehgal
(Director)

Sd/-
Harnita Ahluwalia
(Director)

INFORMATION REQUIRED BY PART IV OF SCHEDULE -VI ATTACHED TO THE COMPANIES ACT,1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	122112	State Code	53
Balance Sheet Date	31-03-2008		

II Capital raised during the year (Amt. in Rs Million)

Public Issue	0.00	Right Issue	0.00
Bonus Issue	0.00	Private Placement	0.00

III Position of Mobilisation and deployment of funds (Amt. in Rs Million)

Total Liabilities	3.78	Total Assets	3.78
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Source of Funds

Paid Up Capital	0.50	Reserves & Surplus	3.28
Secured Loan	0.00	Unsecured Loan	0.00

Application of Funds

Net Fixed Assets	8.26	Investments	0.00
Net Current Assets	-4.49	Accumulated Losses	0.00
		Misc. Exp.	0.00

IV Performance of Company (Amt in Rs Million) (Amt in Rs Million)

Total Turnover	0.01	Total Expenditure	0.04
Profit Before Tax	-0.03	Profit After Tax	-0.03
Earning per share	0.00	Dividend Rate	NIL

V Generic Names of three principal products/services of the company (as per monetary Items)

Item Code No.	NA
Product description	NA

AUDITOR'S REPORT

To The Board of Directors of,
Lakshmi Energy and Foods Limited.

To the Board of Directors of Lakshmi Energy and Foods Limited on the consolidated financial statements of Lakshmi Energy and Foods Limited and its subsidiaries, Punjab Greenfield Resources Limited & Victor Foods India Limited.

1. We have examined and audited the attached consolidated Balance Sheet of Lakshmi Energy and Foods Limited ('LEAF') and its subsidiaries Punjab Greenfield Resources Limited ('PGRL') & Victor Foods India Limited ('VFIL') as at 30th September 2008, the consolidated Profit and Loss account and also the consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the LEAF's Management and have been prepared by the LEAF's Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 assurances about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the LEAF's Management in accordance with the requirements of Accounting Standard (AS) 21- "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of LEAF and PGRL, included in the consolidated financial statements.
4. Based on our audit and on consideration of the separate audit reports on individual audited financial statements and other financial information of LEAF and its subsidiary PGRL and on the basis of the information and explanation given to us and to the best of our information we are of the opinion that the attached consolidated financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In case of the consolidated Balance Bheet, of the state of affairs of LEAF and its subsidiaries as at September 30th, 2008;
 - ii. In case of the consolidated Profit and Loss account, of the profit for the period ended on that date of LEAF and its subsidiaries and,
 - iii. In case of the consolidated Cash Flow statement of the cash flows for the period ended on that date of LEAF and its subsidiaries.

For S.Kumar Gupta & Associates
Chartered Accountants
(C.A. SUNIL GUPTA)
Partner
M.No.085624

Place: Chandigarh
Date : 28.02.2009

BALANCE SHEET AS AT 30.09.2008

PARTICULARS	ANNEXURE	(Rs.in Millions) As at 30.09.2008
SOURCES OF FUNDS		
1 SHAREHOLDER'S FUND		
i) Capital	1	126.38
ii) Reserve and Surplus	2	4788.59
		4914.97
Minority Interest		23.36
2 LOAN FUNDS		
i) Secured Loans	3	4118.40
ii) Unsecured Loans	4	91.25
		4209.65
Deferred Tax Liabilities		886.58
TOTAL		10034.56
APPLICATION OF FUNDS		
1 FIXED ASSETS	5	
Gross Block		4858.63
Less : Depreciation		1016.21
Net Block		3842.42
Capital Work In Progress		32.64
2 INVESTMENTS	6	101.03
3 CURRENT ASSETS AND LOANS & ADVANCES		
i) Inventories	7	5515.51
ii) Sundry Debtors	8	240.09
iii) Cash & Bank Balances	9	60.78
iv) Loans, Advances & Other Current Assets	10	963.63
		6780.01
LESS: CURRENT LIABILITIES & PROVISIONS		
i) Current Liabilities	11	351.01
ii) Provisions	12	371.15
		722.16
NET CURRENT ASSETS		6057.85
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses		0.62
TOTAL		10034.56
Notes on Accounts :	21	

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K.RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDING 30.09.2008**

PARTICULARS	ANNEXURE	(Rs.in Million) For the Period ended on 30.09.2008
INCOME :		
Sales	13	16018.26
Other Income	14	39.33
TOTAL	A	16057.59
EXPENDITURE :		
Cost of Material	15	12277.20
Manufacturing Expenses	16	178.08
Personnel Expenses	17	57.84
Admn. Expenses	18	130.54
Selling Expenses	19	154.79
Financial Expenses	20	496.48
TOTAL	B	13294.93
Profit before Depreciation (Cash Profit)	(A-B)	2762.66
Depreciation		336.91
PROFIT BEFORE TAX		2425.75
Less : Provision for Income Tax		278.26
Provision for Fringe Benefit Tax		2.10
PROFIT AFTER TAX BUT BEFORE DEFERRED TAX ASSETS/LIABILITIES		2145.39
Less : Deferred Tax Liabilities		528.03
PROFIT AFTER TAX		1617.36
Less : Minority Interest		5.85
Add Excess provision of tax in earlier years		0.28
Less: Previous years Adjustments		0.00
Add : Previous Year Balance B/F		1159.31
Profit Available for Appropriation		2771.10
Dividend Tax paid		0.00
Provision for Dividend (inclusive of Tax)		35.54
Amount Transferred to General Reserve		161.74
Amount Utilised for Bonus Issue		0.50
BALANCE T/F TO BALANCE SHEET		2573.32
TOTAL		2573.32
BASIC EARNING PER SHARE		35.68
- Face value Rs		2.00

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
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Place: Chandigarh
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(C.A. SUNIL GUPTA)
Partner
M.No.085624

CASH FLOW STATEMENT FOR THE PERIOD ENDED

PARTICULARS	Rs. In Million For the Period ended As at 30.09.2008
A. Cash Flow from Operating Activities	
Net Profit before tax	2425.75
Adjustments for:	
Interest Paid	496.48
Miscellaneous Expenditure	0.00
Depreciation	336.92
Interest Income	0.00
Dividend Income	0.00
	3259.15
Operating Profit before Working Capital Changes	
Adjustments for:	
Trade and other receivable	-613.40
Inventories	-2598.52
Trade payable & Other Liabilities	-890.33
Cash Generated from operation	-843.10
Interest paid	-496.48
Income Tax paid	-142.18
Net Cash flow from Operating Activities	-1481.76
B. Cash Flow from Investing Activities	
Additions to Fixed Assets	-1905.00
Investments	0.65
Dividend Income	0.00
Interest Income	0.00
Net Cash used in Investing Activities	-1904.35
Sub Total (A+B)	-3386.11
C. Cash Flow from Financing Activities	
Increase in Share Capital	16.95
Increase in Share Application Money	-96.38
Increase in Share Premium	963.36
Increase in Long Term Loans (Net)	1970.43
Increase in Short Term Borrowings(Net)	5.80
Dividend Paid	0.00
Cash Flow from Financing Activities	2860.16
Net Increase in Cash & Cash Equivalent	-525.95
Cash & Cash Equivalents at beginning of the year	586.73
Cash & Cash Equivalents at end of the year	60.78

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K.RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624

ANNEXURES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

PARTICULARS	(Rs.in Million) As At 30.09.2008
ANNEXURE - 1	
SHARE CAPITAL	
AUTHORISED CAPITAL	
10,00,00,000 Equity Shares of Rs 2/- each	200.00
ISSUED & SUBSCRIBED CAPITAL	
6,36,10,000 Equity Shares of Rs 2/- Each (Previous year 5,75,85,000 Equity shares of Rs 2/-each)	127.22
PAID UP CAPITAL	
6,31,90,000 Equity Shares of Rs 2/- Each (Previous year 5,71,65,000 Equity shares of Rs 2/-each)	126.38
TOTAL	126.38

Notes :

- (i) Existing Equity Shares of the Company of the Face Value of Rs.10/- each were subdivided into 5 Equity shares of the face value of Rs. 2/- each in December 2006.
- (ii) 84,000 Equity shares of the face Value of Rs 10/- were already forfeited .
- (iii) 5,46,000 Equity shares of the face value of Rs 10/- each were allotted pursuant to exercise of option for conversion by holder of convertible warrents during the year 2006-07.
- (iv) 43,21,500 Equity shares of the face value of Rs 10/- each were issued as fully paid Bonus shares by capitalization of reserves.
- (v) 60,25,000 Equity shares of the face value of Rs 2/- each were allotted pursuant to exercise of option for conversion by holder of convertible warrants during the Financial Year.

ANNEXURE - 2
RESERVE & SURPLUS
General Reserve

Opening Balance	203.41
Less Utilized for Bonus Issue	2.50
Add : Transferred from Profit & Loss Account	161.74
	362.65
Share Premium	
Opening Balance	698.12
Add : Addition during the year	950.75
	1648.87
Revaluation Reserves	
Opening Balance	225.95
Add : Addition during the year	31.50
Less : Utilised for Depreciation A/c	53.70
	203.75
Profit Trf. From Profit & Loss A/C	2573.32
TOTAL	4788.59

ANNEXURES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

PARTICULARS	(Rs.in Million)
	As At 30.09.2008
ANNEXURE - 3	
SECURED LOAN	
Term Loans :	
i) Punjab National Bank	
- For Rice Expansion	318.45
- For Power Project	205.86
ii) Syndicate Bank	
- For Rice Expansion	259.63
- For Power Project	182.61
Vehicle Loans	
ABN-AMRO BANK-Vehicle Loan	0.00
HDFC BANK LTD- Vehicle Loan	5.72
ICICI Bank Vehicle Loan	8.67
Working Capital Limits :	
From Banks	
i) Punjab National Bank	1317.67
ii) Syndicate Bank	1819.59
lii) Axis Bank	0.20
TOTAL	4118.40
Notes :	
(i) Term loans from Banks are secured by equitable mortgage of Properties of the company and pari-passu charge over fixed assets , both present and future of the company.	
(ii) Vehicles loans are secured by hypothecation of the respective vehicles.	
(iii) Working capital limits are secured by hypothecation of stocks of Raw Materiel, Work In progress, Finished Goods and Consumables and book debts.	
ANNEXURE - 4	
UNSECURED LOAN	
Directors	6.25
PEC Ltd (A Government of India Enterprises)	85.00
TOTAL	91.25
MINORITIES INTEREST	
Share Capital	4.90
Share Premium	12.61
Profit & Loss Account	5.85
TOTAL	23.36

ANNEXURES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

ANNEXURE - 5
FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION WRITTEN OFF			(Rs. In Million) NET BLOCK	
	As on 01.04.2007	Additions for the year Adjustment as on 30.09.2008	Sale/ Total Cost Revalued amount as on 30.09.2008	As on 01.04.2007	During the Year for the year 30.09.2008	Written back As on 30.09.2008	As at 30.09.2008	As at 31.03.2007
LAND	178.03	42.28	220.31	0.00	0.00	0.00	220.31	178.03
BUILDING	253.63	64.68	318.32	30.14	11.49	41.63	276.69	223.49
RESIDENTIAL PLOTS	8.04	0.00	6.64	0.00	0.00	0.00	38.14	8.04
PLANT AND MACHINERY	1990.08	667.95	2658.03	554.78	349.63	904.41	1753.62	1435.30
FURNITURE & FIXTURE	29.97	12.89	42.86	14.65	4.90	19.55	23.31	15.32
& OFFICE EQUIPMENT								
VEHICLES	82.49	20.33	102.82	26.02	14.97	40.99	61.83	56.47
POWER PLANT	0.00	1478.15	1478.15	0.00	9.62	9.62	1468.53	0.00
TOTAL	2542.24	2286.29	4827.13	625.60	390.61	1016.21	3842.42	1916.64

ANNEXURE - 6
PARTICULARS

INVESTMENTS

Quoted :

Long Term

A. Trade Investments

11360 Equity Shares of Rs. 10/ each in IDBI, fully paid

0.92

Short Term Investments

Short Term Investment in Gold

0.11

Share Application Money With Nav Bharat International Ltd
(Total Market value of Quoted Investments Rs.0.85 Million)

100.00

TOTAL**101.03**

ANNEXURES FORMING PART OF THE CONSOLIDATED BALANCE SHEET(Rs.in Million)
As At 30.09.2008**PARTICULARS****CURRENT ASSETS AND LOANS & ADVANCES****ANNEXURE - 7****INVENTORIES** (As taken, valued and certified by management)

Raw Materials	3543.24
Finished Goods	1959.92
Consumables Stores	12.35

TOTAL **5515.51****ANNEXURE - 8****SUNDRY DEBTORS** (Unsecured but considered good)**Debts outstanding for a period exceeding 6 months**

-Good & Unsecured	42.17
-Doubtful	0.50

Other Debts

-Good & Unsecured	197.42
-Doubtful	-

TOTAL **240.09****ANNEXURE - 9****CASH & BANK BALANCES**

Cash in Hand	4.29
Cheques in Hand - Pending Realisation	20.92
Balance with Scheduled Banks	
- In Current Accounts	5.73
- In Deposit Accounts	29.84
(includes Rs 12.30 Million as Margin Money)	

TOTAL **60.78****ANNEXURE -10****LOANS AND ADVANCES** (Unsecured but considered good)**Good**

- Advances recoverable in cash or in kind or for value to be received	833.55
- Staff Advances	15.65
- Pre-paid Exp.	0.62
- Securities	42.73
- Advance Income Tax/TDS - Current Year	0.43
- Other Current Assets	70.65

Doubtful 0.00**TOTAL** **963.63****ANNEXURE - 11****CURRENT LIABILITIES**

Sundry Creditors - for Trade	65.60
Sundry Creditors - for Capital Goods	205.09
Other Liabilities	69.92
Statutory Liabilities	10.20
Security payable	0.20

TOTAL **351.01**

ANNEXURES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs.in Million)

PARTICULARS

As At 30.09.2008

ANNEXURE - 12**PROVISIONS**

- Income Tax	333.54
- for FBT	2.07
- Dividend	35.54
TOTAL	371.15

ANNEXURES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT**ANNEXURE - 13**

(Rs.in Million)

SALES

For the period ended

-Rice	13487.42
-Oils	1106.64
-Wheat	80.74
- Power	19.70
-Others	1323.77
TOTAL	16018.26

ANNEXURE - 14**OTHER INCOME**

Insurance Claim Received	3.13
Round off Income	0.00
Rebate and Discount	7.06
Misc. Income	5.91
Dividend Received	0.04
Interest Received	4.85
Truck Dala Received	2.79
Truck Income	5.76
Overhead Recovery A/c	0.99
Export Incentives Received	6.10
Long / Short Term Capital Gain	2.70
TOTAL	39.33

ANNEXURE - 15**COST OF MATERIAL :****Opening Stock**

- Raw Material	1734.71
- Finished Goods	1066.21
	2800.92

Less : Vat Input on opening inventory	0.00
Less : Loss of Stock at port	0.00
	2800.92

Add :- Material Purchases	14979.44
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Total	17780.36
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Less : Closing Stock

- Raw Material	3543.24
- Finished Goods	1959.92
	5503.16

Cost of Material	12277.20
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ANNEXURE - 16**MANUFACTURING EXPENSES**

Power and Fuel	67.92
Laboratory Expenses	0.28
Labour Charges to contractors	33.75
Direct wages	15.03

ANNEXURES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs.in Million)

PARTICULARS	For the period ended on 30.09.2008
Consumable Expenses	0.39
Hexane	5.05
Freight Inward	7.79
Repair & Maintenance	22.29
Storage Charges PSWC/CWC	7.22
Other Manufacturing Expenses	18.36
TOTAL	178.08

ANNEXURE - 17**PERSONNEL EXPENSES****SALARY**

Staff	51.68
Bonus	1.52
Gratuity	0.14
Staff Welfare	1.80
Provident Fund	1.05
Medical Expenses	0.78
Recruitment Expenses	0.87
TOTAL	57.84

ANNEXURE - 18**ADMN. AND GENERAL EXPENDITURE**

Travelling and Conveyance	
- Directors	4.77
- Others	4.91
Directors' Remuneration & Prequisite	28.29
Printing & Stationary	1.55
Postage & Courier	0.28
Insurance	18.30
Telephone	2.40
Rent	5.37
Legal and Professional Exp.	9.41
Management Consultancy Charges	3.83
Fees and Subscription	7.44
Charity and Donation	2.78
Auditors Remuneration :	
- Audit Fee	0.99
- Tax Audit Fee	0.13
Stock Audit Fee	0.11
Misc. Exp.	1.39
Books & Periodicals	0.10
Office Maintenance	0.59
Festival & Mahurat	1.96
Rates & Taxes	0.18
Vehicle Running Exp.	4.67
Software Development Expenses	0.03
AGM/EGM Expenses	0.04
Electricity Expenses	0.36

ANNEXURES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

PARTICULARS	(Rs.In Million) For the period ended on 30.09.2008
Repair & Maintenance	
- Building	2.54
- Others	0.67
Difference in Exchange Rates	27.44
TOTAL	130.54

ANNEXURE - 19
SELLING EXPENSES

Brokerage	34.95
Rebate and Discount	14.72
Advertisement and Business Promotion	14.93
Freight Outward	43.66
Truck Dala	1.04
Packing Expenses	25.22
Quality Cut	4.19
Clearing & Forwarding Expenses	16.08
TOTAL	154.79

ANNEXURE - 20
FINANCIAL EXPENSES :

Bank Charges and Commission	17.74
Interest - Banks	
- Term Loan Interest	42.12
- Working Capital Loans	433.72
Interest - Others	2.90
TOTAL	496.48

ANNEXURES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT**ANNEXURE 21****ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES / BASIS OF PREPARATION:**

- i. The consolidated financial statements comprise of the financial statement of Lakshmi Energy and Foods Limited ("LEAF") and its subsidiaries Punjab Greenfield Resources Limited ("PGRL") & Victor Foods India Limited ("VFIL").
- ii. Reference in these notes to the "company" shall mean to include LEAF and its subsidiaries consolidated in these financial statements unless otherwise stated.
- iii. The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and on the accounting principles of going concern except as stated hereinafter and except where impairment of assets is made and revaluation of assets is carried out, in accordance with all the applicable accounting principles generally accepted in India and comply with the mandatory applicable accounting standards notified under Sub-Section (3C) of Section 211 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956 and the rules, regulations and guidelines made thereunder.
- iv. The financial statements of LEAF and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions in full as per the Accounting Standard (AS)-21 on consolidated financial statements.
- v. Accounting policies between LEAF and its subsidiaries are consistent. The relevant accounting policies being followed by LEAF and PGRL & VFIL have been duly disclosed in their respective financial statements.
- vi. Accounting policies not specifically referred to otherwise have been consistently applied and are in consonance with generally accepted accounting principles recognized in the form of accounting standards.
- vii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the LEAF's and its subsidiaries separate financial statements.
- viii. Accounting policies and Notes to Accounts of LEAF and its subsidiaries are set out in their respective financial statements and are not being repeated herein but may be treated as a part and parcel of Accounting policies and Notes to Accounts to the consolidated balance sheet of LEAF and its subsidiaries.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to LEAF and its subsidiaries and the revenue can be reliably measured.

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except for the following items, which are accounted for on cash basis:

Disposal of Sundry items & Scraps etc.

VALUATION OF INVENTORIES

i. Raw Materials Components, Stores & Spare parts	
ii. Finished Goods	
iii. Goods in Progress	
iv. By-Products	
v. Goods traded.	

RETIREMENT BENEFITS

- i) At present, provident fund schemes are applicable only to LEAF.
- ii) Gratuity is being provided by LEAF on the basis of an independent actuarial valuation as at the Balance Sheet date. Gratuity is not applicable to PGRL.

ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in terms of Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets" (AS-29) issued by the Institute of Chartered Accountants of India, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation can not be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

There are no contingent assets in the financial statements. Please see respective financial statements of LEAF and its subsidiaries in this respect.

EARNING PER SHARE

In determining the earning per share, the net profit after tax but before provision of deferred tax liabilities is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

SEGMENT REPORTING

Segments are identified on dominant source and nature of risks and returns and the internal organization and management structure. To account for inter segment revenue on the basis of transactions which are primary market led. To include under "other unallocable expenditure net of unallocable income" revenue and expenses which relate to enterprises as a whole and are not attributable to segments

FINANCIAL AND MANAGEMENT INFORMATION SYSTEMS

The books of accounts and other records have been designed to facilitate compliance with the relevant provisions of the Companies Act, 1956 on one hand and meet the internal requirements of information and systems for planning, review and internal control on the other.

B CONSOLIDATED NOTES TO THE ACCOUNTS

1. These consolidated financial statements have been prepared by the company for the first time, therefore, the Consolidated figures for the previous years are not being reproduced.
2. Accounting policies and Notes to accounts of LEAF and its subsidiaries are set out in their respective financial statements and are not being repeated herein but may be treated as a part and parcel of Accounting policies and Notes to Accounts to the consolidated Balance Sheet of LEAF and its subsidiaries.
3. Contingent Liabilities not provided for:
 - i. Income-tax demand raised in the earlier years has been fully settled, and there is no pending income tax demand against LEAF.
 - ii. Claims [Rs. 90.98 million (Previous year Rs. 58.57 million)] by various creditors, suppliers, agents etc. of LEAF are pending before various Courts and quasi-judicial authorities (as per certificate from Lawyers of the company).
 - iii. Claims [Rs. 262.26 million (Previous year - Rs. 558.19 million)] by various State procurement agencies against LEAF are pending before Arbitrators (as per certificate from Lawyers of the company).
 - iv. LEAF has an export obligation of Rs. 381.17 million against the import licenses taken for import of capital goods under Export Promotion Capital Goods [EPCG] Scheme. This export obligation is to be fulfilled within the period of 12 years from the date of issue of License. The Expiry date for export obligation period ranges between March 2018 to Sep 2020 for different License. With respect to the aforesaid export obligation, LEAF has also got bank guarantee amounting Rs. 17.40 million issued to the Custom Authorities against 100% margin in the shape of FDR's.
 - v. Forward cover contracts for US \$ 1.00 million were outstanding as at September, 2008. The company has taken these forward covers for export /supplier credits.
4. The figures of the Auditors fee and Managerial Remuneration have not been consolidated and are reflected in the respective financial statements of LEAF and PGRL.

5. During the period, deferred tax liability has been accounted for in accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Provision for income tax has been reviewed as on the Balance Sheet date and has been adjusted to reflect the current best estimate in accordance with the Accounting Standard (AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India. In case of LEAF as the income tax demands raised with respect to the assessment years till 2005-2006 have been fully settled, it is no longer probable that an outflow as reflected in the previous years will be required to settle the obligation of payment of the income tax dues, and, therefore, the pre-existing provision has been adjusted in LEAF's financial statements.

6. Earnings per share is calculated by dividing the profit after provision for income tax but before the deferred tax liabilities by the weighted average number of equity shares outstanding during the year. The consolidated Earnings per share is as follows:

	Current Year
	2145.38
	60132245
	35.68
	2.00

7. The information with respect to the transactions entered into by related parties have been duly disclosed in the respective financial statements.
8. During the year, LEAF has acquired 9830400 shares of PGRL, out of which 6 (six) equity shares are being held by the nominees of LEAF, with LEAF being the beneficial owner thereof in terms of the Companies Act, 1956. Out of 9830400 shares, LEAF has acquired 9800000 shares at premium of Rs. 40.00 per share.
9. During the year, the Company's wholly owned subsidiary company viz. Punjab Greenfield Resources Ltd., has acquired 509930 shares i.e. 50.99% stake of Victor food India Ltd.
10. As per the Accounting Standard (AS)-4 "Contingent Events Occurring after the Balance Sheet Date". Events occurring after the Balance Sheet date under review, which do not affect the figures as stated in the financial statements normally do not require any disclosure, in the financial statements although they may be of such significance that may require a disclosure in the report of the approving authority to enable the users of the financial statements to make proper evaluations and decisions. Since the board of directors of the company are the approving authority for the financial statements, accordingly such disclosure has been made by the management of LEAF and its subsidiaries in the respective reports of the board of directors of LEAF and PGRL and VFIL.
11. Additional information as required by Para 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 and segmenting reporting have been duly stated in the respective financial statements of LEAF and PGRL & VFIL.

(BALBIR SINGH UPPAL)
Chairman & Managing Director

(JANAK RAJ SINGH)
Executive Director

As per our report of even date
For S.Kumar Gupta & Associates
Chartered Accountants

Place: Chandigarh
Date : 28.02.2009

(AJAY K.RATRA)
Company Secretary

(K.I.SINGH)
General Manager-Finance

(C.A. SUNIL GUPTA)
Partner
M.No.085624



Regd. office : S.C.O.18-19, 1st Floor, Sector 9-D, Madhya Marg, Chandigarh-160017.India.

ATTENDANCE SLIP

(Please complete this slip and hand over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 18th Annual General Meeting held at Chandigarh Club, Sector-1, Chandigarh on Friday, 27th March 2009 at 11.00 A.M.

Name of members (in Block Letters).....

No. of Shares Held.....

Folio/DP ID/Client ID No.....

Signature of Shareholder/Proxy Present

Note : Only Shareholders of the Company or their proxies will be allowed to attend the meeting.



Regd. office : S.C.O.18-19, 1st Floor, Sector 9-D, Madhya Marg, Chandigarh-160017.India.

(PROXY FORM)

I/WE.....

of.....

being member/members of the above named Company hereby appoint Mr/Ms.....

..... ofor failing him/her, Mr/Ms...

.....of.....

as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held on Friday, 27th March 2009 at 11.00 A.M. and any adjournment thereof.

Signed this..... day of 2009 by the said.....

Signature

Address.....

Folio/DP ID/Client Id No.....

No. of Shares Held.....

Affix Re. 1/- Revenue Stamp

Note : The proxy form must be deposited at the Registered Office of the company, not less than 48 hours before the time for holding the meeting.