



**SITA SHREE**

# **SITA SHREE FOOD PRODUCTS LIMITED**

**14th Annual Report  
2009-2010**

## **Board of Directors**

1. Dinesh Agrawal	Chairman cum Managing Director
2. Ashish Goyal	Whole Time Director
3. Kamlesh Jain	Non-Executive Independent Director
4. Suresh Narayan Wagh	Non-Executive Independent Director
5. Ganesh Prasad Sharma	Non-Executive Independent Director
6. Santosh Kumar Gupta	Non-Executive Independent Director

### **Auditors:**

M/s M. K. Shah & Associates  
Chartered Accountants  
City Plaza, 564 M.G. Road, IInd Floor  
Chamber No. 207, Near Regal Talkies  
Indore- 452001

### **Bankers:**

Union Bank of India,  
SSI Branch, 21, Diamond Colony,  
New Palasia, Indore

### **Registered Office:**

332/4/2, R.D. Udyog Nagar,  
Palda Nemawar Road, Mathurawala's Colony,  
Indore (M.P.) 452001  
Tel.: +91-731-4052102-112-114  
Fax: +91-731-4068448  
Website – [www.sitashri.com](http://www.sitashri.com)  
Email – [info@sitashri.com](mailto:info@sitashri.com)

### **Registrar and Share Transfer Agent:**

M/s Ankit Consultancy Private Limited  
2<sup>nd</sup> Floor, Alankar Point,  
Geeta Bhawan Chouraha, A.B. Road,  
Indore (M.P.) 452001  
Tel.: +91-731-2491298  
Fax: +91-731-4065798  
Email [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

**NOTICE**

Notice is hereby given that fourteenth Annual General Meeting of the Members of the Company will be held at the registered office of the Company at 332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore (M.P.) 452001 on Thursday, 30<sup>th</sup> Sept., 2010 at 10.30 A.M. to transact the following business:

**AS ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account of the Company for the year ended on that date together with the Auditors and Director's Report thereon.
2. To appoint Director in place of Shri Santosh Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Ganesh Prasad Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass a resolution for appointment of the Auditors in place of M/s M.K. Shah & Associates, Chartered Accountants, who retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment and authorise the Board to fix their remuneration.

**AS SPECIAL BUSINESS:**

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

**"RESOLVED THAT** the approval pursuant to Section 149 (2A) of the Companies Act, 1956, be and is hereby accorded to the Company for commencing and carrying on the business stated in sub Clause 6 of Clause III (C) of the Memorandum of Association of the Company specified as below." To acquire by purchase, lease, exchange, hire or otherwise develop or operate land, buildings and hereditaments of any tenure or description including agricultural land, mines, quarries, tea or coffee gardens, farms, gardens, orchards, groves plantations and any estate or interest therein, and any right over or connected with land and building so situated and develop or to turn the same to account as may seem expedient and in particular by preparing building sets and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels room, flats, houses, restaurants, markets, shops, workshop, mills, factories, warehouse, cold storage, godowns, offices, hostels, gardens, multistoried buildings, swimming pools, play wharves, building works and conveniences of all.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

**"RESOLVED THAT** the approval pursuant to Section 149 (2A) of the Companies Act, 1956, be and is hereby accorded to the Company for commencing and carrying on the business stated in sub Clause 31 of Clause III (C) of the Memorandum of Association of the Company specified as below"

To engage into the business of trading, broking, manufacturing, importing, exporting processing of cotton seed, cotton seed oil and/or their joint/by products.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as ordinary resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri Dinesh Agrawal as the Chairman cum Managing Director of the company for a period of three years with effect from 1<sup>st</sup> June 2010 at a remuneration of Rs. 1,00,000/- per Month."



**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Shri Dinesh Agrawal will be paid the above salary as minimum remuneration provided that the above remuneration and period of appointment shall not exceed the limits specified under Section II of part II of Schedule XIII of the Companies Act, 1956 and facility of Car, Telephone and Mobile will be provided as per Company rules"

**"RESOLVED FURTHER THAT** as long as Shri Dinesh Agrawal is holding the post of the Chairman cum Managing Director, he shall not be liable to retire by rotation at the Annual General Meeting of the members of the company."

**"RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as they may in their absolute discretion consider necessary, expedient or desirable, for the purpose of giving effect to this resolution."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as ordinary resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269,309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri Ashish Goyal as the Whole Time Director of the company for a period of Three years with effect from 1<sup>st</sup> June 2010 at a remuneration of Rs. 50,000/- per Month."

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Shri Ashish Goyal will be paid the above salary as minimum remuneration provided that the above remuneration and period of appointment shall not exceed the limits specified under Section II of part II of Schedule XIII of the Companies Act, 1956 and facility of Car, Telephone and Mobile will be provided as per Company rules"

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**"RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as they may in his absolute discretion consider necessary, expedient or desirable, for the purpose of giving effect to this resolution."

**BY ORDERS OF THE BOARD  
SITA SHREE FOOD PRODUCTS LIMITED**

Place : Indore  
Dated:06.09.2010

**Dinesh Agarwal**  
Chairman cum Managing Director

**NOTE:**

1. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under item Nos. 4 are annexed thereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books shall remain closed from 24<sup>th</sup> Sept., 2010 to



Notice is hereby given that fourteenth Annual General Meeting of the Members of the Company will be held at the registered office of the Company at 332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore (M.P.) 452001 on Thursday, 30<sup>th</sup> Sept., 2010 at 10.30 A.M. to transact the following business:

**AS ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account of the Company for the year ended on that date together with the Auditors and Director's Report thereon.
2. To appoint Director in place of Shri Santosh Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Ganesh Prasad Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass a resolution for appointment of the Auditors in place of M/s M.K. Shah & Associates, Chartered Accountants, who retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment and authorise the Board to fix their remuneration.

**AS SPECIAL BUSINESS:**

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

**"RESOLVED THAT** the approval pursuant to Section 149 (2A) of the Companies Act, 1956, be and is hereby accorded to the Company for commencing and carrying on the business stated in sub Clause 6 of Clause III (C) of the Memorandum of Association of the Company specified as below." To acquire by purchase, lease, exchange, hire or otherwise develop or operate land, buildings and hereditaments of any tenure or description including agricultural land, mines, quarries, tea or coffee gardens, farms, gardens, orchards, groves plantations and any estate or interest therein, and any right over or connected with land and building so situated and develop or to turn the same to account as may seem expedient and in particular by preparing building sets and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels room, flats, houses, restaurants, markets, shops, workshops, mills, factories, warehouse, cold storage, godowns, offices, hostels, gardens, multistoried buildings, swimming pools, play wharves, building works and conveniences of all.

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**DIRECTOR'S REPORT**

To,  
**The Members,**  
**Sita Shree Food Products Limited**  
**INDORE**

The Directors of your company are pleased to present the Directors Report together with the Audited Accounts and Report on Corporate Governance of the Company for the year ended 31<sup>st</sup> March, 2010;

**FINANCIAL RESULTS**

	(Rs. In lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>Income from operation</b>	<b>13676.05</b>	<b>10687.68</b>
<b>Profit/loss before providing Depreciation and Interest</b>	<b>481.32</b>	<b>269.71</b>
<b>Less: Depreciation</b>	<b>42.01</b>	<b>41.83</b>
<b>Interest</b>	<b>259.06</b>	<b>150.73</b>
<b>Profit/loss Before Taxation</b>	<b>180.24</b>	<b>77.15</b>
<b>Less: Provision for Taxation</b>	<b>61.25</b>	<b>39.00</b>
<b>Fringe Benefit Tax</b>	<b>0.00</b>	<b>0.67</b>
<b>Deferred Tax Liability</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit /Loss after Taxation</b>	<b>118.99</b>	<b>37.48</b>

**WORKING PERFORMANCE REVIEW:**

During the financial year incomes of the company is increased from Rs. 10687.68 Lacs to Rs. 13676.05 Lacs and resulting, increase in net profit from Rs. 37.48 Lacs to Rs. 118.99 Lacs. Your Directors are confident and trying hard to increase the profitability during the current financial year with dedicated efforts of the management.

**FUTURE DEVELOPMENT AND ACTIVITIES:**

As reported earlier Company has already purchased land at Barlai Jangir for our proposed plant and Company has also got the related approval for the same from concerned Govt. authorities. Site preparation is already started and construction of factory building is also starting in the month of September 2010. There is a delay in implementation and starting of this project. This is due to problems relating to land which was proposed in prospectus, for this project. At that time this land was converted land and ready to be used for industrial purpose. But after the some time before the starting of the project, Government changed the land use of this land and therefore industrial development could not be carried on said land. Then Company started searching new and suitable land for the project, applied to various govt. authorities like DIC and MPAKVN, but no land was made



available to us. Finally Company purchased private land at Barlai Jangir at Kshipra nearby Dewas and started required activities for setting up the proposed plant. Meanwhile proceed of the public issue was kept in fixed deposit and used for working capital requirements of the Company. Specific utilization details of fund are given in the notes of accounts of the Company.

Further, Company is planning to enter into the business of real estate, which the fastest growing sector in the country. Related resolution is given in notice of the meeting with explanatory statement for the perusal of the members.

#### **DIVIDEND:**

To conserve the resources of the Company, especially in view of the new project of the Company and to ensure better long term results your Directors are of the opinion to plough back the entire profits and do not recommend any dividend for the year under review. New project requires huge amount of capital. So, it is not advisable to have a dividend payout when a Project in need of huge capital requirement.

#### **DIRECTORS:**

During the year under report **Mr. Ganesh Prasad Sharma** and **Mr. Santosh Kumar Gupta**, the Directors of the Company would retire by rotation at the forthcoming Annual General Meeting of the Company. Proposals for their re-appointment have been included in the Notice of Annual General Meeting for your approval.

Further, **Ms. Neha Agrawal** was appointed as Additional Director by the Board of Directors on 29.05.2010, she has resigned from the office of the Director of the Company w.e.f. 06.09.2010.

Tenure of **Mr. Dinesh Agrawal**, Managing Director of the Company was completed on 01.06.2010 and Board of Directors has re-appointed him as Chairman-cum-Managing Director of the Company w.e.f. 01.06.2010 at their meeting held on 29.05.2010. Necessary resolution for approval of members has been attached with the notice.

Tenure of **Mr. Ashish Goyal**, Whole time Director of the Company was completed on 01.06.2010 and Board of Directors has re-appointed him as Whole time Director of the Company w.e.f. 01.06.2010 at their meeting held on 29.05.2010. Necessary resolution for approval of members has been attached with the notice.

#### **DEPOSITS:**

The Company has neither accepted nor invited any deposit from the public and hence directives issued by Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable for the year

#### **PARTICULARS OF EMPLOYEES:**

Particulars of the employees, pursuant to Section 217 (2A) of the companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975 is nil, as none of the employee has received remuneration of Rs. 2.00 Lacs per month or Rs. 24,000 Lacs per year or more.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:**

Particulars with respect to conservation of energy is annexed in Part-A and form an integral part of this report for the year ended 31<sup>st</sup> March, 2010. Technology absorption pursuant to Section 217 (1)(c) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is not applicable to us.

Further, Company has earned foreign exchange (CIF Value of goods Export) equivalent to Rs. 878.95 Lacs for the year and foreign exchange outgo is 3858.86 Lacs for the year.



**AUDITORS REPORT:**

The Auditors, in their report have referred to the Notes forming part of the Account, considering the principle of the materiality; the notes are self explanatory and need no comments.

**AUDITORS:**

M/s M.K. Shah & Associates, Chartered Accountants, auditors of the Company shall be retiring at the conclusion of the ensuing Annual General Meeting and are eligible, offers themselves for re-appointment.

**CORPORATE GOVERNANCE:**

Report on Corporate Governance and Management Discussion and Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed and form part of this Annual Report. A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

**EMPLOYEES RELATIONS**

Employee's relation continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company worked at factory and office premises and achieved commendable progress.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on representation received from the operating management and after due enquiry, confirm in respect of the audited financial accounts for the year ended March 31, 2010:

1. That in preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures.
2. That the Directors had, in consultation with the Statutory Auditors, 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 for the year ended March 31, 2010 and the profit and loss Account of the Company for that period.
3. That 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.
4. That the Directors had prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for and gratitude to the Union Bank of India, SSI Branch for their valuable support and co-operation.

Your directors also wish to place on record their appreciation of the wholehearted and continued support extended by the shareholders and investors, which had always been a source of strength for the Company.

For & On Behalf of the Board

Dated: 06.09.2010

CHAIRMAN



<b>FORM A- CONSERVATION OF ENERGY</b>			
<b>A:</b>	<b>POWER &amp; FUEL CONSUMPTION</b>	<b>CURRENT YEAR 2009-10</b>	<b>PREVIOUS YEAR 2008-09</b>
<b>I.</b>	<b>ELECTRICITY</b> (a) PURCHASED UNITS (KWH) TOTAL AMOUNT (Rs.) RATE PER UNIT (Rs.) (b) OWN GENERATION (i) THROUGH DIESEL GENERATION UNIT (KWH) (ii) THROUGH THERMAL GENERATION UNIT (KWH) (iii) THROUGH TRIAL RUN UNIT (KWH) UNIT PER TON OF COAL (KWH) COST PER UNIT (Rs.)	2418170 11,975,698 4.95 Nil Nil Nil	2060050 10,462,933 5.08 Nil Nil Nil
<b>II.</b>	(a) COAL FOR KILN QUALITY WHERE USED QUANTITY USED (M.T.) TOTAL COST (Rs.) AVERAGE RATE PER M.T./Rs. (b) COAL FOR CTPP QUALITY WHERE USED QUANTITY USED (M.T.) TOTAL COST (Rs.) AVERAGE RATE PER M.T./Rs.	Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil	Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil
<b>III.</b>	<b>FURNACE OIL</b>	Nil	Nil
<b>IV.</b>	<b>OTHERS/INTERNAL GENERATION</b>	Nil	Nil
<b>B:</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION PRODUCT UNIT ELECTRICITY (KWH/MT) FURNACE OIL COAL PER M.T. TO CLINKER COAL QUALITY AVERAGE ASH CONTENTS PERCENTAGE AVERAGE CALORIFIC VALUE (kcal/kg) OTHER-HSD</b>	65.58 Nil	55.45 Nil

**FORM B- TECHNOLOGY ABSORPTION**

1. The company has no specific research & development expenditure during the year.

<b>FORM C- FOREIGN EXCHANGE EARNING &amp; OUTGO</b>			
<b>S.No.</b>	<b>PARTICULAR</b>	<b>CURRENT YEAR (Rs. in lac) 2009-10</b>	<b>PREVIOUS YEAR (Rs. in lac) 2008-09</b>
1	FOREIGN EXCHANGE EARNING	878.95	1,749.98
2	FOREIGN EXCHANGE EXPENDITURE	3,858.86	121.97

**MANAGEMENT DISCUSSION AND ANALYSIS**

We have pleasure in submitting the Management Discussion & Analysis Report on the Company's business.

**A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

Packed flour industry is growing day by day as habits of peoples residing in cities and preferably in nuclear families, is changing to purchase flour inspite of wheat. Increasing demand of bakery products and its penetration in small town is also a good sign for our industry. Turnover of Company is continuously increasing, during 2009-10 Company has achieved total turnover of Rs. 136.73 Crores out of which export turnover was of Rs. 8.79 Crores.

Company has purchased land having area of 11.36 acre situated at Barlai Jangir, Kshipra near Indore (M.P.) for the purpose of upcoming project of the Company. Construction of boundary wall and site development has been started and very soon construction of factory building will be started.

**B. OPPORTUNITIES AND THREATS**

The export market for agro commodities has grown appreciably for countries like India and export and import of agriculture items have increased significantly over the past several years. Over a period of several decades the Company has developed a strong and impeccable reputation in industry, particularly in Import-Export. Attraction for packed food such as ATTA, has been significantly increased, it will make wide and strong customer base of our Company.

Looking into the possibilities of rapid growth and profitability Company is planning to enter into business of real estate. For which related information is given in the notice of the meeting. In this sector Company is having good possibilities as there is continues demand in this sector and availability of high profit margin.

The global food industries are extremely competitive, hygienic and health conscious and Indian manufacture and exporter have to compete with low profit margin and unorganized set-up in India. Small flour units are big competitor in local markets.

**C. OUTLOOK**

The outlook for the food industry sounds promising. Development of nuclear family concept is the basic line for packed food industry i.e. Atta and other packed basic food.

**D. SEGEMENT-WISE PERFORMANCE:**

The Company is engaged in the business of wheat and pulses products manufacturing, trading and derivative of agro commodities in local as well as international market. In manufacturing activity turnover is Rs. 79.67 Crores as compare to Rs. 81.67 Crores of previous year. In trading activity turnover is Rs. 55.59 crore as compare to Rs. 21.76 Crores of previous year.

**E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.



The Company has an internal audit system from an independent agency, which ensures that the Company's control mechanism is properly followed and all statutory requirements are duly complied with.

Moreover, an audit committee of the Board of Directors comprising of non-executive directors regularly reviews the audit plans, adequacy of internal control as well as compliance of accounting standards.

**F. FINANCIAL AND OPERATIONAL PERFORMANCE:**

Please refer to performance review in the Board of Directors Report.

**G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/  
INDUSTRIAL RELATIONS:**

We have ensured safe and healthy working conditions in the Unit and have continued with our policy to ensure safe and healthy working conditions in the other premises of the Company taking into account of health and safety of all concerned, besides conservation of natural resources and protection of the environment.

A major factor the continued growth of your organization is the constructive support of Banks, Institutions, suppliers, Executives, employees, creditors and the confidence shown by them in the Company. Employer-Employee relations in all the offices of the Company were cordial throughout the year under review.

As at March 31, 2010, the Company had a total workforce of approximately 50 persons, including managers, staff and workers.

**H. CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "Forward Looking Statements". Actual results may differ materially from those expressed or implies. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand / supply, effect of political situations, change in the Government regulations, tax laws and other statutes and incidental factors over which the Company does not have any control.

For & On Behalf of the Board

Place: **INDORE**

Dated: **06.09.2010**

**CHAIRMAN**



## REPORT ON CORPORATE GOVERNANCE

## I. Company's Philosophy on code of Governance

The Company is committed to the adoption of best governance practices and its adherence in the true spirit at all levels and facets. Our governance practice stem from an inherent desire to improve and innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process. Our governance philosophy rests in five basic tenets viz. Board's accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders and superior transparency and timely disclosure.

## II. Board of Directors

The Board of Directors of the Company comprises of eight directors, consisting of four (4) executive and four (4) independent, professional, non-executive director.

The constitution of Board is as under:

Sr. No.	Director	Executive/ Non-Executive/ Independent	No. of Other Directorships/ Committees membership	Board Meeting Attended	Attendance at the previous Annual General Meeting
1	Mr. Rajababu Agrawal* Chairman-cum-Whole time Director	Executive/ Non Independent	-	8	Yes
2	Mr. Dinesh Chandra Agrawal, Managing Director	Executive / Non Independent	-	9	Yes
3	Mr. Rupesh Agrawal* Whole time-Director	Executive / Non Independent	1	7	Yes
4	Mr. Ashish Goyal Whole-time-Director	Executive / Non Independent	-	8	Yes
5	Mr. Kamlesh Jain	Non Executive / Independent	-	-	-
6	Mr. Suresh Narayan Wagh	Non Executive/ Independent	-	1	No
7	Mr. Ganesh Prasad Sharma	Non Executive /Independent	2	7	Yes
8.	Mr. Santosh Kumar Gupta	Non Executive /Independent	-	8	Yes

\*Both Resigned on 23<sup>rd</sup> December 2009

During the year under review Ten (10) meetings of the Board of Directors were held on 30.04.2009, 30.06.2009, 31.07.2009, 31.08.2009, 03.09.2009, 31.10.2009, 10.12.2009, 23.12.2009, 30.01.2010 and 22.03.2010.

## Note on Directors re-appointment

Mr. Ganesh Prasad Sharma and Mr. Santosh Kumar Gupta, the Directors of the Company are retiring at the forthcoming annual general meeting by rotation and they are eligible for re-appointment. Mr. Dinesh Agrawal, Managing Director of the Company whose appointment as managing director was expired on 01.06.2010, again reappointed as Chairman cum Managing Director of the Company for three years by the Board of Directors at the remuneration (in terms of Schedule XIII of the Companies Act' 1956) recommended by the Remuneration Committee. Required details and resolutions are given in the notice of the annual general meeting.

Mr. Ashish Goyal, Whole time Director of the Company whose appointment as Whole time Director was expired on 01.06.2010, again reappointed as Whole time Director of the Company for three years by the Board of Directors at the remuneration (in terms of Schedule XIII of the Companies Act' 1956) recommended by the



Remuneration Committee. Required details and resolutions are given in the notice of the annual general meeting.

Ms. Neha Agrawal, was appointed by the Board of Directors as Additional Director on 29.05.2010 and she resigned on 06<sup>th</sup> Sept. 2010 from the office of the Director of the Company.

#### Information placed before the Board

Information placed before the Board of Directors broadly covers the items specified in clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Directors on the Board have complete access to all information of the Company, as and when necessary.

#### Code of Conduct

The Board of Directors has laid down a code of conduct for all Board members and senior management personnel of the Company. A Certificate from the Compliance Officer for the same has been placed before the Board.

#### III. Audit Committee

The Audit Committee is under the Chairmanship of Ganesh Prasad Sharma . During the financial year 2009-2010 Four (4) meetings were held on the following dates:

- |               |               |
|---------------|---------------|
| 1) 30.06.2009 | 3) 31.10.2009 |
| 2) 31.07.2009 | 4) 30.01.2010 |

The constitution of the Committee and the attendance of each member is given below:

Name	Designation	Committee Meetings Attended
Mr. Ganesh Prasad Sharma	Chairman	Four
Mr. Kamlesh Jain	Member	-
Mr. Suresh Narayan Wagh	Member	Two
Mr. Santosh Kumar Gupta	Member	Four

The terms of reference of the Audit Committee inter-alia include the following:

- To overview the Companies financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To hold periodic discussions with the Statutory auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
- To recommend the re-appointment of statutory auditors and fixation of audit fees.
- To review performance of statutory and internal auditors and adequacy of internal control systems;
- To review quarterly, half yearly and annual financial results of the Company before submission to the Board;
- To discuss any significant findings made by internal auditors and follow-up thereon;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matter to the Board;
- To look into substantial defaults, if any in payments to depositors, debenture-holders, creditors & shareholders.
- Any related party transactions that may have the potential conflict with the interest of the Company.



In addition to the above, the committee shall have such functions / role / powers as may be specified in the Companies Act, 1956, Listing Agreement with Stock exchanges or any other applicable law.

#### IV. Remuneration Committee

The Remuneration Committee has been formed to review and make recommendations on annual salaries, performance commission, perquisites and other employment conditions of the Executive Directors. The remuneration committee consists of the following non executive and independent Directors:

Name	Designation	Committee Meetings Attended
Mr. Ganesh Prasad Sharma	Chairman	One
Mr. Kamlesh Jain	Member	-
Mr. Suresh Narayan Wagh	Member	One
Mr. Santosh Kumar Gupta	Member	One

During the financial year 2009-2010 one (1) meetings were held on 30.06.2009 to review remuneration of Promoter Executive Directors of the Company.

Details of remuneration paid/payable to directors for the year ended March, 2010 are as follows:  
(Amount in Rupees)

Name of the Director	Designation	Business relationship with Company	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. Rajababu Agrawal	Chairman-cum-Whole time Director	Promoter	-	4,00,000	-	4,00,000
Mr. Dinesh Agrawal	Managing Director	Promoter	-	6,00,000	-	6,00,000
Mr. Rupesh Agrawal	Whole time Director	Promoter	-	2,00,000	-	2,00,000
Mr. Ashish Goyal	Whole time Director	Promoter	-	3,00,000	-	3,00,000
Mr. Suresh Narayan Wagh	Non Executive / Independent	Independent	4,000	-	-	4,000
Mr. Ganesh Prasad Sharma	Non Executive / Independent	Independent	14,000	-	-	14,000
Mr. Kamlesh Jain	Non Executive / Independent	Independent	-	-	-	-
Mr. Santosh Kumar Gupta	Non Executive / Independent	Independent	16,000	-	-	16,000

# The remuneration to the executive directors is being paid as per the recommendation of Remuneration Committee and approval of the shareholders at the general body meeting.

# Salary and perquisites includes provident Fund and Gratuity etc.



#### V. Shareholders Grievance Committee

A 'Shareholders Grievance Committee' has been formed to look into shareholders and investors grievances. The following Directors are the members of the Committee:

Name	Designation	Committee Meetings Attended
Mr. Ashish Goyal	Chairman	3
Mr. Ganesh Prasad Sharma	Member	2
Mr. Suresh Narayan Wagh	Member	-
Mr. Santosh Kumar Gupta	Member	3

#### Name, Designation & Address of Compliance Officer:

Mr. Dinesh Agrawal, Managing Director  
332/4/2, R.D. Udyog Nagar, Mathurawalas Colony, Nemawar Road, INDORE (M.P.)-452001  
Email: info@sitashree.com

During the year under review Three (3) meetings of the Shareholders Grievance Committee were held on 30.06.2009, 31.08.2009 and 22.03.2010.

During the year the Company received 05 (Five) complaints from its shareholders and resolved all of them and there is no pending complaint with the Company.

#### VI. General Body Meetings

The details of the location and time of the Annual General Meetings held during the last 3 years are as follows:

Annual General Meeting for year	Date	Time	Venue	No. of Special Resolutions passed
2009	29 <sup>th</sup> Sept., 2009	10.30 a.m.	Hotel Apsara,, Ravindra Natya Club, I, R.N.T. Marg, Indore	One
2008	29 <sup>th</sup> Sept., 2008	10.30 a.m.	Hotel Apsara,, Ravindra Natya Club, I, R.N.T. Marg, Indore	Nil
2007	18 <sup>th</sup> Aug. 2007	10.00 a.m.	332/4/2, R.D. Udyog Nagar, Mathurawalas Colony, Nemawar Road, Indore	Nil

- No resolution has been passed through postal ballot till date.
- Presently, the Company does not have any transaction/proposal for postal ballot.
- Postal ballot, if required to be passed in future shall be in terms of provisions of the prescribed section and Rules.

#### VII. Compliance

##### Mandatory Requirements:

The Company is fully complied with the applicable mandatory requirements of clause 49 of the Listing Agreement.

##### Adoption of Non-Mandatory Requirements:

A Remuneration committee has been constituted in accordance with the requirements of the Listing Agreement. The committee decided/recommend to the Board the amount of salary, perquisites and





commission to be paid to the Directors (within the overall ceiling fixed by the shareholders)

#### VIII. Disclosures

- Details of transactions of a material nature of the related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in note 23 and 24 of Schedule "24" attached to the accounts. There is no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.
- There has been no instance of non-compliance by the Company on any matter related to capital markets or imposition of penalties or strictures by SEBI or the Stock Exchanges or any other Statutory Authority during last three years.
- None of the employee of the Company was denied access to the Audit Committee during the year.
- Company has complied with all mandatory requirements of the Listing Agreement and also adopted the non-mandatory requirements wherever required.

#### IX. Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total numbers of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### X. Means of Communication

- The Company generally publishes quarterly unaudited and annual audited results in two news papers i.e. (1) Financial Express (2) Choutha Sansar and same has been intimated to both Stock Exchanges immediately after approval of the Board.
- The quarterly and half yearly results of the Company are made available at the web site of the Company at [www.sitashri.com](http://www.sitashri.com).
- The Company also in forms by way of a press release, all matters, which in its opinion are material and of relevance, to the shareholders of the Company.
- Management discussion and analysis report is forming part of this report.

#### XI. General Shareholder Information

##### a) Annual General Meeting

- Date, Time and Venue: 30<sup>th</sup> September, 2010 at 10.30 a.m.  
332/4/2, R.D. Udyog Nagar, Mathurawalas Colony,  
Nemawar Road, INDORE (M.P.) -452001

##### b) Financial Calendar (2010-11)

Financial reporting for

- Quarter ending 30th June, 2010: Second Week of August'2010
- Quarter ending 30th September, 2010: Second week of November'2010
- Quarter ending 31st December, 2010: Second Week of February'2011
- Year ending 31st March, 2011: Last week of May' 2011

##### c) Date of Book Closure

24<sup>th</sup> Sept, 2010 to 30<sup>th</sup> Sept, 2010  
(Both days inclusive)

##### d) Dividend payment date

N.A.

##### e) Listing of Equity Shares on Stock Exchanges

- Bombay Stock Exchange Limited, Mumbai



f)	Stock Code	- National Stock Exchange of India Limited, Mumbai SITASHREE
g)	Scrip Code	BSE No. 532961
h)	ISIN No.	INE686I01011

**Stock Market Data** Monthly Stock market data in both the Stock Exchanges is given below:-

**Market data of Equity Shares at National Stock Exchange**

Date	High Price	Low Price	Total Traded Quantity
Apr-09	9.80	5.55	1637954
May-09	13.95	7.20	2892170
Jun-09	15.80	9.50	3064513
Jul-09	11.55	7.55	1105985
Aug-09	14.65	10.10	4812131
Sep-09	11.60	10.30	519060
Oct-09	10.90	8.00	338690
Nov-09	9.95	7.50	400497
Dec-09	9.40	8.25	516846
Jan-10	12.00	8.60	1515012
Feb-10	10.05	8.35	198688
Mar-10	12.00	8.20	2832411
Year	15.80	5.55	19833957

**Market data of Equity Shares at Bombay Stock Exchange**

Date	High Price	Low Price	Total Traded Quantity
Apr-09	9.70	5.60	1115644
May-09	13.94	7.04	1678645
Jun-09	15.25	9.35	1613516
Jul-09	11.80	7.89	595202
Aug-09	14.55	8.52	2962866
Sep-09	11.75	10.22	491442
Oct-09	11.00	8.02	315627
Nov-09	10.05	7.57	315891
Dec-09	9.36	8.42	352837
Jan-10	11.90	8.60	1007818
Feb-10	10.00	8.32	199405
Mar-10	11.95	8.10	2092691
Year	15.25	5.60	12651584

**i) Registrar and Transfer Agents (for Physical and Electronic Both)**

M/s. Ankit Consultancy Private Limited  
2<sup>nd</sup> Floor, Alankar Point,  
Gita Bhawan Chouraha,  
A.B. Road, Indore  
Phone : 0731-2491298  
0731-4065798 (Fax)  
Email at [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

The Share transfer and de-materialization related activities are being handled by the Share Transfer Agent.

**j) Share Transfer System**

To expedite the transfer of shares held in physical mode the powers to transfer have been delegated to SEBI registered share transfer agents M/s. Ankil Consultancy Private Limited. The transfers which are complete in all respect are taken up for approval generally every ten days and the transfer/transmission approved by the delegates to the transferor within 21 days.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. The transfer of shares in depository mode need not to be approved by the Company.

**k) Distribution of shareholding as on 31<sup>st</sup> March, 2010**

Slab of Shareholding	No. of share Holders	%	No. of Shares	%
0-5000	9635	76.76	1766267	8.02
5001-10000	1559	12.42	1316093	5.97
10001-20000	695	5.54	1084067	4.92
20001-30000	247	1.97	643934	2.92
30001-40000	84	0.67	300805	1.37
40001-50000	87	0.69	413892	1.88
50001-100000	128	1.02	932687	4.23
100001-and above	123	0.98	15579055	70.70
<b>Total</b>	<b>12558</b>	<b>100</b>	<b>22036800</b>	<b>100</b>

**According to categories of shareholdings as on 31<sup>st</sup> March, 2010**

SR. NO.	CATEGORY	NO. OF SHARES	% OF HOLDING
<b>A</b>	<b>PROMOTER S HOLDING</b>		
1.	Promoters -Indian Promoters -Foreign Promoters	12092623	54.87
2.	Persons acting in concert		
	<b>Sub-Total</b>	<b>12092623</b>	<b>54.87</b>
<b>B</b>	<b>NON PROMOTERS HOLDING</b>		
3.	Institutional investors		
a.	Mutual funds and UTI		
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions /Non-government Institutions)		
<b>C.</b>	<b>FII</b>		
	<b>Sub-Total</b>		
4.	<b>Others</b>		
a.	Private Corporate Bodies	3336517	15.14
b.	NRI/OCBs	92794	0.42
c.	Indian Public	6425852	29.16
d.	Any Other (Clearing Member)	89014	0.40
	<b>Sub-Total</b>	<b>9944177</b>	<b>45.13</b>
	<b>GRAND TOTAL</b>	<b>22036800</b>	<b>100</b>

**b) Dematerialization of shares**

As on 31<sup>st</sup> March, 2010 except, 3857812 shares all the shares of the Company are in dematerialized form.

**m) Outstanding GDRs/ADRs/Warrants or any convertible instruments**

The Company does not have any outstanding instruments GDRs/ADRs/Warrants or any convertible instruments.

**n) Project Location**

Existing at 332/4/2, R.D. Udyog Nagar, Palda, Nemawar Road, Mathurawalas Colony, Indore and Proposed plant location is Barlai Jangir, Kshipra nearby Indore (M.P.)

**o) Address for Investor's Correspondence:****1) Compliance Officer**

Sita Shree Food Products Limited

332/4/2, R. D. Udyog Nagar, Mathurawalas Colony, Nemawar Road, INDORE (M.P.)-452001

Email at: [info@sitashri.com](mailto:info@sitashri.com)

or

**2) Ankit Consultancy Private Limited**

2<sup>nd</sup> Floor, Alankar Point, Gesta Bhawan Chouraha, A.B. Road, Indore (M.P.) 452001

Telephone: 0731-2491298,

Fax: 0731-4065798

Email at [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

**Declaration**

As provided under clause 49 of the Listing Agreement with the stock exchanges, it is hereby declared that all board members and senior management personnel of the Company have affirmed the compliance of Code of Conduct for the year ended 31<sup>st</sup> March 2010.

**Dinesh Agrawal**

**Chairman Cum Managing Director**

**CERTIFICATE**

To  
The Members of  
M/s Sita Shree Food Products Limited,  
**INDORE**

We have examined the compliance of the conditions of Corporate Governance by M/s Sita Shree Food Products Limited for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange(s) in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2010 no investor grievances are pending against the company as on date as per the records maintained by the company and presented to the investors/shareholders grievance committee.

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

**For P. Tripathi & Associates**  
Company Secretaries

**Pratik Tripathi**  
Proprietor  
C.P. No. 5358

Date: 06.09.2010  
Place: Indore



AUDITORS' REPORT

To,

**The Members  
Sita Shree Food Products Ltd.,  
INDORE**

1. We have audited the attached Balance Sheet of Sita Shree Food Products Limited, as at 31<sup>st</sup> March 2010 and the related Profit and Loss Account and also the cash flow statement for the year ended on that 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 conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by companies (Auditor's Report) Amendment order 2004 together the order issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, of India (the Act) and on the basis of such check of books and records of the company as considered appropriate and according to the information and explanation given to us we given in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to above and 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 accounts as required by law have been kept by the Company so far as appear for 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 accounts;
  - (iv) In our opinion, the Balance Sheet Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable.
  - (v) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, none of the director is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement together with notes thereon and attached there to give in the prescribed manner 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 31<sup>st</sup> March 2010; and
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
    - (c) in the case of the cash flow statement of the cash flow for the year ended on the date.

**For M.K.SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(M.K.SHAH)  
PROPRIETOR  
M.NO. 400-71199**

Place : Indore  
Date : 29<sup>th</sup> May 2010



**Annexure to the Auditor's Report (referred to in paragraph 3 of our Report of even date to the members of Sita Shree Food Products Ltd., Indore on the Financial Statement for the year ended 31<sup>st</sup> March, 2010).**

**(i) Fixed Assets**

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management according to a phased programme designed to all assets once in two year which in our opinion is reasonable having regards to the size of the company and nature of its assets. Fixed Assets at certain location were physically verified by the Management during the year and no material discrepancies between the books records and the physical verification have been notice.
- (c) In our opinion and according to the information and explanation given to us since no part of the fixed assets has been disposed by the company during the year. Therefore do not affect the going concern status of the company.

**(ii) Inventories**

- (a) Inventory has been physically verified by the management during the year in our opinion frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of inventory as compared to book records.

**(iii) Loan Granted or Taken**

- (a) The Company has not given any secured or unsecured loan to companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus clause 3 (b)(c)(d) does not applicable to the company.
- (b) During the year company repaid the loan of Rs. 1292913/- to the parties which are covered in the register maintained under section 301 of the Companies Act 1956.

**(iv) Internal Control Procedure**

In our opinion and according to the information and explanations given to us having regard to the explanation there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of goods, fixed assets and for the sale of goods. Further on the basis of our examination of the books and the records of the company carried out in accordance with the auditing standard generally accepted in India and according to the information and explanation given to us. We have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

**(v) Transaction with Parties u/s 301**

- (a) In our opinion and according to the information and explanations given to us, the particular of contract or arrangement referred to section 301 of the Companies Act, 1956, have been so entered in the register required to be maintained under that section.



**Annexure to the Auditor's Report (referred to in paragraph 3 of our Report of even date to the members of Sita Shree Food Products Ltd., Indore on the Financial Statement for the year ended 31<sup>st</sup> March, 2010).**

(i) **Fixed Assets**

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management according to a phased programme designed to all assets once in two year which in our opinion is reasonable having regards to the size of the company and nature of its assets. Fixed Assets at certain location were physically verified by the Management during the year and no material discrepancies between the books records and the physical verification have been notice.
- (c) In our opinion and according to the information and explanation given to us since no part of the fixed assets has been disposed by the company during the year. Therefore do not affect the going concern status of the company.

(ii) **Inventories**

- (a) Inventory has been physically verified by the management during the year in our opinion frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of inventory as compared to book records.

(iii) **Loan Granted or Taken**

- (a) The Company has not given any secured or unsecured loan to companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus clause 3 (b)(c)(d) does not applicable to the company.
- (b) During the year company repaid the loan of Rs.1292913/- to the parties which are covered in the register maintained under section 301 of the Companies Act 1956.

(iv) **Internal Control Procedure**

In our opinion and according to the information and explanations given to us having regard to the explanation there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of goods, fixed assets and for the sale of goods. Further on the basis of our examination of the books and the records of the company carried out in accordance with the auditing standard generally accepted in India and according to the information and explanation given to us. We have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

(v) **Transaction with Parties u/s 301**

- (a) In our opinion and according to the information and explanations given to us, the particular of contract or arrangement referred to section 301 of the Companies Act, 1956, have been so entered in the register required to be maintained under that section.





**Annexure to the Auditor's Report (referred to in paragraph 3 of our Report of even date to the members of Sita Shree Food Products Ltd., Indore on the Financial Statement for the year ended 31<sup>st</sup> March, 2010).**

**(i) Fixed Assets**

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management according to a phased programme designed to all assets once in two year which in our opinion is reasonable having regards to the size of the company and nature of its assets. Fixed Assets at certain location were physically verified by the Management during the year and no material discrepancies between the books records and the physical verification have been noticed.
- (c) In our opinion and according to the information and explanation given to us since no part of the fixed assets has been disposed by the company during the year. Therefore do not affect the going concern status of the company.

**(ii) Inventories**

- (a) Inventory has been physically verified by the management during the year in our opinion frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of inventory as compared to book records.

**(iii) Loan Granted or Taken**

- (a) The Company has not given any secured or unsecured loan to companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus clause 3 (b)(c)(d) does not applicable to the company.
- (b) During the year company repaid the loan of Rs.1292913/- to the parties which are covered in the register maintained under section 301 of the Companies Act 1956.

**(iv) Internal Control Procedure**

In our opinion and according to the information and explanations given to us having regard to the explanation there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of goods, fixed assets and for the sale of goods. Further on the basis of our examination of the books and the records of the company carried out in accordance with the auditing standard generally accepted in India and according to the information and explanation given to us. We have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

**(v) Transaction with Parties u/s 301**

- (a) In our opinion and according to the information and explanations given to us, the particular of contract or arrangement referred to section 301 of the Companies Act, 1956, have been so entered in the register required to be maintained under that section.

Place: Indore

Date : 29<sup>th</sup> May 2010



## BALANCE SHEET AS ON 31ST MARCH, 2010

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>I. SOURCE OF FUNDS</b>				
<b>(A) SHAREHOLDERS FUND</b>				
1	SHARE CAPITAL	"01"	220368000.00	220368000.00
2	RESERVE & SURPLUS	"02"	246248503.00	234349078.78
<b>(B) LOAN FUNDS</b>				
1	SECURED LOANS	"03"	121970242.00	185430523.35
2	DEFERRED TAX LIABILITY		13166670.00	13166670.00
3	UNSECURED LOANS	"04"	0.00	1292913.00
<b>GRAND TOTAL</b>			<b>803753415.00</b>	<b>654607185.13</b>
<b>II. APPLICATION OF FUNDS</b>				
<b>I FIXED ASSETS "05"</b>				
	GROSS BLOCK		156241073.00	131321794.29
	LESS: ACCUMULATED DEPRECIATION		-41406608.00	-37204718.43
	NET BLOCK		114834465.00	94117075.86
2	INVESTMENTS	"06"	129910.00	129910.00
3	CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS			
(a)	INVENTORIES	"07"	235490637.00	169868198.42
(b)	SUNDRY DEBTORS	"08"	213486492.00	130110664.56
(c)	CASH & BANK BALANCE	"09"	190610664.00	164688208.76
(d)	LOANS, ADVANCES & DEPOSITS & OTHER CURRENT ASSETS	"10"	97682404.00	103675413.06
			737770217.00	568342484.80
	LESS: CURRENT LIABILITIES & PROVISIONS	"11"	72967889.00	32168997.53
4	NET CURRENT ASSETS		664302328.00	536173487.27
5	MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	"12"	24486712.00	24186712.00
<b>GRAND TOTAL</b>			<b>803753415.00</b>	<b>654607185.13</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>				
<b>CASH FLOW STATEMENT SCHEDULE 1 TO 12</b>				
24 AND 25 FORM PART OF THE BALANCE SHEET IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED,				
<b>FOR M. K. SHAH &amp; ASSOCIATES</b>				
CHARTERED ACCOUNTANT (MK SHAH) PROPRIETOR M.NO.:400-71199		We certify to the correctness of above, <b>FOR AND ON BEHALF OF THE BOARD</b>		
		Dinesh Agrawal	Managing Director	
		Ashish Goyal	Whole Time Director	
		G.P.Chaturvedi	Chief Accountant	



## PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31.03.2010

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>A. INCOME</b>				
1	SALES	"13"	1352567219.00	1034248613.79
2	OTHER INCOME	"14"	15037964.00	34511299.97
3	INCREASE / (DECREASE) IN STOCK (S.G.)	"15"	68141340.00	32980293.32
	<b>TOTAL (A)</b>		<b>1435746623.00</b>	<b>1151740207.08</b>
<b>B. EXPENDITURE</b>				
1	PURCHASE OF TRADING GOODS		521281573.00	193919516.57
2	RAW MATERIAL CONSUMED	"16"	780728303.00	839858174.17
3	PACKING MATERIAL CONSUMED	"17"	12686462.00	8776518.15
4	MANUFACTURING EXPENSES	"18"	18323066.00	16083571.05
5	EMPLOYEE REMUNERATION & BENEFITS	"19"	5025215.00	5213329.00
6	ESTABLISHMENT & ADMINISTRATIVE EXP.	"20"	10190647.00	8534025.50
7	SELLING & DISTRIBUTION EXPENSES	"21"	55662183.00	48449731.41
8	INTEREST & FINANCIAL CHARGES	"22"	39282977.00	16642484.52
9	DEPRECIATION	"25"	4201890.00	4183345.57
	<b>TOTAL (B)</b>		<b>1417281416.00</b>	<b>1141651708.94</b>
C	PROFIT BEFORE TAX	(A - B)	18,465,207.00	10088498.14
D	PRIOR PERIOD ITEMS	"23"	(440783.00)	(2373709.00)
E	PROFIT (AFTER PRIOR PERIOD ADJUSTMENT)		18024424.00	7714789.14
F	PROVISION FOR TAX			
	1 CURRENT TAX		6125000.00	3900000.00
	2 FRINGE BENEFIT TAX		0.00	66468.00
			<b>6125000.00</b>	<b>3966468.00</b>
G	NET PROFIT (AFTER TAX)		11899424.00	3748321.14
H	SURPLUS BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		24349079.00	20600757.64
I	PROFIT AVAILABLE FOR APPROPRIATION		36248503.00	21349078.78
	LESS: PROPOSED DIVIDEND ON EQUITY SHARE		0.00	0.00
	LESS: CORPORATE DIVIDEND TAX		0.00	0.00
			<b>0.00</b>	<b>0.00</b>
J	SURPLUS BALANCE CARRIED TO BALANCE SHEET		<b>36248503.00</b>	<b>21349078.78</b>
	BASIC AND DILUTED EARNINGS PER SHARE OF RS.10/- EACH (IN RS.)		<b>0.54</b>	<b>0.17</b>
	SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	"24"		
	CASH FLOW STATEMENT	"25"		
	SCHEDULE 13 TO 23 FORM PART OF THE P & L A/C.			

IN TERMS OF OUR SEPARATE REPORT  
OF EVEN DATE ATTACHED,  
FOR M. K. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANT  
(M.K.SHAH)  
PROPRIETOR  
M.NO.400-71199

We certify to the correctness of above,  
FOR AND ON BEHALF OF THE BOARD

Dhesh Agrawal Managing Director  
Ashish Goyal Whole Time Director  
G.P.Chaturvedi Chief Accountant



## SCHEDULE FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>SCHEDULE "01"</b>				
<b>SHARE CAPITAL</b>				
<b>S.NO. PARTICULARS</b>				
<b>A. AUTHORIZED EQUITY SHARE CAPITAL</b>				
	740,00,000 EQUITY SHARES OF RS. 10/- EACH		240000000.00	240000000.00
	(P.Y. 24000000 EQUITY SHARES OF RS. 10/- EACH)			
<b>B. ISSUED, SUBSCRIBED &amp; PAID-UP EQUITY CAPITAL</b>				
	1 22036800 EQUITY SHARES OF RS. 10/- EACH		220368000.00	220368000.00
	(P.Y. 22036800 EQUITY SHARES OF RS. 10/- EACH)			
	<b>TOTAL</b>		<b>220368000.00</b>	<b>220368000.00</b>

**SCHEDULE "02"****RESERVE & SURPLUS****S.NO. PARTICULARS**

1	SURPLUS OF PROFIT & LOSS ACCOUNT	36248503.00	24340078.78
2	SHARE PREMIUM A/C	210000000.00	210000000.00
	<b>TOTAL</b>	<b>246248503.00</b>	<b>234340078.78</b>

**SCHEDULE "03"****SECURED LOAN****S.NO. PARTICULARS****FROM UNION BANK OF INDIA, ESTD BRANCH, INDORE**

A	TERM LOAN AGAINST CAR (SECURED BY HYPOTHECATION OF CAR)	327200.00	467119.00
B	WORKING CAPITAL LOAN (WORKING CAPITAL LOAN ARE SECURED BY HYPOTHECATION OF GOODS (CONSISTING AS FINISHED AND SEMI-FINISHED GOODS RAW MATERIAL & BOOK DEBITS AND ALL CURRENT ASSETS & FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEE OF SOME OF THE DIRECTORS)	195265117.00	115240393.35
C	EXPORT BILL DISCOUNTED (EPC LIMIT) A/C	23085088.00	10258156.00
D	UNION BANK OF INDIA (EXPORT BILL PURA)	44056112.00	NIL
E	FROM UNION BANK OF INDIA (OVERDRAFT A/C (LOAN REPURCHASE BY FDR))	61296665.00	59464655.00
	<b>TOTAL (A to E)</b>	<b>323970242.00</b>	<b>18540523.35</b>

**SCHEDULE "04"****UNSECURED LOAN****S.NO. PARTICULARS**

A	FROM DIRECTORS	NIL	671454.00
B	FROM OTHERS (RELATIVES OF DIRECTORS)	NIL	621459.00
	<b>TOTAL (A to B)</b>	<b>0.00</b>	<b>1292913.00</b>



# Sita Shree Food Products Limited

ANNUAL REPORT 2009-2010

SCHEDULE '05'  
FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010

S. NO.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK			DEPRECIATION			NET BLOCK	
			VALUE AS AT 01.04.2009	ADDITION DURING THE YEAR	TOTAL AS AT 31.03.2010	BALANCE AS ON 31.03.2009	FOR THE YEAR 2009-10	REDUCTION FOR PRIOR PERIOD	AS AT 31.03.2010	AS AT 31.03.2009
1	LAND	0	2,415,970.00	-	2,415,970.00	-	-	-	2,415,970.00	2,415,970.00
	LAND (BARLAH)									
2	SITE DEVELOPMENT	3.34	2,871,599.00	21,337,650.00	24,209,249.00	948,887.82	95,924.08	-	1,827,398.06	1,827,398.06
3	FACTORY BUILDING (INCL. ADMINISTRATION BLOCK)	3.34	32,752,702.00	4,368,993.00	37,121,695.00	11,748,458.65	1,094,331.16	-	24,489,497.00	21,044,233.16
4	CAPITAL WORK IN PROGRESS BUILDING UNDER CONSTRUCTION		2,544,787.00	1,723,808.00	4,268,595.00	-	-	-	-	-
	FURNITURE IN PROGRESS		414,865.80	909,573.00	1,324,438.80	-	-	-	-	-
	PLANT & MACHINERY		32,892,383.00	476,155.00	33,368,538.00	-	-	-	-	-
5	OFFICE EQUIPMENT	4.75	884,484.00	217,327.00	1,101,811.00	312,106.88	33,505.12	-	445,208.00	262,387.12
6	PLANT & MACHINERY	4.75	50,178,666.00	-	50,178,666.00	21,679,348.97	2,893,487.03	-	26,715,823.00	29,869,316.03
7	MOBILE PHONE	4.75	170,800.00	-	170,800.00	29,880.06	6,117.34	-	133,703.00	143,910.34
8	VEHICLE	9.05	2,875,771.00	-	2,875,771.00	1,680,735.99	282,687.81	-	1,042,338.00	1,295,025.82
9	FURNITURE & FIXTURE	8.33	1,581,783.00	968,823.00	2,550,606.00	502,396.81	107,251.89	-	1,049,045.00	569,268.69
10	LAB. EQUIPMENT	4.75	165,575.00	-	165,575.00	4,172.74	5,015.26	-	96,388.00	101,403.26
11	COMPUTERS	16.21	631,192.00	110,412.00	741,604.00	280,085.44	168,882.86	-	347,225.00	348,196.85
12	AIR CONDITIONERS	4.75	131,268.00	156,280.00	287,548.00	27,824.46	41,969.84	-	242,288.00	103,833.64
13	ELECTRICAL INSTALLATION	4.75	1,082,925.29	311,302.00	1,394,227.29	297,078.37	53,480.84	-	1,033,788.00	794,248.52
14	COMPUTER SOFTWARE	16.21	107,852.00	17,707.00	125,559.00	10,033.66	18,793.35	-	96,029.00	97,848.34
CURRENT YEAR GRANT TOTAL			131321784.28	36152302.00	167474086.28	37204713.43	4201890.00	-	114834465.09	94117075.85
PREVIOUS YEAR TOTAL			91884827.29	24787907.00	116632734.29	33821389.88	4270575.69	87027.08	84117973.86	8863957.43



## SCHEDULE FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.16	AMOUNT AS ON 31.03.09
<b>SCHEDULE "06"</b>				
<b>INVESTMENTS (LONG TERM) (FULLY PAID UP)</b>				
<b>S.NO. PARTICULARS</b>				
	EQUITY SHARE OF UNION BANK OF INDIA (QUOTED)		120910.00	129910.00
	1181 EQUITY SHARE (FACE VALUE RS.10/-) (P.Y. 1181 EQUITY SHARES FACE VALUE RS 10/- PER SHARE) (MARKET VALUE RS.34974/-, P.Y. RS. 173470/-)			
	<b>TOTAL</b>		<u>120910.00</u>	<u>129910.00</u>
<b>SCHEDULE "07"</b>				
<b>INVENTORIES</b>				
<b>S.NO. PARTICULARS</b>				
	1 RAW MATERIAL AND STORES AND SHARES		49252674.00	52309546.11
	2 STOCK OF FINISHED GOODS		84239867.00	106100461.25
	3 STOCK OF PACKING MATERIAL		2708891.00	1970700.00
	4 STOCK OF W.I.P. (SEMI-FINISHED GOODS)		58930527.00	36656311.06
	5 STOCK OF TRADING GOODS		40356490.00	8250720.00
	<b>TOTAL</b>		<u>235490657.00</u>	<u>169668198.42</u>
<b>SCHEDULE "08"</b>				
<b>SUNDRY DEBTORS (UNSECURED)</b>				
<b>S.NO. PARTICULARS</b>				
	1 DEBTS (DUE) FOR A PERIOD EXCEEDING SIX MONTH (CONSIDERED GOOD)		15,923,536.00	14364438.50
	2 OTHER DEBTS (CONSIDERED GOOD)		199,562,956.00	115746236.06
	<b>TOTAL</b>		<u>213,886,492.00</u>	<u>130110664.56</u>
<b>SCHEDULE "09"</b>				
<b>CASH &amp; BANK BALANCE</b>				
<b>S.NO. PARTICULARS</b>				
	A. CASH IN HAND (AS CERTIFIED BY DIRECTOR)		1345242.00	2476190.56
	B. BANK BALANCE WITH SCHEDULED BANK			
	<b>(i) CURRENT A/C</b>			
	1 HSBC BANK (MTR)		67213.00	NIL
	2 S.B. OF INDORE NAVYAKHA BR.		112979.00	18809.92
	3 UNION BANK OF INDIA SS BR. INDORE		296085.00	536890.89
	4 UNION BANK OF INDIA IPO A/C		156738.00	156737.59
	5 STATE BANK OF INDIA (MTR) (DRAW BACK)		62314.00	63491.00
	6 UNION BANK OF INDIA FIEK A/C		948895.00	NIL
	7 UNION BANK OF INDIA TERM LOAN DEBIT BALANCE		7453.00	9108.00
			<u>4796830.00</u>	<u>784947.40</u>
	<b>(ii) MIXED DEPOSIT ACCOUNT</b>			
	UNION BANK OF INDIA		234468592.00	161427071.00
	<b>TOTAL (A + B)</b>		<u>19061064.00</u>	<u>164688281.76</u>

**SCHEDULE FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010**

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>SCHEDULE "10"</b>				
<b>LOANS, ADVANCE &amp; DEPOSITS (UNSECURED CONSIDERED GOOD) (UNLESS OTHERWISE STATED)</b>			<b>AMOUNT</b>	<b>AMOUNT</b>
			<b>AS ON</b>	<b>AS ON</b>
			<b>31.03.2010</b>	<b>31.03.2009</b>
I	<b>ADVANCE FOR PURCHASES &amp; OTHERS</b>			
1	ADVANCE FOR RAW MATERIAL		5519966.00	7339672.34
2	ADVANCE FOR CAPITAL WORK IN PROGRESS		0.00	121943.00
3	OTHER LOANS & ADVANCES		51343887.00	44721547.48
4	ADVANCE FOR EXPENSES		444332.00	1121462.00
5	ADVANCE TO CONTRACTORS		0.00	485645.00
6	EMPLOYEE LOANS & ADVANCES		514920.00	156561.00
II	<b>DEPOSIT WITH AUTHORITIES &amp; OTHERS</b>			
1	SUNDRY DEPOSITS		1639955.00	1653055.00
2	SECURITY DEPOSITS WITH B.S.E.		1575000.00	1175000.00
3	SECURITY DEPOSIT AGST. LEASE HOLD LAND		35000000.00	35000000.00
III	<b>OTHER CURRENT ASSETS</b>			
	OTHER CURRENT ASSETS		5624543.00	11471626.23
<b>TOTAL</b>			<b>97682404.00</b>	<b>106754131.06</b>

<b>SCHEDULE "11"</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			<b>AMOUNT</b>	<b>AMOUNT</b>
			<b>AS ON</b>	<b>AS ON</b>
			<b>31.03.2010</b>	<b>31.03.2009</b>
A	<b>CURRENT LIABILITIES</b>			
1	CREDITORS FOR PURCHASE OF RAW MATERIAL		21089350.00	20689750.70
2	CREDITORS FOR ADVANCE RECEIVED FROM CUSTOMER AGAINST SALES/ORDERS		18338625.00	135104.00
3	CREDITORS FOR EXPENSES		19012290.00	488950.00
4	CREDITORS FOR BROKERAGE		4432608.00	1947331.00
5	OTHER STATUTORY LIABILITIES		750096.00	591062.85
B	<b>PROVISION FOR EXPENSES</b>			
1	PROVISION FOR CURRENT TAX		6125000.00	3900000.00
2	FRINGE BENEFIT TAX		0.00	24810.00
<b>TOTAL (A + B)</b>			<b>72667889.00</b>	<b>32168997.53</b>

<b>SCHEDULE "12"</b>				
<b>MISCELLANEOUS EXPENDITURE &amp; OTHER CURRENT ASSETS (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>			<b>AMOUNT</b>	<b>AMOUNT</b>
			<b>AS ON</b>	<b>AS ON</b>
			<b>31.03.2010</b>	<b>31.03.2009</b>
	PUBLIC ISSUE & PREOPERATIVE EXPENSES		24486712.00	24186712.00
<b>TOTAL</b>			<b>24486712.00</b>	<b>24186712.00</b>



S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>SCHEDULE "13"</b>				
<b>SALES &amp; OTHERS RECEIPT FROM OPERATIONAL ACTIVITIES</b>				
<b>S.NO. PARTICULARS</b>				
<b>A) MANUFACTURING</b>				
	I) INDIGENOUS		740985214.00	782901376.36
	II) EXPORT		55711960.00	33800560.00
			796697174.00	816702336.36
<b>B) TRADING</b>				
	I) INDIGENOUS		523701308.00	76384128.43
	II) EXPORT		32183115.00	141197349.00
			555884423.00	217581477.43
	<b>LESS : SALES RETURN</b>		(14278.00)	(35200.00)
	<b>TOTAL</b>		<b>1352567319.00</b>	<b>1074248613.79</b>
<b>SCHEDULE "14"</b>				
<b>OTHER INCOME</b>				
<b>S.NO. PARTICULARS</b>				
	OTHER INCOME		15037964.00	34511299.97
	<b>TOTAL</b>		<b>15037964.00</b>	<b>34511299.97</b>
<b>SCHEDULE "15"</b>				
<b>INCREASE/DECREASE IN STOCK</b>				
<b>S.NO. ITEM</b>				
	1 CLOSING STOCK OF FINISHED GOODS		124598365.00	78751201.25
	2 ADD: CLOSING STOCK OF W.I.P. (SEMI FINISHED GOODS)		58930527.00	36636353.06
			183528892.00	115387552.31
	<b>LESS: OP. STOCK OF FINISHED GOODS</b>		78751201.00	17025232.75
	<b>OP. STOCK OF W.I.P.(SEMI FINISHED GOODS)</b>		36636351.00	15182026.24
			115387552.00	32407258.99
	<b>INCREASE IN STOCK</b>		<b>68141340.00</b>	<b>82980293.32</b>
<b>SCHEDULE "16"</b>				
<b>RAW MATERIAL CONSUMED</b>				
<b>S.NO. ITEM</b>				
	1 OPENING STOCK		52509946.00	46272874.80
	2 PURCHASE (NET OF RETURN)		777471231.00	846095245.48
	<b>LESS: CLOSING STOCK</b>		49252874.00	52509946.11
	<b>TOTAL</b>		<b>780728303.00</b>	<b>839858174.17</b>



**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>SCHEDULE "17"</b>				
<b>PACKING MATERIAL CONSUMED</b>				
<b>S.NO. ITEM</b>				
1	OPENING STOCK		1,970,700.00	3,074,500.00
2	ADD: PURCHASE (HARDANA & PACKING MATERIAL)		13,424,853.00	7,672,718.15
			<u>15,395,553.00</u>	<u>10,747,218.15</u>
	LESS: CLOSING STOCK		2,702,891.00	1,970,700.00
	<b>TOTAL</b>		<u><b>12,686,462.00</b></u>	<u><b>8,776,518.15</b></u>

**SCHEDULE "18"****MANUFACTURING EXPENDITURE****S.NO. PARTICULARS**

1	ELECTRICAL REPAIR & MAINTENANCE (PLANT)	32851.00	358518.00
2	ENTRY TAX	234874.00	169890.00
3	FACTORY EXPENSES	99576.00	145691.00
4	FREIGHT (INWARD)	453312.00	932097.00
5	FUMIGATION EXPENSES	263770.00	233638.00
6	LAB CHEMICAL	578544.00	331886.00
7	LOADING UNLOADING EXPENSES	1874559.00	1153788.00
8	MANDI TAX	292870.00	218023.00
9	PACKING AND HARDANA EXPENSES	1090576.00	611791.00
10	POWER & FUEL	11975698.00	10462933.00
11	REPAIRS & MAINTAINCE		
	a) Plant & Machinery	1295186.00	1426049.05
	b) Building	5000.00	56519.00
12	WATER CHARGES	26450.00	3750.00
	<b>TOTAL</b>	<u><b>18223066.00</b></u>	<u><b>16083571.05</b></u>

**SCHEDULE "19"****EMPLOYEE REMUNERATION & BENEFITS****S.NO. ITEM**

1	SALARY AND OTHER BENEFITS	1885606.00	2452300.00
2	HANMALL AND WAGHS	2660626.00	2181572.00
3	BONUS	36300.00	82708.00
4	P.F. CONTRIBUTION	103718.00	51682.00
5	E.S.I.C.	29698.00	16951.00
6	GRATUITY	57116.00	363360.00
7	LABOUR WELFARE	NTL	5393.00
8	MEDICAL EXPENSES TO STAFF	20456.00	9503.00
9	STAFF WELFARE EXP.	15301.00	48279.00
10	WORKMAN COMPENSATION	216400.00	NDI
	<b>TOTAL</b>	<u><b>5035215.00</b></u>	<u><b>5213325.00</b></u>



## SCHEDULE FORMING PART OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>SCHEDULE "10"</b>				
<b>ESTABLISHMENT &amp; ADMINISTRATIVE EXP.</b>				
S.NO.	PARTICULARS			
1	ADVERTIZEMENT (LAW) EXPENSES		157158.00	101227.00
2	AUDITORS REMUNERATION			
	a) INTERNAL AUDIT		34000.00	34000.00
	b) STATUTORY AUDIT		66180.00	55150.00
3	A.G.M. MEETING EXPENSES		6126.00	8450.00
4	CARRIAGE & CARTAGE GENERAL		24044.00	144754.00
5	CHARITY & DONATION		334850.00	123856.00
6	COMPUTER REPAIR & MAINTENANCE		64535.00	69815.00
7	DETENTION & DEMRAGE		627455.00	242880.00
8	DIRECTOR MEETING FEES		34000.00	36000.00
9	DIRECTOR SALARY & PERQUISITE		1500000.00	1848960.00
10	DUTIES & TAXES		131317.00	35855.00
11	ELECTRICAL EXPENSES		136287.00	70693.00
12	EXPORT LICENCE EXPENSES A/C		65864.00	11766.00
13	FESTIVAL EXPENSES		17250.00	68662.00
14	GARDEN MAINTENANCE		81799.00	92469.00
15	INSURANCE EXPENSES		485061.00	207246.00
16	ISO AUDIT CHARGES		17648.00	11517.00
17	LAB TESTING CHARGES		7170.00	5304.00
18	LEGAL & PROFESSIONAL EXPENSES		1098530.00	120015.00
19	LICENCE & REGISTRATION FEES		222542.00	264589.00
20	LOSS ON FOREIGN CURRENCY EXCHANGE DIFF.		151192.00	1440995.00
21	MEMBERSHIP FEES		12850.00	6990.00
22	MISC. EXPENSES		243943.00	82194.30
23	OFFICE EXPENSES		200014.00	145300.00
24	PODA EXPENSES		138841.00	47447.00
25	POSTAGE & TELEGRAM EXPENSES		277439.00	142352.00
26	PROFESSIONAL FEES		576890.00	507911.44
27	PROFESSIONAL TAX		2500.00	2500.00
28	REPAIR & MAINTENANCE (OTHER)		75566.00	56027.00
29	SECURITY EXPENSES		304617.00	363293.00
30	SERVICE TAX EXPENSES		69371.00	4999.00
31	SERVICE TAX ON EXPORT		81598.00	101760.76
32	STATIONERY & PRINTING EXPENSES		273130.00	197885.00
33	TELEPHONE & TRUNK CALL EXP.		390986.00	509355.00
34	TRAVELLING & CONVEYANCE EXPENSES		700437.00	866514.00
35	VEHICLE RUNNING & MAINTENANCE		438330.00	345606.00
36	WAREHOUSE STORAGE CHARGES		1131097.00	149588.00
37	WEBSITE DESIGNING & UPDATION CHARGES		10000.00	NIL
	<b>TOTAL</b>		<b>10190647.00</b>	<b>8524035.50</b>



# Sita Shree Food Products Limited

**ANNUAL REPORT 2009-2010****SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

S.NO.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31.03.10	AMOUNT AS ON 31.03.09
<b>SCHEDULE "21"</b>				
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>				
<b>S.NO.</b>				
1	ADVERTISING & PUBLICITY EXPENSES		92940.00	77212.00
2	BARBARA PRINTING EXP.		1558.00	4133.00
3	BROKERAGE ON SALES		4987497.00	6852714.39
4	CLEARING & FORWARDING EXPENSES		10702103.00	2304082.00
5	DISCOUNT		4862584.00	3918112.22
6	EXPORT LICENCE SOLD A/C		NIL	4423095.00
7	FREIGHT OUT WORD (EXPORT)		1256225.00	3119691.00
8	FREIGHT OUTWARD (OTHER)		1309455.00	5943720.80
9	GOODS INSPECTION CHARGES (EXPORT)		330825.00	687372.00
10	HAMMALLI & LABOUR CHARGES (EXPORT)		1421170.00	48255.00
11	INSURANCE (EXPORT)		372376.00	922239.00
12	QUALITY & SETTLEMENT CHARGES		233630.00	NIL
13	RATE DIFFERENCE ON SALES		782569.00	NIL
14	SALES PROMOTION EXP.		37846.00	NIL
15	SHIPPING & FORWARDING EXPENSES		6434029.00	19335467.00
16	SURVEYOR CHARGES (IMPORT)		17160.00	NIL
17	TRANSPORTATION (IMPORT)		2728614.00	82500.00
18	WEIGHT SHORTAGE		91602.00	761138.00
	<b>TOTAL</b>		<b>35662183.00</b>	<b>48449731.41</b>

**SCHEDULE "22"****INTEREST & FINANCIAL CHARGES**

S.NO.	ITEM			
1	BANK CHARGES A/C (GENERAL)		3375827.00	1570260.12
2	INTEREST ON CC LOAN A/C		17331324.00	9161713.00
3	INTEREST ON OD A/C		7342382.00	4851495.06
4	INTEREST ON VEHICLE LOAN		46141.00	62711.00
5	INTEREST TO OTHERS		881403.00	185796.00
6	L.C. INTEREST & DISCOUNT CHARGES		305800.00	811599.34
	<b>TOTAL</b>		<b>29287777.00</b>	<b>16643484.52</b>

**SCHEDULE "23"****PRIOR PERIOD ITEMS**

S.NO.	ITEM			
1	DELAY PAYMENT CHARGES		9665	79706
2	DETENTION & DEMURAGE A/C		NIL	175880
3	ENTRY TAX (08-09)		47545	NIL
4	EXCESS PROVISION OF GOVT. BENEFIT LICENCE		375263	NIL
5	INTEREST ON STATUTORY LIABILITY (TDS FBT & IT)		NIL	2074319
6	LAST YEARS EXPENSES		NIL	49804
7	SHORT PROVISION FOR INCOME TAX		7872	NIL
8	TDS DIFF FOR YEAR 2008-09		438	NIL
	<b>TOTAL</b>		<b>440783.08</b>	<b>2373789.08</b>

**SCHEDULE "24"****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010****(I) SIGNIFICANT ACCOUNTING POLICIES****(A) Accounting Convention****a. Basis of Accounting**

1. The accounts of the Company are prepared under the historical cost convention and in accordance with applicable accounting principle in India the accounting standard issued by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act 1956. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.
2. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
3. **Sales and Other Operational Activities**  
Revenue from sales is recognized at the time of dispatch of goods to customers. Sales other than manufacturing sales are shown as trading sales separately. Sales are shown net of sales return.

**b. Valuation of Inventory**

1. Closing stock of semi finished goods is valued at cost of material plus conversion cost to the stage of completion. Finished goods are valued at cost or net realizable value which ever is lower.
2. Closing stock of packing material stores and raw material are valued at cost or net realizable value which ever is less.

**c. Cash Flow Statements**

Cash flow statement has been prepared by using Indirect Method at per AS-3 issued by the ICAI.

**d. Contingencies and Events occurring after the Balance Sheet date.**

Accounting for contingencies (gains and losses) arising out of contractual obligations are made only on the basis of mutual acceptances. Events occurring after the date of the Balance Sheet are considered up to the date of approval of the accounts by the Board where material.

**e. Prior Period Items & Extra Ordinary Item**

Income & Expenses which arises in the Current Year as a result of error or omission in the preparation of Financial Statement of one or more prior period were shown as prior period adjustment during the year. Delay payment of Statutory Liabilities Rs.65520/- and other expenses of Rs.375263/- related to prior period are shown under the prior period items.

**f. Depreciation**

Depreciation is provided on the basis of Straight Line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act 1956. Assets of Rs.33128518/- are still in work in progress thus depreciation is not required to be provided on the same.

**g. Revenue Recognition**

Revenue from sales/ weightment service is accounted for as net of taxes and the principle of revenue recognition are given below:



- 1) Revenue from sales is recognised upon passing of title of the goods and on transit of significant risk and rewards of ownership.
- 2) Dividend income is recognised on receipt basis.
- 3) Government Benefit Licence income is also recognized on receipt basis.

**h. Fixed Assets**

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

**i. Foreign Currency Transactions**

Company has entered into export sale during the period and thereby earning foreign exchange. Foreign currency transactions are recorded by applying an exchange rate at the time of date of transactions.

**j. Investment**

Investments are long term investment and same are stated at their acquisition cost.

**k. Retirement Benefit**

Retirement Benefits to employees for payment of Gratuity is provided for in this year for the employees liable as per Gratuity act thus the profit of current year is reduced by Rs 57116/-. Further contribution in respect of Provident Fund and ESI is made monthly and is charged to the Profit & Loss Account.

**l. Borrowing Cost**

Borrowing cost which are directly attributable to the acquisition/construction of fixed assets till the time such assets are ready for use are capitalization as part of the assets. Other borrowing cost are treated as revenue expenditure and charged to profit and loss account for the year.

**m. Segment Reporting**

The company has identified its primary reportable segments under AS-17 and necessary disclosure is separately made in notes of accounts. The accounting policies adopted for segment report are in line with the accounting policies of the company with the following additional policies for segment reporting:

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un allocable". Segment assets and segment liabilities represents assets and liabilities in respective segments. Investments tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Un allocable".

**n. Related party disclosure**

Related party disclosure as per AS-18 issued by the ICAI is made and disclosed separately in notes to accounts.

**o. Earning per Share**

E.P.S. has been calculated on weighted average of total number of share (which is same in whole year) as per AS-20 issued by the ICAI. There are no securities which will be converted in Equity share so diluted and basic EPS are the same.

**p. Income Tax**

Tax expenses for the year comprises of current tax and deferred tax. Provision for current tax is made on



the basis of provision of Income Tax Act. Deferred tax asset is not recognized for future tax consequences of timing differences because there is virtual convincing evidence for future taxable income. It is measured using enacted tax rates and tax laws applicable to taxable income of the current year.

**q. Miscellaneous Expenditure**

Miscellaneous Expenditure to the extent not written off pertaining to public issue expenses is of Rs 24486712/- which shall be amortized over a period of 5 years after the commencement of new project. A sum of Rs. 1575000/- in the current year has been transferred to Deposit a/c from miscellaneous expenditure, which is originally the part of deposit with BSE and had been transferred to miscellaneous expenditure in previous year.

**r. Impairment of Assets**

The company has a policy of assessing the impairment of intangible assets every year in accordance with AS-28 impairment of assets prescribed by the ICAI. This is done through comparing its carrying amount as per books of accounts with its recoverable value. During the year there was no impairment in the value of the assets; hence no provision is required as per AS-28.

**s. Provision Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

**t. Other Income**

Other Income for the year ended 31st March 2010 includes dividend on investments interest on Bank Fixed deposits and interest on advances etc.

**B NOTES ON ACCOUNT**

1. Under the Micro Small and Medium Enterprises Development Act 2006 certain disclosures are required to be made relating to Micro Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available no disclosure has been made in the accounts. However in view of the Management the impact of Interest if any that may be payable in accordance with the provisions of this Act is not expected to be material.
2. The Company has taken Factory Land on lease and lease expenses Rs. 300000/- paid in current year has been transferred to Preoperative expenses considering amortization of the same after starting use of the land for operation of business. The project for which the land has been acquired is yet to be implemented.
3. The Company has filed its return of income up to the Assessment Year 2009-2010 and the Income Tax Assessment of the Company has been completed upto Assessment Year 2007-2008.
4. Considering the deduction and exemption available as per the provision of the Income Tax Act 1961 a provision of Rs. 61250000/- (P.Y 3900000/-) made in the account towards current income tax for the year.
5. Conveyance and Traveling Expenses also includes expenditure incurred for the Directors of the Company on foreign tour & same was for the purpose of business of the Company.
6. The Company is engaged in the manufacturing of wheat products & Dali and also sales purchase of same item under trading activities.



7. **Contingent Liability not provided**  
2009-2010 2008-2009

1. Unexpired Letter of Credit	Nil	Nil
2. Bank Guarantee in favour of Authorities	1575000.00	1575000.00
3. Claim against the Company not acknowledged as debts.	Nil	Nil
4. Liability under Commercial Tax Entry Tax and Central Sales Tax (company having total vat credit of Rs.540369/-)	Nil	53647.00

8. The Company has obtained an SOD limit of Rs. 615.00 Lacks from Union Bank of India SSI Branch against FDRs of the company of Rs. 184468592/-.

9. Payment to Auditors	Current Year <u>2009-2010</u>	Previous Year <u>2008-2009</u>
1. Audit Fees	60000=00	50000=00
2. Service Tax	6180=00	5150=00
	Total	55150=00
	66180=00	55150=00

10. Director meeting fee represents the fee paid to Non executive directors of the company for their participation in the board meeting during the year.

11. All balances of debtors creditors and advances are subject to confirmation by the parties as letter of balance confirmation to parties have not been issued. However Management does not expect any material difference affecting the current year financial statement.

12. Previous year corresponding figures have been regrouped re-casted and re-arranged to make them comparable with current year's figures wherever necessary.

13. In the opinion of the Board of Directors the current assets loans and advances including deposits have value on realization in the ordinary courses of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities is adequate and not in excess of the amount which is reasonably necessary.

14. Information related to prior period items as per AS-5 is as under:-

a) Detail of prior period items with nature:-

Particular	Nature	Amount
Interest on TDS	Statutory	9665
Entry Tax (08-09)	Statutory	47545
Excess Provision of Govt. Benefit Licence	Reversal of Income	375263
Short Provision for Income Tax	Statutory	7872
TDS Diff. For The Year 08-09	Statutory	438
<b>Total</b>		<b>440783</b>



b) Above prior period items debited to Profit & Loss A/c of the current financial year and accordingly profit for the year is less by Rs. 440783/-.

15. Remuneration to Directors:-

	Current Year 31.03.2010	Previous Year 31.03.2009
1. Salary	1500000=00	1800000=00
2. Sitting Fees	34000=00	36000=00
<b>Total:</b>	<b>1534000=00</b>	<b>1836000=00</b>

16. Expenditure on employee (excluding perquisite) who are in receipt of remuneration of not less than Rs. 2400000/- per annum or Rs. 200000/- per month when employed for past of the year.

Year ending on 31.03.2010	Year ending on 31.03.2009
Nil	Nil

17. The products of the company are exempted from VAT and excise duty and accordingly no provision for said liability is provided in the books of accounts. Although Company having VAT credit of Rs.5 40369/-

18. The position of the fund raised by the company last year by public offer including share premium and utilization thereof as per the object of the issue up to 31 March 2010 is as under:

- a) Fund raised through Initial Public Offer is Rs 31.50 Crores.  
b) Utilization as per Records

S.No.	Particulars	Amount (in crore)
1	FDRs**	14.700
2	Purchase of Plant & Machinery	3.310
3	Purchase of Land	2.140
4	Loans given	4.420
5	Expenses on Public issue	2.360
6	Use in Working Capital	4.555
7	Balance in IPO A/c	0.015
	<b>Total</b>	<b>31.500</b>

\*\*Out of the above a Secured Overdraft (taken against these FDRs) outstanding amount as on 31.03.2010 is Rs. 6.12 Crores is for working capital. Thus actual utilization in working is Rs 10.675 Crores.

19. The company has not given any loan or advance in the nature of loan to its associates or group concerns firm/company in which Director are interested.
20. Loans & Advance includes Rs. Nil (P.Y. Rs. 123943/-) due from parties on account of advance against Capital Goods.
21. All bank balances are reconciled and Balance confirmation with banks is held on the record.





22. The provision of deferred tax Asset as on 31/03/2010 has been calculated as under after considering the timing difference in depreciation and other as per AS-22 of ICAI.

	OPENING BALANCE 01-04-2009	CURRENT YEAR	CLOSING BALANCE 31-03-10
Deferred Tax Liability due to Depreciation and late deposited of TDS as per books & tax	13166670.00	0.00	13166670.00

Note:

Calculation of Deferred Tax of current year

A) Total depreciation for the year 2009-10

1) as per Income Tax	3284775.00
2) as per companies Act.	4201890.00

A) Timing Difference due to Depreciation (917115.00)

B) Timing difference due to TDS not deducted or late deposited during the year. Nil

C) Timing difference due to previous year's expenses allowed during the year Nil.

Total timing difference (A-B+C) (917115.00)

Deferred Tax Liabilities (Assets) created @ 33.99 % (311728.00)

**There is lack of virtual certainty with convincing evidence that the company has future taxable profit to adjust this asset because there is huge amount of assets in progress so no deferred tax asset is recognized.**

23. Related Party Disclosures:

A) List of related parties with whom transaction have taken place and relationship.

Details of related party disclosure as per AS-18 issued by the ICAI are as follows:-

A) **LIST OF RELATED PARTIES AND RELATIONSHIP**

**I. Key Managerial Personnel**

- a) Mr. Rajabahu Agrawal Chairman \*
- b) Mr. Dinesh Agrawal Managing Director
- c) Mr. Rupesh Agrawal Whole Time Director \*
- d) Mr. Ashish Agrawal Whole Time Director

\* Resigned with effect from 23<sup>rd</sup> Dec. 2009



## 2. Relatives of Key Management Personnel

Name of the Relative	Relation
a) Smt. Chadraika Devi Agrawal	Wife of Mr. Dinesh Agrawal
b) Mr. Anoop Agrawal	Son of Mr. Dinesh Agrawal
c) Mr. Manish Agrawal	Son of Mr. Rajababu Agrawal
d) Mr. Manisha Agrawal	Daughter in law of Mr. Rajababu Agrawal
e) Mrs. Ruchi Agrawal	Wife of Mr. Rupesh Agrawal
f) S/s Rajababu Agrawal HUF	HUF of Mr. Rajababu Agrawal
g) S/s Dinesh Agrawal HUF	HUF of Mr. Dinesh Agrawal
h) Usha Devi Agrawal	Wife of Rajababu Agrawal
i) Neha Agrawal	Daughter of Dinesh Agrawal
j) Manish Agrawal HUF	HUF of Mr. Manish Agrawal

## 3. List of concerns and nature of control headed by Related Parties in the reported year

Name of the Party	Nature of Control
a) M/s. Manish Trading Co.	(Partnership firm of family members)
b) M/s. Sitaram Shreenarayan Agrawal & Co.	(Proprietorship firm of Mr. Manish Agrawal)
c) M/s. Sita Shree Marketing P. Ltd.	(Group Company)
d) Ms. Anoop Foods Ltd.	(Group Company)
e) M/s. Usha Dall Mill	(Proprietorship Firm of Directors brother)

### (ii) Transaction held during the year with related parties:

	2009-10	2008-09
<b>OPENING BALANCE AS ON 1<sup>ST</sup> APRIL</b>		
Equity Share Capital	120130020	115368000
Sundry Debtors	37231947	127500285
Unsecured Loans taken	1292913	82981
Current account of Key Managerial Personnel	1335912 (Cr.)	461537 (Cr.)
Sundry Creditors	Nil	29521057
<b>TRANSACTIONS</b>		
Sale of Goods	77307258	327311386
Purchase of Goods	301136795	508685181
Repayment of unsecured loans taken	1292913	2758944
Remuneration to Key Managerial Personnel Salary	1500000	1800000
<b>CLOSING BALANCE AS ON 31<sup>ST</sup> MARCH</b>		
Equity Share Capital	120130020	120130020
Sundry Debtors	102468601	37231947
Unsecured loans taken	Nil	1292913
Current account Key Managerial Personnel	430626(Cr.)	1335912 (Cr.)
Sundry Outstanding	Nil	Nil
Sundry Creditors	Nil	Nil



24. Sundry debtors and sundry creditors include firm or Private Limited Company in which Director are a partner or a Director or a Member respectively:

<b>As Debtors</b>		<b>2009-10</b>	<b>2008-09</b>
1) Anoop Foods Ltd.		25766345	Nil
2) Manish Trading Company		31287007	4549618
3) Sita Shree Marketing Pvt. Ltd.		19231525	14923700
4) Usha Dall Mil		3980420	1230420
5) Sitaram Shree Narayan Agrawal & Co.		22203304	16528209
	Total	102468601	37231947
<b>B As Creditors</b>		<b>2009-10</b>	<b>2008-09</b>
1) Manish Trading Company		Nil	Nil
2) Sita Shree Marketing Pvt. Ltd.		Nil	Nil
3) Usha Dall Mil		Nil	Nil
4) Sitaram Shree Narayan Agrawal & Co.		Nil	Nil
	Total	Nil	Nil

25. Loan and advances in the nature of loans given to /Employee are given as per company policy.

NAME	AMOUNT OUTSTANDING		
	AMOUNT OF INTEREST	AS ON 31-03-2010	MAXIMUM OUTSTANDING DURING THE YEAR
Employee (as per the general policy of the company)	Interest Free	500000	500000

In addition to above advance given to employee Rs.514920/- (P.Y. Rs.156561/-) but these are not in the nature of loans.

#### 26. EARNING PER SHARE

		<b>2009-10</b>	<b>2008-09</b>
1	Net Profit after tax available for equity share holders	11899424	3748321
2	Weighted average number of equity share	22036800	22036800
3	Basic & Diluted Earning Per Share (Rs.) (Face Value of Rs.10/- each)	0.54	0.17


**27. DISCLOSURES IN RESPECT OF PROVISIONS PURSUANT TO ACCOUNTING STANDARD-29**

	PARTICULAR	OPENING BALANCE AS ON 01-04-09	PROVIDED DURING THE YEAR	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	CLOSING BALANCE AS ON 31-03-10
1	Proposed dividend on equity Share	NIL	NIL	NIL	NIL	NIL
2	Corporate Dividend Tax	NIL	NIL	NIL	NIL	NIL
3	Provision for Income Tax	3900000	6125000	3900000	NIL	0
4	Provision for Fringe Benefit Tax	66468	NIL	66468	NIL	0

**28. INFORMATION ABOUT BUSINESS SEGMENT**

	MANUFACTURING		TRADING		CONSOLIDATED TOTAL	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Total Revenue (Sales)	796682896	816067136	555884423	217581477	1352567319	1034248613
Segment Result	52333809	52734000	35455446	30717243	87789255	83451243
Unallocated Corporate Exp.					51318828	70342956
Operating Profit					36470427	13108287
Interest and Other Income					15037964	34519814
Interest & other Exp.					33483967	39913312
Profit Before Tax					18024424	7714789
Income Tax					6125000	3966468
Profit After Tax					11899424	3748321
<b>OTHER INFORMATION</b>						
	MANUFACTURING		TRADING		CONSOLIDATED TOTAL	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Assets	384335186	250193119	94877758	24721139	479212944	274914258
Unallocated Corporate Assets	-	-	-	-	364379842	376250120
Total Assets	-	-	-	-	843592786	651164378
Segment Liabilities	23488776	21118743	191149179	-	42637955	21118743
Unallocated Corporate Liabilities	-	-	-	-	367466846	210940360
Total Liabilities	-	-	-	-	410104801	232059103
Capital Expenditure	-	35611805	-	-	33128518	35611805
Depreciation	4201890	4270376	-	-	4201890	4270376
Non-Cash Exp. (Other than Depreciation)	NIL	NIL	NIL	NIL	NIL	NIL

**Note:**

The company has identified three reportable segments viz. Manufacturing Trading and Derivative Share Transactions. Segments have been identified and reported taking into account nature of products and services the differing risks and returns internal business reporting systems.

29. Additional information as far as applicable pursuant to the provision of Paragraph 3 4e 4D of part II of the Schedule VI of the Companies Act 1956 has been furnished as per Annexure – I.

30. Balance Sheet abstract and company's general business profile in pursuant to Part IV of Schedule VI to the Companies Act 1956 has been furnished as per Annexure – II.

Signed to Schedule "01" to "24"

In terms of our report of even date attached  
of above

we approve to the correctness

**For M.K.SHAH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(M.K. SHAH)**  
Proprietor  
M.NO. 400-71199

**FOR AND ON BEHALF OF THE BOARD**  
**Dinesh Agrawal**                      **Managing Director**  
**Ashish Goyal**                      **Whole Time Director**  
**G.P.Chaturvedi**                    **Chief Accountant**

Place: Indore

Date: 29<sup>th</sup> May 2010



INFORMATION RELATANT TO PROVISION OF PARAGRAPH 14C AND 14D OF PART - II OF SCHEDULE VI OF THE COMPANY ACT, 1956, FOR THE YEAR ENDED 31.03.2010

## A. CAPACITY AND PRODUCTION

CLASS OF GOODS	YEAR 2010		Production	YEAR 2009	
	Licensed Capacity (Net Situation)	Actual Capacity (Net Situation)		Licensed Capacity (Net Situation)	Actual Capacity (Net Situation)
1. Wheat Flour Mill	43200 mt.	43200 mt.	22068	43200 mt.	28964
2. Mill Mill	10000 mt.	10000 mt.	4805	10000 mt.	9851
3. Processed Goods	-	-	-	-	-

## B. DETAILS OF SALES, DEBITORS &amp; STOCK 2009-10

S.NO	ITEMS	31ST MARCH 2010		31ST MARCH 2009	
		QTY (IN MT)	AMT (IN RS.)	QTY (IN MT)	AMT (IN RS.)
<b>A (I) SALES OF TRADING ITEMS:</b>					
1	LATTA	-	-	66400	810841.00
2	ZIMMATA	3,515,465	51,139,803.00	62,000	812662.00
3	BAWIA	-	-	35,315	485514.30
4	SHU	137,520	1,909,587.00	-	-
5	SHANADALI	-	-	351,800	1,4646,320.00
6	KADIP (CEANATED)	-	-	-	-
7	MASDORE	839,250	35,295,559.00	-	-
8	SHREYAT	924,952	11,88,165.00	1432,680	1612941.08
9	CHANNA	307,111	6,772,759.00	899,360	4986408.95
10	MOSTHARD SEED	-	-	2,100	54600.00
11	KOTTON	-	-	53,072	3346575.07
12	CHANNKA	-	-	5240,915	58055710.50
13	REDI CHITTA	-	-	74,430	3072572.25
14	JUWAR	341,209	6,901,336.00	2462400	20339156.00
15	SOYABANE	1,164,610	16,760,966.00	2157,595	43179474.44
16	RAMMA	-	-	122,640	4755902.00
17	MARTE	-	-	28,000	780800.00
18	CHANNA BHOSSHAI	-	-	14,450	338900.00
19	BAADANA	2,014,690	3,979,545.00	41,000	3956250.00
20	PEAS (Green & Yellow)	18,000	49,546,470.00	-	-
21	BESAN	2,618,501	543,530.00	-	-
22	CHECK PEAS	602,052	89,024,224.00	-	-
23	CHANNKA	3,317,600	24,614,481.00	-	-
24	BODING	1,76,972	176,972,162.00	-	-
25	SHAPSEED MEAL	1,005,450	15,947,823.00	-	-
26	CHANNKA D	238,896	1,346,920.00	-	-
<b>TOTAL</b>		<b>18,44,004</b>	<b>52,40,308.00</b>	<b>1,30,64,837</b>	<b>21,70,84,77.43</b>
<b>A (II) SALES OF MANUFACTURED GOODS:</b>					
<b>ATA ITEMS:</b>					
1	LATTA	17,248,839	250,934,044.00	14666,886	1,981,660,84.81
2	ZIMMATA	4,717,583	99,202,454.00	4186,372	291,716,01.14
3	BAWIA	-	-	6,240	4432.50
4	MALDA	7,125,003	109,643,113.00	6730,620	9,108,780,00
5	DWER AVTA	980,930	13,823,673.00	788,486	9402525.56
6	SHU	607,650	9,770,120.00	403,385	5902583.80
7	SHAWA	1,082,410	17,051,052.00	969,105	14000007.00
8	SH. ATTA	44,880	775,660.00	57,276	796940.00
9	SHREYAT	399,732	562,843.00	246,260	404410.33
<b>TOTAL (A)</b>		<b>33,310,469</b>	<b>441,841,516.00</b>	<b>28,946,630</b>	<b>3,49,85,646.50</b>
<b>NON-ATA ITEMS:</b>					
1	CHANNKA DALL	8,040,987	222,347,141.00	4724,682	1,881,6793.10
2	CHANNKA CHILKA	82,024	607,224.00	21,500	1,55,000.00
3	CHANNKA CHITRI	120,290	1,166,685.00	33,923	3,07,538.90
4	MOTRI DALL	3,800,089	103,102,697.00	44,142	1,34,079.50
5	KABOLI CHANNKA	-	-	7472,420	2964,4629.28
<b>TOTAL (B)</b>		<b>11,063,379</b>	<b>387,383,157.00</b>	<b>13,79,743</b>	<b>4,66,65,846.52</b>
<b>TOTAL (A+B)</b>		<b>44,373,848</b>	<b>829,224,673.00</b>	<b>42,744,373</b>	<b>616,51,493.10</b>



B (I)	PURCHASE OF TRADING ITEMS	31ST MARCH 2010		31ST MARCH 2009	
		QTY (IN M.T.)	AMT. (IN RS.)	QTY (IN M.T.)	AMT. (IN RS.)
1	ATTA	-	-	66,800	810841.00
2	MAIDA	3,573.665	51,139,003.00	62,150	812662.00
3	RAWA	-	-	35,025	489514.00
4	SUJI	137.520	1,909,587.00	-	-
5	CHANNADALL	-	-	-	-
6	KABULI CHANA (100)	-	-	351,800	-13914254.00
7	MASOOR	920.120	37,340,792.00	-	-
8	CHANA	397.131	8,645,568.00	1991.860	45986498.48
9	WHEAT	924.922	11,827,298.00	1432.690	16129491.09
10	COTTON	-	-	53.373	3104727.00
11	MAJKA	-	-	5180.631	45077813.00
12	RED CHILLI	-	-	74.266	3579337.00
13	JUWAR	-	-	1447.950	12956199.00
14	SOYA DOC	344.380	6,850,411.00	2164.105	37873331.00
15	RAJMA	4,392.190	47,188,545.00	122.570	3946089.00
16	GREEN MOONG	3,641.224	152,496,473.00	240.000	8250762.00
17	METHI	-	-	24.000	674640.00
18	CHANA MOSAMBI	-	-	15.425	334906.00
19	CLOCK PEAS	1,121.425	110,948,124.00	-	-
20	BESAN	18.000	495,000.00	-	-
21	CHAWLA	683.418	24,026,873.00	-	-
22	MAJAR	42.440	891,240.00	-	-
23	RAPSEED MEAL	1,024.437	10,749,179.00	-	-
24	URAD	239.040	10,098,505.00	-	-
25	PEAS (Green & Yellow)	2,960.710	51,674,275.00	-	-
<b>TOTAL</b>		<b>19424.993</b>	<b>621281573.00</b>	<b>13261.905</b>	<b>693195116.5</b>

B (II)	PURCHASE OF MANUFACTURING ITEMS				
1	CHANA	846.065	17,858,038.00	646.355	15063124.52
2	WHEAT	31,191.185	395,828,337.00	28938.107	328308945.96
3	TUAR	-	-	-	-
4	CHANA DALL	7,527.200	211,300,390.00	7199.290	207581415.00
5	GREEN MOONG	-	-	15.931	509792.00
6	KABULI CHANA	3,725.936	152,484,416.00	7762.424	296613970.00
<b>TOTAL</b>		<b>43290.406</b>	<b>777471231.00</b>	<b>44560.037</b>	<b>846095245.48</b>

C (I)	TRADING STOCK				
1	KABULI CHANA	-	-	-	-
2	GREEN MOONG	72.000	4,544,000.00	240.000	8250720.00
3	MAJAR	42.440	903,972.00	-	-
4	RED LENTILS (MASOOR)	61.100	2,945,020.00	-	-
5	KIDNEY BEANS(RAJMA)	220.000	9,020,000.00	-	-
6	CLOCK PEAS	506.362	22,915,506.00	-	-
7	MUSTRUED SEED	-	-	-	-
<b>TOTAL</b>		<b>902.402</b>	<b>40,358,498.00</b>	<b>540.000</b>	<b>8250720.00</b>

C (II)	RAW MATERIAL STOCK				
1	WHEAT	6,051.914	88,519,784.00	5860.942	66389016.00
2	CHANA	792.778	19,663,617.00	1000.292	22481710.00
3	KABULI CHANA	230.524	10,511,894.00	304.637	12185480.00
<b>TOTAL</b>		<b>7075.216</b>	<b>118,695,295.00</b>	<b>7165.871</b>	<b>101026206.00</b>

C (III)	FINISHED GOOD STOCK				
<b>WHEAT ITEM</b>					
1	ATTA	493.694	7,138,563.00	544.234	8000240.00
2	RAWA	110.451	1,629,152.00	120.941	1692174.00
3	MAIDA	175.442	2,561,453.00	241.892	3289595.20
4	CHAPAD	44.878	415,122.00	60.470	441451.00
<b>TOTAL</b>		<b>824.465</b>	<b>11,764,290.00</b>	<b>967.537</b>	<b>13426440.20</b>

<b>CHANA ITEM</b>					
1	CHANA DALL	2,029.956	60,594,187.00	3743.156	47065212.00
2	CHANA CHURI	127.395	1,369,496.00	94.810	3191620.00
<b>TOTAL</b>		<b>2,157.351</b>	<b>61,963,683.00</b>	<b>3737.966</b>	<b>47384832.00</b>



**IV) Additional Information pursuant to the provisions of Part IV of Schedule VI of the Companies Act, 1956.**

**Balance Sheet Abstract and Company's General Business Profiles**

**I. Registration Details**

Registration No.	State Code	Balance Sheet Date
L15314MP1996PLC010741	10	31.03.2010

**II. Capital Raised During the Year**

Public Issue	Right Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

**III. Position of Mobilization and Deployment of Fund**

Total Liabilities	Total Assets
803753415.00	803753415.00

**a) Source of Funds**

Paid up Capital	Reserve & Surplus	Secured Loan	Unsecured Loan
220368000.00	246248503.00	323970242.00	0.00

**b) Application of Funds**

Net Fixed Assets	Investment	Net Current Assets
114834465.00	129910.00	664302328.00
	Misc. Expenditure	Accumulated Loss
	24486712.00	Nil



**IV) Performance of the Company**

Total Income

1435746623.00

Total Expenditure

1417722199.00

Profit Before Tax -

18024424.00

Profit (+)/Loss(-) After Tax

11899424.00

Earning per Share

0.54

Dividend Rate %

0 %

**V) Genetic Names Three Principle Products/Service of the Company:****(As per Monetary Term)**

Item Code No. ( ITC Code)

Not Applicable

Product Description

Atta Dall Manufacturing

Signed to Schedule 01 to 24

In terms of our report of even date attached,

For **M.K.SHAH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(M.K. SHAH)**  
 Proprietor  
 M.NO. 400-71199

We approve to the correctness of above,  
**FOR AND ON BEHALF OF THE BOARD**  
**Dinesh Agrawal**      **Managing Director**  
**Ashish Goyal**      **Whole Time Director**  
**G.P.Chaturvedi**      **Chief Accountant**

Place: Indore

Date: 29<sup>th</sup> May 2010



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March, 2010

## SCHEDULE - "25"

S. NO.	PARTICULARS	3/31/2010	31/03/2009
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	NET PROFIT BEFORE TAXATION	18465207.00	10088498.14
	<b>ADJUSTMENTS FOR:</b>		
	DEPRECIATION	4201890.00	4183348.57
	INTEREST/DIVIDEND INCOME	-14674825.00	-9390459.00
	PRELIMINARY EXPENSES WRITTEN OFF	0.00	0.00
	INTEREST PAID	29282077.00	15073224.00
	PROFIT ON SALE OF INVESTMENT	0.00	0.00
	LOSS ON SALE OF FIXED ASSETS	0.00	0.00
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>37274349.00</b>	<b>19954611.71</b>
	CHANGE IN TRADE AND OTHER RECEIVABLES	-83375827.00	55440468.10
	CHANGE IN INVENTORIES	-65622459.00	-88113564.63
	CHANGE IN OTHER CURRENT ASSETS	5993009.00	-41221872.22
	CHANGE IN CURRENT LIABILITIES	40798891.00	-147070907.00
	INCOME TAX	-6125000.00	-3966468.00
	PRIOR PERIOD EXPENDITURE	-440783.00	-2373709.00
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>-71497820.00</b>	<b>-207351441.04</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING</b>		
	INTEREST RECEIVED	14668920.00	9385735.00
	DIVIDEND RECEIVED	5905.00	4724.00
	PURCHASE OF FIXED ASSETS	-24919279.00	-33456967.00
	SALE OF FIXED ASSETS	0.00	0.00
	INVESTMENTS PURCHASED (FOR EXCLUDING INT)	-23041521.00	-126131072.00
	SALE OF INVESTMENT	0.00	0.00
	<b>NET CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>	<b>-33285975.00</b>	<b>-150197586.00</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	CHANGES IN BORROWINGS	137246806.00	69624199.35
	PROCEEDS FROM ISSUANCE OF CAPITAL	0.00	0.00
	INTEREST PAID	-29282077.00	-15073224.00
	DIVIDEND PAID	0.00	0.00
	PUBLIC ISSUE EXPENSES	-300000.00	-5735367.00
	PREMIUM ON ISSUE OF SHARES	0.00	0.00
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>107664729.00</b>	<b>48815608.35</b>
	<b>NET INCREASED IN CASH AND CASH EQUIVALENTS (A+B-C)</b>	<b>2880934.00</b>	<b>-308733412.69</b>
	<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>3261138.00</b>	<b>311994550.45</b>
	<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>6142072.00</b>	<b>3261137.76</b>

As per our report of even date attached,

We certify to the correctness of above

For: **M. K. SHAH & ASSOCIATES**

CHARTERED ACCOUNTANTS

(M. K. SHAH)

PROPRIETOR

M.NO. 409-71199

For AND ON BEHALF OF THE BOARD

Dinesh Agrawal

Ashish Goyal

G.P.Chaturvedi

Managing Director

Whole Time Director

Chief Accountant

Place: INDORE

Date: 29th May 2010



# Sita Shree Food Products Limited

## SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore (M.P.) 452001

### ATTENDANCE SLIP

I hereby record my presence at 14th Annual General Meeting on 30 Sept. 2010 at "SITA SHREE FOOD PRODUCTS LIMITED " 332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore (M.P.) 452001

Full Name of the Share Holder \_\_\_\_\_  
(in Block Letters)

Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(If the Proxy attends, instead of the shareholder)

Signature of the Shareholder

1. Member attending the meeting must fill in this Attendance Slip and hand it over at the entrance of the Meeting Hall.
2. Members are requested to bring their copy of the Annual Report at the Meeting.

## SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore (M.P.) 452001

### PROXY FORM

Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ being a member

members of Sita Shree Food Products Ltd. hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

of failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 30th September, 2010 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Affix Rs. 1  
Revenue  
Stamp

Signature \_\_\_\_\_

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company, not less than 48 hours before the time fixed for holding the aforesaid meeting.