



# **SITA SHREE FOOD PRODUCTS LIMITED**

**15th Annual Report  
2010-2011**



SITA SHREE

## Sita Shree Food Products Limited

### 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

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#### **Bankers:**

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

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#### **Registered Office:**

332/4/2, R.D. Udyog Nagar,  
Palda Nemawar Road, Mathurawala's Colony,  
Indore (M.P.) 452001  
Tel.: +91-731-2439902, 912, 914  
Fax: +91-731-4068448  
Website – [www.sitashri.com](http://www.sitashri.com)  
Email – [info@sitashri.com](mailto:info@sitashri.com)

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

M/s Ankit Consultancy Private Limited  
60, Electronic Complex,  
Pardesipura, Indore (M.P.) 452 010  
Tel.: +91-731-2551745-46, 3198601-602  
Fax : +91-731-4065798  
Email – [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)



## NOTICE

**NOTICE** is hereby given that Fifteenth 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 Friday, 30<sup>th</sup> Sept., 2011 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, 2011 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 Suresh Narayan Wagh, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint Director in place of Shri Kamlesh Jain, who retires by rotation and being eligible, offers him 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.
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

***“RESOLVED THAT*** pursuant to the provisions of section 293 (1) (a) of the Companies Act, 1956 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board for creation of mortgage present and future immovable and movable assets of the Company, as and when required, whether by way of mortgage, hypothecation or otherwise, where-ever situated in compliance with the terms of loan agreement(s), entered into and/or to be entered into by and between the Company and any Bank or Financial Institutions, for an amount not exceeding Rs. 100.00 Crores ( Rs. Hundred Crores) from time to time.

***RESOLVED FURTHER THAT*** any Director of the Company along with Shri Dinesh Agrawal, Managing Director of the Company be and is hereby authorized to sign and execute all necessary papers and documents, as may be prescribed and required by such Banks or Financial Institutions on behalf of the Company including affixing of Common Seal of the Company on such documents as may be required from time to time to give effect to this resolution.”

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

***“RESOLVED THAT*** pursuant to the provisions of section 293 (1) (d) of the Companies Act, 1956 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board for borrowing money for business objectives of the Company, from time to time, provided that the moneys so borrowed (apart from temporary loans obtained from time to time by the Company from its Bankers in the ordinary course of business) together with the money already borrowed by the Company, shall not exceed Rs. 100.00 Crores ( Rs. Hundred Crores) over and above the aggregate of the extent paid up capital of the Company and its free reserves.



**RESOLVED FURTHER THAT** any Director of the Company along with Shri Dinesh Agrawal, Managing Director of the Company be and is hereby authorized to sign and execute all necessary papers and documents, as may be prescribed and required by such Banks or Financial Institutions on behalf of the Company including affixing of Common Seal of the Company on such documents as may be required from time to time to give effect to this resolution.”

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

**“RESOLVED THAT** in accordance with the provisions of Section 198, 257, 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 appointment of Shri Anoop Goyal who is 23 years of age as the Whole Time Director of the company w.e.f. 01<sup>st</sup> October 2011 for a period of Three years 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 Anoop 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”

**“RESOLVED FURTHER THAT** as long as Shri Anoop Goyal is holding the post of the Whole Time 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 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**

**Dinesh Agarawal**

**Dated: 12.08.2011**

**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. 5 to 7 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., 2011 to 30<sup>th</sup> Sept., 2011 (both days inclusive)



4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M.to 1.00 P.M.
5. Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at 332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore at least seven days before the date of the Meeting.
6. Members or their respective proxies are requested to bring copies of Annual Report sent to the Members as copies of Annual Report shall not be distributed at the Annual General Meeting.
7. Members are requested to inform immediately any change in their address to the Company's Share Transfer Agents.
8. All communications relating to shares are to be addressed to the Company's Share Transfer Agents M/s Ankit Consultancy Private Limited, 60, Electronic Complex, Pardeshipura, Indore -452010."
9. As the members are aware your company's shares are tradable compulsory in electronic form and in view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialization.
10. Relevant Details, of item no. 2 and 3 of the notice are provided in the Explanatory Statement attached to the notice and those of the **Directors retiring by rotation and proposed to be re-appointed** are as under:

#### **1. Mr. Suresh Narayan Wagh**

**Mr. Suresh Narayan Wagh**, Independent director, age 72 years, is a commerce graduate and a ex-banker. He has served with Public Sector Bank for more than 30 years at senior management scale. He is also member of Audit Committee, Remuneration committee and Shareholders Grievance Committee.

Mr. Suresh Narayan Wagh does not hold any shares (either in his name or in the name of any other person on a beneficial basis) in the company.

#### **2. Mr. Ganesh Prasad Sharma**

**Mr. Ganesh Prasad Sharma**, Independent Director, aged 64 years, is a commerce graduate and a retired banker with more than 40 years of experience as banker. During his entire career he had served various Public Sector Banks such as Union Bank of India, Punjab National Bank and State Bank of India. He is member of Audit Committee and Shareholders Grievances Committee and Chairman of Remuneration Committee.

Mr. Ganesh Prasad Sharma does not hold any shares (either in his name or in the name of any other person on a beneficial basis) in the company. He is Independent Director of the Company since 30.09.2005 and liable to retire by rotation, Board recommends his reappointment as director of the Company.



## EXPLANATORY STATEMENT

Following Explanatory Statement, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 sets out the material facts relating to the Special Business mentioned in the accompanying in the Notice:

### For Item No. 5 & 6

The provisions of section 293 of the Companies Act, 1956 provide, inter alia, that the Board of directors of the Company shall not, without consent of the members in the Annual General Meeting mortgage its movable and immovable assets of the Company and shall not borrow money in excess of the aggregate of the paid up capital of the Company and its free reserves.

In view of ensuring capital expenditure and expansion program and upcoming Soya Extraction Plant, Company may require funds in the shape of loans and provide security against those loans. The Board purposes to have a borrowing limit upto Rs. 100.00 Crores (Rs. Hundred Crores) and authority to create mortgage in favor of Banks and Financial Institutions.

The Directors of the Company recommended the resolution for the consideration and approval of the Members.

None of the Directors of the Company is in any way concerned or interested in this resolution.”

### For Item No. 7

**Shri Anoop Goyal**, aged 23 years, pursuing BBA and is handling the local commodities market since last 4 years and having good knowledge and grip over the local sales and purchases. Further your Directors suggest his name for appointment as the Whole Time Director of the Company for looking after the company's business particularly local sale and purchase. Further his appointment will be in the interest of the company.

Pursuant to the provision of 269 read along with the schedule XIII of the Companies Act, 1956 appointment of Shri Anoop Goyal as the whole time director of the Company as he is 23 year of age requires approval of the members by passing a Special Resolution at their Meeting.

Except Mr. Dinesh Agrawal and Mr. Ashish Goyal, no other directors of the Company are concerned or interested in the aforesaid resolution and your board recommends your accord to the proposal in the interest of the Company.

**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, 2011;

**FINANCIAL RESULTS**

	(Rs. In lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
<b>Income from operation</b>	<b>13864.88</b>	<b>13676.05</b>
<b>Profit/loss before providing Depreciation and Interest</b>	<b>409.68</b>	<b>481.32</b>
<b>Less: Depreciation</b>	<b>45.02</b>	<b>42.02</b>
<b>Interest</b>	<b>212.43</b>	<b>259.06</b>
<b>Profit/loss Before Taxation</b>	<b>152.23</b>	<b>180.24</b>
<b>Less: Provision for Taxation</b>	<b>58.50</b>	<b>61.25</b>
<b>Fringe Benefit Tax</b>	<b>0.00</b>	<b>0.00</b>
<b>Deferred Tax Liability</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit /Loss after Taxation</b>	<b>93.73</b>	<b>118.99</b>

**WORKING PERFORMANCE REVIEW:**

During the financial year incomes of the company is increased from Rs. 13676.05 Lacs to Rs. 13864.88 Lacs but resulting, decrease in net profit from Rs. 118.99 Lacs to Rs. 93.73 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:**

In Proposed Soya Extraction Plant at Barlai Jangir, civil construction is almost completed by 70%. Order for Plant and Machinery is already placed and expected supply and installation of the same is about to start in the month of December 2011. Application for required statutory licenses has been moved. Company has increased plant capacity to 600 TPD from 500 TPD for Soya Extraction, Oil refinery to 200 TPD from 100 TPD and Lecithin Plant 5 TPD for powder and liquid both, earlier it was only for liquid and new plant will produce high protein products i.e. Badi, floor, lecithin powder and liquid suitable for export. Earlier in the prospectus this plant was proposed with products which are not high protein products. Although said project was delayed, as proposed in prospectus of the Company, due to problems relating to land which was proposed in prospectus, for project. At that time this land was converted land and ready to be used for industrial purpose. But after some time before the starting of the project, Government change the land use of this land and therefore industrial development could not be carried on the 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 Indore 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 and now being utilized for the aforesaid purpose. Specific utilization details of fund are given in the notes of accounts of the Company. With increase in capacity and quality of products new plant is more viable in terms of technology, product and finance.



#### **SUBSIDIARY COMPANY:**

Company has acquired 100% shares of M/s GG Real Estate Pvt. Ltd., a Company engaged in the business of real estate. At present Company is developing a multistory residential building at Indore. Mr. Santosh Kumar Gupta, Independent non-executive Director of Company is being appointed as Director on the Board of the M/s GG Real Estate Private Limited.

#### **GROUP:**

Pursuant to information from promoters, name of the promoters and entities comprising the 'Group' are disclosed as below for the purpose of SEBI (Substantial Acquisition of Shares and Takeover) Regulation 1997:-

Persons constituting group coming within the definition of "Group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

<b>Sr.No.</b>	<b>Name the Entity</b>
1.	Anoop Foods Limited
2.	Chandrika Agri Commodities Private Limited
3.	GG Real Estate Private Limited
4.	GG Infra Private Limited
5.	Sitashree Markeitng Private Limited

#### **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. Suresh Narayan Wagh and Mr. Kamlesh Jain, the Directors of the Company would retire by rotation at the forthcoming Annual General Meeting of the Company. Proposals for their reappointment 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.

Mr. Anoop Goyal, proposed to be appointed as Whole time Director of the Company w.e.f. 01.10.2011. Necessary resolution with explanatory statement 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. 24.00 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, 2011. Technology absorption pursuant to





Section 217 (1)(e) 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. 163.02 Lacs for the year and foreign exchange outgo is 560.00 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, 2011:

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, 2011 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: 12.08.2011**

**CHAIRMAN**



## FORM A - CONSERVATION OF ENERGY

A:	POWER & FUEL CONSUMTION	CURRENT YEAR 2010-11	PREVIOUS YEAR 2009-10
I.	<b>ELECTRICITY</b> (a) PURCHASESD 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.)	2901490 14827264.00 5.11 Nil Nil Nil	2418170 11,975,698.00 4.95 Nil Nil Nil
II.	(a) <b>COAL FOR KILN</b> QUALITY WHERE USED QUANTITY USED (M.T.) TOTAL COST (Rs.) AVERAGE RATE PER M.T./Rs. (b) <b>COAL FOR CTPP</b> 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
III.	<b>FURNACE OIL</b>	Nil	Nil
IV.	<b>OTHERS/INTERNAL GENERATION</b>	Nil	Nil
B:	<b>CONSUMPTION PER UNIT OF PRODUCTION</b> PRODUCT UNIT ELECTRICITY (KWH/MT) FURNACE OIL COAL PER M.T.FO CLINKER COAL QUALITY AVERAGE ASH CONTENTS PERCENTAGE AVERAGE CALORIFIC VALUE (kcal/kg) OTHER – HSD	77.27 Nil	65.58 Nil

## FORM B - TECHNOLOGY ABSROPTION

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

## FORM C - FOREIGN EXCHANGE EARNING &amp; OUTGO

S.No.	PARTICULAR	CURRENT YEAR (Rs. in lacs) 2010-11	PREVIOUS YEAR (Rs. in lacs) 2009-10
1	FOREIGN EXCHANGE EARNING	163.02	878.95
2	FOREIGN EXCHANGE OUT GO	560.00	3,858.86



## 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 in spite 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 2010-11 Company has achieved total turnover of Rs. 138.65 Crores out of which export turnover was of Rs. 1.63 Crores.

Proposed Soya Extraction Plant is under development stage, Civil Construction is at advance stage, order for plant and machinery is already placed. We are expecting production run in the last quarter of running financial year.

Company has acquired a Company M/s GG Real Estate Private Limited, which having a running project at Indore i.e. developing a residential complex at approximately 1.00 lacs square fit land nearby Indore Airport.

### 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. In running financial year Company has approached to various national level biscuit and bakery products manufacture for supply of raw material, some of them has shown interest and placed some orders as well. Company is expecting good business in running financial year.

By acquiring a real estate sector entity, your Company has entered in this fast growing sector. We expecting remarkable growth and return in this sector in coming years. It is very much expected that proposed Soya Extraction Plant will become operative by end of this financial year. And it is expected that in near future there will compulsory blending of high protein soya in normal wheat Atta and other products. This is good indication for us.

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. With high protein products we are looking forward towards export market with good amount of margin. In real estate sector, running project will provide good amount of return through its subsidiary.

### D. SEGEMENT- WISE PERFORMACE:

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. 96.45 Crores as compare to Rs. 83.29 Crores of previous year. In trading activity turnover is Rs. 40.40 Crores as compare to Rs. 51.97 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, independent 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, 2011, 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: 12.08.2011**

**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 seven directors, consisting of three (3) executive and four (4) independent, non-executive directors.

#### **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. Dinesh Chandra Agrawal, Managing Director	Executive/ Non Independent	-	13	Yes
2	Mr. Ashish Goyal Whole-time-Director	Executive / Non Independent	1	13	Yes
3	Ms. Neha Agrawal* Additional Director	Executive / Non Independent	3	2	Yes
4	Mr. Kamlesh Jain	Non Executive / Independent	-	-	-
5	Mr. Suresh Narayan Wagh	Non Executive/ Independent	-	-	No
6	Mr. Ganesh Prasad Sharma	Non Executive /Independent	2	7	Yes
7	Mr. Santosh Kumar Gupta	Non Executive /Independent	-	12	Yes

\* Resigned on 06<sup>th</sup> September, 2010

During the year under review Thirteen (13) meetings of the Board of Directors were held on 30.04.2010, 29.05.2010, 26.07.2010, 14.08.2010, 20.08.2010, 06.09.2010, 25.10.2010, 30.10.2010, 30.11.2010, 10.01.2011, 10.02.2011, 08.03.2011 and 26.03.2011.

#### ***Note on Directors re-appointment***

Mr. Suresh Narayan Wagh and Mr. Kamlesh Jain, the Directors of the Company are retiring at the forthcoming annual general meeting by rotation and they are eligible for re-appointment.

Mr. Anoop Goyal, relative of Director proposed to be as Whole time Director w.e.f. on 01.10.2011 for three years at the remuneration of Rs. 50,000/-P.M. (in terms of Schedule XIII of the Companies Act' 1956) as 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 for 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 Shri Ganesh Prasad Sharma. During the financial year 2010-2011 Four (4) meetings were held on the following dates:

- |               |               |
|---------------|---------------|
| 1) 29.05.2010 | 3) 30.10.2010 |
| 2) 14.08.2010 | 4) 10.02.2011 |

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

<b>Name</b>	<b>Designation</b>	<b>Committee Meetings Attended</b>
Mr. Ganesh Prasad Sharma	Chairman	4
Mr. Kamlesh Jain	Member	-
Mr. Suresh Narayan Wagh	Member	-
Mr. Santosh Kumar Gupta	Member	4

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

- a) 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;
- b) 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;
- c) To recommend the re-appointment of statutory auditors and fixation of audit fees.
- d) To review performance of statutory and internal auditors and adequacy of internal control systems;
- e) To review quarterly, half yearly and annual financial results of the Company before submission to the Board;
- f) To discuss any significant findings made by internal auditors and follow-up thereon;
- g) 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;
- h) To look into substantial defaults, if any in payments to depositors, debenture-holders, creditors & shareholders.
- i) 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	2
Mr. Kamlesh Jain	Member	-
Mr. Suresh Narayan Wagh	Member	-
Mr. Santosh Kumar Gupta	Member	2

During the financial year 2010-2011 two (2) meetings were held on 29.05.2010 and 06.09.2010 to review remuneration of Promoter Executive Directors of the Company.

**Details of remuneration paid/payable to directors for the year ended March, 2011 are as follows:**

**(Amount in Rupees)**

Name of the Director	Designation	Business relationship with Company	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. Dinesh Agrawal	Chairman-cum- Managing Director	Promoter	-	11, 00,000	-	11, 00,000
Mr. Ashish Goyal	Whole time Director	Promoter	-	5, 50,000	-	5, 50,000
Miss Neha Agrawal	Director	Promoter	-	32,000	-	32,000
Mr. Suresh Narayan Wagh	Non Executive / Independent	Independent	-	-	-	-
Mr. Ganesh Prasad Sharma	Non Executive / Independent	Independent	16,000	-	-	16,000
Mr. Kamlesh Jain	Non Executive / Independent	Independent	-	-	-	-
Mr. Santosh Kumar Gupta	Non Executive / Independent	Independent	21,000	-	-	21,000

- # 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. Santosh Kumar Gupta	Chairman	3
Mr. Ganesh Prasad Sharma	Member	3
Mr. Suresh Narayan Wagh	Member	-
Mr. Ashish Goyal	Member	2


**Name, Designation & Address of Compliance Office:**

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

During the under year under review Three (3) meetings of the Shareholders Grievance Committee were held on 29.05.2010, 06.09.2010 and 26.03.2011.

During the year the Company received 02 (Two) 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
2010	30 <sup>th</sup> Sept , 2010	10.30 a.m.	332/4/2 R. D. Udyog Nagar Palda Nemawar Road, Mathurawala's Colony, Indore	Two
2009	29 <sup>th</sup> Sept., 2009	10.30 a.m.	Hotel Apsara, Ravindra Natya Grah, 1, R.N.T. Marg, Indore	One
2008	29 <sup>th</sup> Sept., 2008	10.30 a.m.	Hotel Apsara, Ravindra Natya Grah, 1, R.N.T. Marg, 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 24 and 25 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 informs 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. Subsidiaries*

Company has acquired 100% share capital of M/s GG Real Estate Private Limited in the month of March, 2011 and thereby this Company has become wholly owned subsidiary of the Company. Mr. Santosh Gupta, Independent Director of the Company has been appointed as director in the Board of subsidiary company in terms of clause 49 of the listing agreement.



## XII. General Shareholder Information

### a) Annual General Meeting

Date, Time and Venue

30<sup>th</sup> September, 2011 at 10.30 a.m  
332/4/2, R.D. Udyog Nagar,  
Mathurawalas Colony, Nemawar Road,  
INDORE (M.P.) -452001

### b) Financial Calendar (2011-12)

Financial reporting for

Quarter ending 30th June, 2011

Quarter ending 30th September, 2011

Quarter ending 31st December, 2011

Year ending 31st March, 2012

Second Week of August'2011

Second week of November'2011

Second Week of February'2012

Last week of May' 2012

### c) Date of Book Closure

24<sup>th</sup> Sept, 2011 to 30<sup>th</sup> Sept, 2011  
(Both days inclusive)

### d) Dividend payment date

N.A.

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

- Bombay Stock Exchange Limited, Mumbai  
- National Stock Exchange of India Limited, Mumbai

### f) Stock Code

**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				MARKET DATA OF EQUITY SHARES AT BOMBAY STOCK EXCHANGE			
DATE	HIGH PRICE	LOW PRICE	TOTAL TRADED QUANTITY	DATE	HIGH PRICE	LOW PRICE	TOTAL TRADED QUANTITY
Apr-10	10.20	8.75	401288	Apr-10	10.11	8.70	367827
May-10	9.10	7.45	260130	May-10	9.18	7.50	282147
Jun-10	8.80	7.50	249314	Jun-10	8.69	7.45	306299
Jul-10	9.65	8.05	391686	Jul-10	9.58	8.01	287086
Aug-10	9.40	8.20	355093	Aug-10	9.50	8.20	347057
Sep-10	11.75	8.50	2319243	Sep-10	11.89	8.11	1990689
Oct-10	10.80	8.50	772975	Oct-10	10.80	8.62	582228
Nov-10	9.70	7.25	471337	Nov-10	10.25	7.23	475166
Dec-10	8.30	6.70	344556	Dec-10	8.50	6.10	227320
Jan-11	8.15	5.40	193082	Jan-11	8.43	5.70	149783
Feb-11	7.65	5.65	242183	Feb-11	7.09	5.73	294527
Mar-11	6.95	5.00	213735	Mar-11	6.80	5.71	194199
<b>YEAR</b>	<b>11.75</b>	<b>5.00</b>	<b>6214622</b>	<b>YEAR</b>	<b>11.89</b>	<b>5.70</b>	<b>5504328</b>

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

- M/s. Ankit Consultancy Private Limited  
60, Electronic Complex, Pardeshipura  
Indore (M.P.) 452010  
Tel.: +91-731-2551745-46, 3198601-602  
Fax: +91-731-4065798  
Email – [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. Ankit 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, 2011**

Slab of Shareholding	No. of share Holder	%	No. of Shares	%
0-5000	9409	76.64	1728431	7.84
5001-10000	1,546	12.59	1298021	5.89
10001-20000	666	5.42	1045701	4.75
20001-30000	240	1.95	624338	2.83
30001-40000	93	0.76	334576	1.52
40001-50000	90	0.73	427624	1.94
50001-100000	109	0.89	802398	3.64
100001- and above	124	1.01	15775711	71.59
<b>Total</b>	<b>12277</b>	<b>100.00</b>	<b>22036800</b>	<b>100.00</b>

According to categories of shareholdings as on 31<sup>st</sup> March, 2011

SR. NO.	CATEGORY	NO. OF SHARES	% OF HOLDING
<b>A</b>	<b>PROMOTER'S HOLDING</b>		
1.	Promoters -Indian Promoters -Foreign Promoters	12092873	54.88
2.	Persons acting in concert		
	<b>Sub-Total</b>	<b>12092873</b>	<b>54.88</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)		
C.	FII		
	<b>Sub-Total</b>		
4.	<b>Others</b>		
a.	Private Corporate Bodies	2891187	13.12
b.	NRIs/OCBs	97585	0.44
c.	Indian Public	6947129	31.52
d.	Any Other (Clearing Member)	8026	0.04
	<b>Sub-Total</b>	<b>9943927</b>	<b>45.12</b>
	<b>GRAND TOTAL</b>	<b>22036800</b>	<b>100</b>

**l) Dematerialization of shares**

As on 31<sup>st</sup> March, 2011 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**  
60, Electronic Complex, Pardeshipura  
Indore (M.P.) 452010  
Tel.: +91-731-2551745-46, 3198601-602  
Fax: +91-731-4065798  
Email – [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, 2011.

**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, 2011 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, 2011 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. S. Tripathi & Associates**  
Company Secretaries

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

Date: 12.08.2011  
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 2011 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, of India we enclose 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 2010 and taken on record by the Board of Directors, none of the director is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement together with notes thereon and attached there to give in the prescribed matter 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 2011; 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.

Place: Indore  
Date: 30<sup>th</sup> May 2011

**For M.K.SHAH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Regn.No.002077C)**  
**(M.K.SHAH)**



**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, 2011).**

(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 program designed to all assets as per regular program 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 according to information given to us by the management of the company.
- (c) In our opinion and according to the information and explanation given to us since no substantial part of the fixed assets has been disposed by the company during the year. It doesn't 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 given during the year an unsecured loan its 100% subsidiary company M/s GG Real Estate Pvt.Ltd. of Rs. 67305007/- and maximum outstanding at any time during the year was Rs. 67305007/- and the yearend balance is Rs.62449326/-. The Company has charges interest @ 15% p.a. Except this there is no unsecured loan granted to Companies, Firms & Other Parties covered in the Register maintained u/s 301 of Companies Act 1956.
- (b) During the year, company has not taken any loan & advances from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Consequently, the requirement of clause (iii) (f) and (iii) (g) of paragraph 4 of the order was not applicable.

(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**

- In respect of the contract are arrangements referred to in section 301 of the Companies Act, 1956.
- (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.



- (b) In our opinion and information and explanation given to us, Company has made the transactions required to be entered in the register maintained under section 301 of the Companies Act 1956 aggregating during the year to Rs. 5,00,000.00 or more in respect of each party have been made at the price which are prima-facie reasonable having regard to prevailing market price at the relevant time.
- (vi) **Public Deposit**  
According to the information & explanation given to us, 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 under audit.
- (vii) **Internal Audit System**  
In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) **Cost Record**  
As informed to us, the Central Government has not prescribed the maintenance of cost record under section 209(1) (d) of the Companies Act, 1956.
- (ix) **Statutory Dues**  
(a) According to the information and explanation given to us and the records of the company examined by us, in our opinion the company is generally regular in depositing the undisputed statutory dues in respect of Provident Fund, Sales tax, Service tax and other material statutory dues as applicable with the appropriate authority in India .  
(b) According to the information and explanation given to us, no undisputed statutory dues payable in respect of Provident Fund, Income Tax, Service Tax, Sales Tax and others same have been generally regularly deposited with the appropriate authority. According to the information & explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 2011 for a period of more than six months from the date they become payable.
- (x) **Accumulated/Cash losses**  
The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the current year covered under audit and in the immediately preceding financial year.
- (xi) **Default in repayment of dues to Financial Institutions or Bank**  
Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions or banks with respect to its borrowings as at the balance sheet date.
- (xii) **Granting of Loan and Advances**  
According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities of the Company.
- (xiii) **Chit Fund/Nidhi/Mutual Benefit/Society Activities**  
In our opinion, the Company is not a Chit Fund, a Nidhi or a Mutual Benefit Society. Therefore, the provisions relating to any such statute are not applicable to the Company.
- (xiv) **Investment**  
The Company has maintained proper records of the transactions and contracts in respect of dealing of trading in shares, securities, debentures and other investments and timely entries have





been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

- (xv) **Guarantee given by the Company for loan taken by others**  
As information and explanation given to us the Company has not given any guarantee in respect of loans taken by others from any Bank or Financial Institutions.
- (xvi) **Utilization of Term Loan**  
In our opinion and according to the information and explanation given to us, on an overall basis the term loans taken from Union Bank of India have been applied for the purposes for which they were raised.
- (xvii) **Application of Short Term Fund for Long Term Investment in vice versa**  
According to the information and explanation given to us and on the basis of an overall examination of the balance sheet of the company there are no funds which raised for short-term basis have been used for long term investment.
- (xviii) **Preferential Allotment of Shares**  
We are informed that, the Company has not made any allotment of equity share on preferential basis to the parties and companies covered in the Register maintained under section 301 of the Act, in the financial year under audit.
- (xix) **Creation of Securities for Debenture Issue**  
According to the information and explanations given to us and the records examined by us, the company has not issued debentures hence; disclosure regarding creation of securities in respect of debentures issued does not arise.
- (xx) **Money raised by Public Issue**  
The Company has not raised any money by public issues during the year. The management has disclosed the end use of monies during the year, out of public issue raised in the earlier year (Refer point 20 of Schedule 24 notes of accounts)
- (xxi) **Fraud noticed or Reported**  
During the course of our examination of the Books and records of the company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us. We have neither come across any instances of material fraud on or by the company, noticed or reported during the year or have been informed of such case by the management.

Place: Indore  
Date: 30<sup>th</sup> May 2011

**For M.K.SHAH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
(Regn.No.002077C)  
(M.K.Shah)  
Proprietor  
M.NO. 400-71199



## BALANCE SHEET AS AT 31st, March, 2011

				(Amount in Rs.)	
S. NO.	PARTICULARS	REFEREED SCHEDULE	AMOUNT AS AT 31/03/2011	AMOUNT AS AT 31/03/2010	
<b>I. SOURCE OF FUNDS</b>					
<b>(A) SHAREHOLDERS FUND</b>					
1	SHARE CAPITAL	"01"	220,368,000	220,368,000	
2	RESERVE & SURPLUS	"02"	255,621,318	246,248,503	
<b>(B) LOAN FUNDS</b>					
1	SECURED LOANS	"03"	214,672,041	323,970,242	
2	UNSECURED LOANS	"04"	-	-	
3	DEFERRED TAX LIABILITY		13,166,670	13,166,670	
<b>GRAND TOTAL</b>			<b>703,828,029</b>	<b>803,753,415</b>	
<b>II. APPLICATION OF FUNDS</b>					
1	<b>FIXED ASSETS</b>	"05"			
	GROSS BLOCK		165,660,617	156,241,073	
	LESS: ACCUMALATED DEPRECIATON		(45,908,179)	(41,406,608)	
	NET BLOCK		119,752,438	114,834,465	
2	INVESTMENTS	"06"	8,424,910	129,910	
3	CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS				
(a)	INVENTORIES	"07"	190,344,419	235,490,657	
(b)	SUNDRY DEBTORS	"08"	213,995,212	213,486,492	
(c)	CASH & BANK BALANCE	"09"	18,160,290	190,610,664	
(d)	LOANS, ADVANCES & DEPOSITS & OTHER CURRENT ASSETS	"10"	166,982,081	97,682,404	
	<b>TOTAL CURRENT ASSETS</b>		<b>589,482,002</b>	<b>737,270,217</b>	
	<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	"11"	39,126,638	72,967,889	
4	<b>NET CURRENT ASSETS</b>		550,355,364	664,302,328	
5	MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	"12"	25,295,317	24,486,712	
<b>GRAND TOTAL</b>			<b>703,828,029</b>	<b>803,753,415</b>	
	SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	"24"			
	CASH FLOW STATEMENT	"25"			

IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED, FOR M. K. SHAH & ASSOCIATES

CHARTERED ACCOUNTANT  
(Reg. No. 002077C)  
( M.K. SHAH )  
PROPRIETOR  
M.NO.:400-71199

WE CERTIFY 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 : 30th May, 2011



## PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2011

				(Amount in Rs.)	
S. No.	PARTICULARS	REFERRED SCHEDULE	AMOUNT AS ON 31/03/2011	AMOUNT AS ON 31/03/2010	
<b>A. INCOME</b>					
1	SALES	"13"	1,368,594,243	1,352,567,319	
2	OTHER INCOME	"14"	17,893,513	15,037,964	
3	INCREASE / (DECREASE) IN STOCK	"15"	(91,395,778)	68,141,340	
		<b>TOTAL ( A )</b>	<b>1,295,091,978</b>	<b>1,435,746,623</b>	
<b>B. EXPENDITURE</b>					
1	PURCHASE OF TRADING GOODS		368,102,852	521,281,573	
2	RAW MATERIAL CONSUMED	"16"	815,379,951	780,728,303	
3	PACKING MATERIAL CONSUMED	"17"	19,190,495	12,686,462	
4	MANUFACTURING EXPENSES	"18"	25,833,367	20,883,692	
5	EMPLOYEE REMUNERATION & BENEFITS	"19"	2,024,943	2,364,589	
6	ESTABLISHMENT & ADMINISTRATIVE EXP.	"20"	7,147,961	10,190,647	
7	SELLING & DISTRIBUTION EXPENSES	"21"	14,059,138	35,662,183	
8	PRIOR PERIOD ITEMS	"22"	774,465	440,783	
9	INTEREST & FINANCIAL CHARGES	"23"	22,854,420	29,282,077	
10	DEPRECIATION	"5"	4,501,571	4,201,890	
		<b>TOTAL ( B )</b>	<b>1,279,869,163</b>	<b>1,417,722,199</b>	
C	PROFIT BEFORE TAX	( A - B )	15,222,815	18,024,424	
<b>F. PROVISION FOR TAX</b>					
	1 CURRENT TAX		5,850,000	6,125,000	
			5,850,000	6,125,000	
G	NET PROFIT (AFTER TAX)		9,372,815	11,899,424	
H	SURPLUS BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		36,248,503	24,349,079	
I	PROFIT AVAILABLE FOR APPROPRIATION		45,621,318	36,248,503	
	LESS: PROPOSED DIVIDEND ON EQUITY SHARE		-	-	
	LESS: CORPORATE DIVIDEND TAX		-	-	
			-	-	
J	<b>SURPLUS BALANCE CARRIED TO BALANCE SHEET</b>		<b>45,621,318</b>	<b>36,248,503</b>	
BASIC AND DILUTED EARNINGS PER SHARE OF RS.10/- EACH (IN RS.)			<b>0.43</b>	<b>0.54</b>	
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS			"24"		
CASH FLOW STATEMENT			"25"		

**IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED, FOR M. K. SHAH & ASSOCIATES**

**CHARTERED ACCOUNTANT  
(Reg. No. 002077C)  
( M.K. SHAH )  
PROPRIETOR  
M.NO.:400-71199**

**WE CERTIFY 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 : 30th May, 2011



## SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st March , 2011

(Amount in Rs.)

S. NO.	PARTICULARS	AMOUNT AS AT 31/03/2011	AMOUNT AS AT 31/03/2010
<b>SCHEDULE "01"</b>			
<b>SHARE CAPITAL</b>			
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,40,00,000 EQUITY SHARES OF RS. 10/- EACH (P.Y. 24000000 EQUITY SHARES OF RS. 10/- EACH)	240,000,000	240,000,000
<b>B</b>	<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL</b>		
1	22036800 EQUITY SHARES OF RS. 10/- EACH FULLY PAIDUP (P.Y. 22036800 EQUITY SHARES OF RS. 10/- EACH FULLY PAIDUP)	220,368,000	220,368,000
	<b>TOTAL</b>	<b>220,368,000</b>	<b>220,368,000</b>
<b>SCHEDULE "02"</b>			
<b>RESERVE &amp; SURPLUS</b>			
1	PROFIT & LOSS ACCOUNT	45,621,318	36,248,503
2	SHARE PREMIUM A/C	210,000,000	210,000,000
	<b>TOTAL</b>	<b>255,621,318</b>	<b>246,248,503</b>
<b>SCHEDULE "03"</b>			
<b>SECURED LOAN</b>			
<b>FROM UNION BANK OF INDIA , SSI BRANCH, INDORE</b>			
<b>A</b>	<b>TERM LOAN</b> (SECURED BY HYPOTHICATION OF CAR)	623,909	327,260
<b>B</b>	<b>WORKING CAPITAL LOAN</b> (WORKING CAPITAL LOAN ARE SECURED BY HYPOTHECATION OF GOODS CONSISTING AS FINISHED GOODS, SEMI FINISHED GOODS RAW MATERIAL, BOOK DEBTS AND ALL CURRENT ASSETS & FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEEY OF THE DIRECTORS)	214,048,132	195,265,117
<b>C</b>	EXPORT BILL DISCOUNTED (EPC LIMIT) A/C	-	23,085,088
<b>D</b>	UNION BANK OF INDIA (EXPORT BILL PUR.),	-	44,056,112
<b>E</b>	FROM UNION BANK OF INDIA OVERDRAFT A/C (SECURED BY LIEN OF FDRS)	-	61,236,665
	<b>TOTAL ( A to D )</b>	<b>214,672,041</b>	<b>323,970,242</b>
<b>SCHEDULE "04"</b>			
<b>UNSECURED LOAN</b>			
<b>A</b>	FROM DIRECTORS	-	-
<b>B</b>	FROM OTHERS	-	-
	<b>TOTAL ( A to B )</b>	<b>-</b>	<b>-</b>

**SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011**

SCHEDULE "05"  
FIXED ASSETS

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			VALUE AS AT 01.04.2010	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT 31.03.2011	BALANCE AS ON 01.04.2010	FOR THE YEAR	FOR PRIOR PERIOD	BALANCE AS ON 31.03.2011	AS AT 31.03.2011
<b>SOYA DIVISION</b>											
1	LAND (BARLA)		21,337,650.00	394,833.00	-	21,732,483.00	-	-	-	21,732,483.00	21,337,650.00
2	CAPITAL WORK IN PROCESS BUILDING UNDER CONSTRUCTION ELECTRICAL INSTALLATION		-	5,306,342.00	-	5,306,342.00	-	-	-	5,306,342.00	-
	PLANT & MACHINERY		33,128,518.00	-	-	33,128,518.00	-	-	-	33,128,518.00	33,128,518.00
<b>TOTAL - A - (SOYA DIVISION)</b>			<b>54,466,168.00</b>	<b>5,859,829.00</b>	<b>-</b>	<b>60,325,997.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,325,997.00</b>	<b>54,466,168.00</b>
<b>FLOUR DIVISION</b>											
1	LAND	0	2,415,970.00	-	-	2,415,970.00	-	-	-	2,415,970.00	2,415,970.00
2	SITE DEVELOPMENT	3.34	2,871,990.00	-	-	2,871,990.00	1,044,592.00	95,924.00	-	1,731,474.00	1,827,398.00
3	FACTORY BUILDING (INCL. ADMINISTRATION BLOCK)	3.34	37,021,297.00	-	-	37,021,297.00	12,832,800.00	1,236,511.00	-	22,951,986.00	24,188,497.00
4	CAPITAL WORK IN PROCESS BUILDING UNDER CONSTRUCTION FURNITURE IN PROSSECES PLANT & MACHINERY		-	2,119,999.00	-	2,119,999.00	-	-	-	2,119,999.00	-
			-	128,822.00	-	128,822.00	-	-	-	128,822.00	-
5	OFFICE EQUIPMENT	4.75	811,821.00	131,941.00	-	943,762.00	345,612.00	42,389.00	-	555,761.00	466,209.00
6	PLANT & MACHINERY	4.75	50,178,666.00	223,574.00	-	50,402,240.00	23,462,837.00	2,386,856.00	-	24,552,547.00	26,715,829.00
7	MOBILE PHONE	4.75	170,900.00	-	-	170,900.00	37,107.00	8,118.00	-	125,675.00	133,793.00
8	VEHICLE	9.5	2,975,771.00	827,272.00	-	3,803,043.00	1,963,433.00	332,817.00	-	1,506,793.00	1,012,338.00
9	FURNITURE & FIXTURE	6.33	2,681,806.00	42,503.00	-	2,724,109.00	909,656.00	171,918.00	-	1,642,533.00	1,771,948.00
10	LAB. EQUIPMENT	4.75	105,576.00	46,900.00	-	152,476.00	9,188.00	5,204.00	-	138,084.00	96,388.00
11	COMPUTERS	16.21	741,604.00	9,400.00	-	751,004.00	393,776.00	120,718.00	-	236,506.00	347,826.00
12	AIR CONDITIONERS	4.75	281,518.00	16,999.00	-	298,517.00	39,234.00	14,042.00	-	245,241.00	242,284.00
13	ELECTRICAL INSTALLATION	4.75	1,393,327.00	9,805.00	-	1,403,132.00	339,539.00	66,563.00	-	997,030.00	1,063,768.00
14	COMPUTER SOFTWARE	16.21	124,859.00	2,500.00	-	127,359.00	28,830.00	20,511.00	-	78,018.00	96,029.00
<b>TOTAL - B - (FLOUR DIVISION)</b>			<b>101,774,905.00</b>	<b>3,559,715.00</b>	<b>-</b>	<b>105,334,620.00</b>	<b>41,406,606.00</b>	<b>4,501,571.00</b>	<b>-</b>	<b>59,426,441.00</b>	<b>60,368,297.00</b>
<b>CURRENT YEAR GRAND TOTAL (A+B)</b>			<b>156241073.00</b>	<b>9419544.00</b>	<b>0.00</b>	<b>165660617.00</b>	<b>41406608.00</b>	<b>4501571.00</b>	<b>-</b>	<b>119752438.00</b>	<b>114834465.00</b>
<b>PREVIOUS YEAR TOTAL</b>			<b>131321794.29</b>	<b>30112102.00</b>	<b>5192823.29</b>	<b>156241073.00</b>	<b>37204718.43</b>	<b>4201890.00</b>	<b>0.00</b>	<b>114834465.00</b>	<b>94117075.85</b>



## SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st March , 2011

(Amount in Rs.)

S. NO.	PARTICULARS	AMOUNT AS AT 31/03/2011	AMOUNT AS AT 31/03/2010
<b>SCHEDULE "06"</b>			
<b>INVESTMENTS</b>			
<b>(LONG TERM) (FULLY PAID UP)</b>			
	EQUITY SHARES OF		
1	UNION BANK OF INDIA (QUOTED) 1181 EQUITY SHARE (FACE VALUE RS.10/-) (P.Y. 1181 EQUITY SHARES FACE VALUE RS.10/- PER SHARE) (MARKET VALUE RS.410338/- P.Y. RS. 345974/-)	129,910	129,910
2	CHOKSI LABORATORIES LIMITED INDORE <u>UNQUOTED</u>	7,300,000	-
3	SHARE APPLICATION MONEY IN N.J INVESTMENTS PVT. LTD.	500,000	-
4	GG REAL ESTATE PVT. LTD.	495,000	-
	<b>TOTAL</b>	<b>8,424,910</b>	<b>129,910</b>
<b>SCHEDULE "07"</b>			
<b>INVENTORIES</b>			
<b>(As Vauded &amp; Certified by the Directors)</b>			
1	RAW MATERIAL	93,011,315	49,252,874
2	STOCK OF FINISHED GOODS	37,187,612	84,239,867
3	STOCK OF PACKING MATERIAL & OTHER CONSUMABLE STORES	5,199,990	2,708,891
4	STOCK OF W.I.P. (SEMI FINISHED GOODS)	54,609,140	58,930,527
5	STOCK OF TRADING GOODS	336,362	40,358,498
	<b>TOTAL</b>	<b>190,344,419</b>	<b>235,490,657</b>
<b>SCHEDULE "08"</b>			
<b>SUNDRY DEBTORS</b>			
<b>(UNSECURED CONSIDERED GOOD)</b>			
1	DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTH	16,595,290	13,923,536
2	OTHERS	197,399,922	199,562,956
	<b>TOTAL</b>	<b>213,995,212</b>	<b>213,486,492</b>
<b>SCHEDULE "09"</b>			
<b>CASH &amp; BANK BALANCE</b>			
A.	CASH IN HAND ( AS CERTIFIED BY DIRECTOR)	3,882,222	1,345,242
B.	<u>BANK BALANCE WITH SCHEDULED BANK</u>		
I)	<u>CURRENT A/Cs</u>		
1	HSBC BANK LIMITED	108,893	672,213
2	S.B. OF INDIA NAVLAKHA BRANCH	588,651	112,979
3	STATE BANK OF INDIA (DUTY DRAW BACK)	61,824	62,374
4	UNION BANK OF INDIA EEFC A/C	-	3,488,985
5	UNION BANK OF INDIA IPO A/C	156,738	156,738
6	UNION BANK OF INDIA (C/A) SSI BR. INDORE	134,200	296,088
7	UNION BANK OF INDIA TERM LOAN DEBIT BALANCE	7,453	7,453
		1,057,759	4,796,830
II)	<u>FIXED DEPOSIT ACCOUNT</u>		
	UNION BANK OF INDIA	13,220,309	184,468,592
	<b>TOTAL ( A + B )</b>	<b>18,160,290</b>	<b>190,610,664</b>



## SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st March , 2011

(Amount in Rs.)			
S. NO.	PARTICULARS	AMOUNT AS AT 31/03/2011	AMOUNT AS AT 31/03/2010
<b>SCHEDULE "10"</b>			
=====			
<b>LOANS, ADVANCE &amp; DEPOSITS</b>			
<b>(UNSECURED CONSIDERED GOOD)</b>			
<b>(UNLESS OTHERWISE STATED)</b>			
<b>I</b>	<b><u>ADVANCE FOR PURCHASES &amp; OTHERS</u></b>		
1	ADVANCE FOR RAW MATERIAL	2,157,194	3,519,966
2	ADVANCE FOR CAPITAL WORK IN PROGRESS	21,752,189	251,000
3	OTHER LOANS & ADVANCES	97,134,653	44,988,427
4	ADVANCE INCOME TAX & TDS RECEIVABLE	2,907,868	5,090,883
5	ADVANCE FOR EXPENSES	99,795	255,333
6	EMPLOYEE ADVANCES	438,534	514,920
<b>II</b>	<b><u>DEPOSIT WITH AUTHORITIES &amp; OTHERS</u></b>		
1	SUNDRY DEPOSITS	1,636,887	1,659,955
2	SECURITY DEPOSITS WITH B.S.E.	1,575,000	1,575,000
3	SECURITY DEPOSITS AGST. LEASE HOLD LAND	35,000,000	35,000,000
<b>III</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	OTHER CURRENT ASSETS	4,279,961	4,826,920
	<b>TOTAL</b>	<b>166,982,081</b>	<b>97,682,404</b>
<b>SCHEDULE "11"</b>			
=====			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A</b>	<b><u>CURRENT LIABILITIES</u></b>		
1	CREDITORS FOR PURCHASE OF RAW MATERIAL	22,532,215	24,099,330
2	CREDITORS FOR ADVANCE RECEIVED FROM CUSTOMER AGAINST SALES/ORDERS	305,081	18,538,625
3	CREDITORS FOR EXPENSES	7,254,701	19,032,290
4	CREDITORS FOR BROKERAGE	2,903,272	4,422,608
5	OTHER STATUTORY LIABILITIES	281,369	750,036
<b>B</b>	<b><u>PROVISION FOR EXPENSES</u></b>		
1	PROVISION FOR CURRENT TAX	5,850,000	6,125,000
	<b>TOTAL ( A to B )</b>	<b>39,126,638</b>	<b>72,967,889</b>
<b>SCHEDULE "12"</b>			
=====			
<b>MISCELLANEOUS EXPENDITURE &amp; OTHER CURRENT ASSETS</b>			
<b>(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>			
<b>A</b>	<b>PUBLIC ISSUE &amp; PREOPERATIVE EXPENSES</b>	24,711,712	24,486,712
<b>B</b>	<b>PREOPRETIVE EXP. (SOYA DIVISION)</b>	583,605	-
	<b>TOTAL ( A + B )</b>	<b>25,295,317</b>	<b>24,486,712</b>



## SCHEDULE FORMING PART OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st, March 2011

		(Amount in Rs.)	
S. No.	PARTICULARS	AMOUNT AS ON 31/03/2011	AMOUNT AS ON 31/03/2010
<b>SCHEDULE "13"</b>			
<b>SALES &amp; OTHERS RECEIPT FROM OPERATIONAL ACTIVATES</b>			
<b>A) MANUFACTURING</b>			
I)	INDIGENOUS	962,355,818	777,147,872
II)	EXPORT	<u>2,272,924</u>	<u>55,711,960</u>
		964,628,742	832,859,832
<b>B) TRADING</b>			
I)	INDIGENOUS	387,856,535	487,538,650
II)	EXPORT	<u>14,029,048</u>	<u>32,183,115</u>
		401,885,583	519,721,765
	SETTLEMENT INCOME	2,151,141	-
	<b>LESS</b> : SALES RETURN	(71,223)	(14,278)
	<b>TOTAL</b>	<b><u>1,368,594,243</u></b>	<b><u>1,352,567,319</u></b>
<b>SCHEDULE "14"</b>			
<b>OTHER INCOME</b>			
	OTHER INCOME	17,893,513	15,037,964
	<b>TOTAL</b>	<b><u>17,893,513</u></b>	<b><u>15,037,964</u></b>
<b>SCHEDULE "15"</b>			
<b>INCREASE/DECREASE IN STOCK</b>			
1	CLOSING STOCK OF FINISHED GOODS	37,523,974	124,598,365
2	ADD: CLOSING STOCK OF W.I.P. (SEMI FINISHED GOODS)	<u>54,609,140</u>	<u>58,930,527</u>
		92,133,114	183,528,892
	LESS: OP. STOCK OF FINISHED GOODS	124,598,365	78,751,201
	OP. STOCK OF W.I.P.(SEMI FINISHED GOODS)	<u>58,930,527</u>	<u>36,636,351</u>
		183,528,892	115,387,552
	<b>INCREASE IN STOCK</b>	<b><u>(91,395,778)</u></b>	<b><u>68,141,340</u></b>
<b>SCHEDULE "16"</b>			
<b>RAW MATERIAL CONSUMED</b>			
1	OPENING STOCK	49,252,874	52,509,946
2	PURCHASE (NET OF RETURN)	859,138,392	777,471,231
	LESS: CLOSING STOCK	93,011,315	49,252,874
	<b>TOTAL</b>	<b><u>815,379,951</u></b>	<b><u>780,728,303</u></b>





## SCHEDULE FORMING PART OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st, March 2011

S. No.	PARTICULARS	(Amount in Rs.)	
		AMOUNT AS ON 31/03/2011	AMOUNT AS ON 31/03/2010
<b>SCHEDULE "17"</b>			
<b>PACKING MATERIAL CONSUMED</b>			
1	OPENING STOCK :	2,708,891	1,970,700
2	ADD: PURCHASE (BARDANA & PACKING MATERIAL)	21,681,594	13,424,653
		24,390,485	15,395,353
	LESS: CLOSING STOCK	5,199,990	2,708,891
	<b>TOTAL</b>	<b>19,190,495</b>	<b>12,686,462</b>

**SCHEDULE "18"****MANUFACTURING EXPENDITURE**

1	ELECTRICAL REPAIR & MAINTENANCE (PLANT)	-	32,851
2	ENTRY TAX	409,594	234,874
3	FACTORY EXPENSES	62,744	99,576
4	FREIGHT (INWARD)	247,878	453,312
5	FUMIGATION EXPENSES	353,235	263,770
6	HAMMALI AND WAGES	3,089,704	2,660,626
7	LAB CHEMICAL	1,308,229	578,544
8	LOADING UNLOADING EXPENSES	1,745,824	1,874,359
9	MANDI TAX	104,250	292,870
10	PACKING AND BARDANA EXPENSES	1,766,998	1,090,576
11	POWER & FUEL	14,827,264	11,975,698
12	REPAIRS & MAINTAINCE		
	a) Plant & Machinery	1,884,540	1,295,186
	b) Building	33,107	5,000
13	WATER CHARGES	-	26,450
	<b>TOTAL</b>	<b>25,833,367</b>	<b>20,883,692</b>

**SCHEDULE "19"****EMPLOYEE REMUNERATION & BENEFITS**

1	SALARY AND OTHER BENEFITS	1,692,487	1,885,606
2	BONUS	70,100	36,300
3	P.F. CONTRIBUTION	130,053	103,718
4	E.S.I.C.	44,037	29,698
5	GRATUITY	62,019	57,116
6	LABOUR WELFARE	-	-
7	MEDICAL EXPENSES TO STAFF	15,097	20,450
8	STAFF WELFARE EXP.	11,150	15,301
9	WORKMAN COMPENSATION	-	216,400
	<b>TOTAL</b>	<b>2,024,943</b>	<b>2,364,589</b>



## SCHEDULE FORMING PART OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st, March 2011

S. No.	PARTICULARS	(Amount in Rs.)	
		AMOUNT AS ON 31/03/2011	AMOUNT AS ON 31/03/2010
<b>SCHEDULE "20"</b>			
=====			
<b><u>ESTABLISHMENT &amp; ADMINISTRATIVE EXP.</u></b>			
1	ADVERTIZEMENT (LAW) EXPENSES	89,768	157,188
2	<u>AUDITORS REMUNERATION</u>		
	a) INTERNAL AUDIT	34,000	34,000
	b) STATUTORY AUDIT	75,000	66,180
3	A.G.M.MEETING EXPENSES	-	6,126
4	CARRIAGE & CARTAGE GENERAL	-	24,044
5	CHARITY & DONATION	-	334,850
6	COMPUTER REPAIR & MAINTENANCE	75,857	64,535
7	DETENTION & DEMRAGE	-	627,455
8	DIRECTOR MEETING FEES	37,000	34,000
9	DIRECTOR SALARY & PERQUISITE	1,682,000	1,500,000
10	DUTIES & TAXES	105,449	131,317
11	ELECTRICAL EXPENSES	67,472	136,287
12	EXPORT LICENCE EXPENSES A/C	29,997	65,864
13	FESTIVAL EXPENSES	37,225	17,250
14	FILING FEES (ROC)	10,000	-
15	GARDEN MAINTENANCE	49,150	81,799
16	INSURANCE EXPENSES	470,318	485,061
17	ISO AUDIT CHARGES	7,721	17,648
18	LAB TESTING CHARGES	-	7,170
19	LEGAL & PROFESSIONAL EXPENSES	779,568	1,098,530
20	LICENCE & REGISTRATION FEES	133,588	222,542
21	LOSS ON FOREIGN CURRENCY EXCHANGE DIFF.	20,716	151,192
22	MEMBERSHIP FEES	28,322	12,850
23	MISC. EXPENSES	52,755	243,943
24	OFFICE EXPENSES	140,374	200,014
25	POOJA EXPENSES	82,150	138,841
26	POSTAGE & TELEGRAM EXPENSES	332,442	277,439
27	PROFESSIONAL FEES	96,874	576,890
28	PROFESSIONAL TAX	2,500	2,500
29	REPAIR & MAINTENANCE (OTHER)	36,766	75,566
30	SECURITY EXPENSES	386,109	304,617
31	SERVICE TAX EXPENSES	12,064	69,371
32	SERVICE TAX ON EXPORT	22,293	81,598
33	STATIONERY & PRINTING EXPENSES	251,412	273,130
34	TELEPHONE & TRUNK CALL EXP.	295,528	390,986
35	TESTING FEES	23,320	-
36	TRAVELLING & CONVEYANCE EXPENSES	838,206	700,437
37	VEHICLE RUNNING & MAINTENANCE	223,039	438,330
38	WAREHOUSE STORAGE CHARGES	606,178	1,131,097
39	WEBSITE DESIGNING & UPDATION CHARGES	12,800	10,000
	<b>TOTAL</b>	<b>7,147,961</b>	<b>10,190,647</b>



**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st, March 2011**

(Amount in Rs.)

S. No.	PARTICULARS	AMOUNT AS ON 31/03/2011	AMOUNT AS ON 31/03/2010
<b>SCHEDULE "21"</b>			
=====			
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>			
1	ADVERTISING & PUBLICITY EXPENSES	-	92,940
2	BARDANA PRINTING EXP.	-	1,558
3	BROKERAGE ON SALES	4,355,726	4,987,497
4	CLEARING & FORWARDING EXPENSES	1,992,443	10,702,103
5	DISCOUNT	4,692,002	4,862,584
6	FREIGHT OUT WORD (EXPORT )	209,616	1,256,225
7	FREIGHT OUTWARD (OTHER)	441,555	1,309,455
8	GOODS INSPECTION CHRGES (EXPORT )	40,693	330,825
9	HAMMALI & LABOUR CHARGES (EXPORT)	275,828	1,421,170
10	INSURANCE (EXPORT )	84,569	372,376
11	QUALITY & SETTLEMENT CHARGES	-	233,630
12	RATE DIFFERENCE ON SALES	395,805	782,569
13	SALES PROMOTION EXP.	2,100	37,846
14	SHIPPING & FORWARDING EXPENSES	1,205,353	6,434,029
15	SURVEYOR CHARGES (IMPORT)	-	17,160
16	TRANSPORATION (IMPORT)	357,150	2,728,614
17	WEIGHT SHORTAGE	-	91,602
18	LOSS IN TRANSIT	6,298	-
	<b>TOTAL</b>	<b>14,059,138</b>	<b>35,662,183</b>
<b>SCHEDULE "22"</b>			
=====			
<b><u>PRIOR PERIOD ITEMS</u></b>			
1	INTEREST DELAY PAYMENT CHARGES	174,238	9,665
2	ENTRY TAX (08-09)	-	47,545
3	EXCESS PROVISION OF GOVT.BENEFIT LICENCE	36,613	375,263
4	EXP.OF PRIOR PERIOD (09-10),	151,158	-
5	SHORT PROVISION FOR INCOME TAX	394,486	7,872
6	TDS DIFF.FOR YEAR 2007-2008 & 2008-2009	17,970	438
	<b>TOTAL</b>	<b>774,465</b>	<b>440,783</b>
<b>SCHEDULE "23"</b>			
=====			
<b><u>INTEREST &amp; FINANCIAL CHARGES</u></b>			
1	BANK CHARGES A/C (GENERAL)	1,611,263	3,375,827
2	INTEREST ON CC LOAN A/C	20,647,076	17,331,324
3	INTEREST ON OD A/C	448,344	7,342,382
4	INTEREST ON VEHICLE LOAN	63,811	46,141
5	INTEREST TO OTHERS	83,926	881,403
6	L.C. INTEREST & DISCOUNT CHARGES	-	305,000
	<b>TOTAL</b>	<b>22,854,420</b>	<b>29,282,077</b>

**SCHEDULE "24"****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED AT 31<sup>ST</sup> MARCH 2011****(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 is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Thus revenue from sales is recognized at the time of dispatch of goods to customers. Sales other than manufacturing sales are recorded at the time of dispatch and raising the invoice. Sales are shown net of sales return.

**b. Inventory**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on lower of cost or net realizable value.

**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 of Rs.586694/- and other expenses of Rs.187771/- 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.40842335/- are still in work in progress thus depreciation is not required to be provided on the same.

g. **Revenue Recognition**

Revenue from sales/ weighment 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, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial

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.

**VALUE OF IMPORT ON CIF BASIS IN RESPECT OF**

<b>Particular</b>	<b>CURRENT YEAR (Rs. In Lac) 2010-11</b>	<b>PREVIOUS YEAR (Rs. In Lac) 2009-10</b>
Traded Goods	560.00	3858.86

**EARNING IN FOREIGN CURRENCY IN RESPECT OF :**

<b>Particular</b>	<b>CURRENT YEAR (Rs. In Lac) 2010-11</b>	<b>PREVIOUS YEAR (Rs. In Lac) 2009-10</b>
Traded Goods	163.02	878.95

j. **Investment**

Current investments are carried at lower of cost and quoted, faire value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

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 62019/- . 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 capitalized 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 represent assets and liabilities in respective segments. Investments tax related assets and other assets and liabilities that can not 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. **Provision for Current & Deferred 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. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

q. **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.

r. **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.



s. **Other Income**

Other Income for the year ended 31st March 2011 includes dividend on investments Interest on Bank Fixed deposits and interest on advances etc.

**B NOTES ON ACCOUNT**

1. The Company has taken Factory Land on lease and lease expenses of Rs. 225000/- 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 in shifted to new location Barlai Jangir. The company has canceled the Lease deed w.e.f.10<sup>th</sup> January 2011 and asked to lessor for refund of lease deposit of Rs. 35000000/- which is yet to be received.

2. **INVESTMENTS:**

- a) The Company during the year has invested Rs. 7300000/- on 16<sup>th</sup> August 2010 for purchase of 800000 convertible equity warrants of M/s Choksi Laboratories' Limited. The nominal value of warrants is Rs. 10/-each and has been purchased at a price of Rs. 21.50. The company has partially paid the amount for purchase the said warrants and the same shall be locked in for a period of one year from the date of allotment. The company is required to apply for the allotment of equity share only on the full payment of price of allotted warrants @ 21.50 per warrants & the due date application for allotment of equity share against warrants is on or before the expiry of 18 months from the date of allotment. Thus the company is required to pay full amount of warrants purchased on or before the 18 month of allotment & as on the date of balance sheet the company has paid Rs. 7300000/- (Rs. Seventy Three Lacs) against the total amount payable some of Rs. 17200000/- (Rs. One Crore Seventy Two Thousand).
- b) The company has made an investment by way of share application in Company fully paid shares 5000 equity shares of Rs. 100/-each and unlisted company of Rs. 500000/- and share yet to be allotted.
- c) The company has acquired 100% shares of M/s GG REAL ESTATE PRIVATE LIMITED and thereby this Company becomes 100% subsidiary of the Company.
- d) This has been done out of internal accruals of the Company.
3. The Company has filed its return of income up to have been the Assessment Year 2010-2011 and the Income Tax Assessment of the Company has been completed up to Assessment Year 2008-2009.

4. **Miscellaneous Expenditure**

Miscellaneous Expenditure to the extent not written off pertaining to public issue expenses is of Rs 25295317/- which shall be amortized over a period of 5 years after the commencement of new project.

5. Considering the deduction and exemption available as per the provision of the Income Tax Act 1961 a provision of Rs. 5850000/- (P.Y 6125000/-) made in the account towards current income tax for the year.
6. 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.
7. The Company is engaged in the manufacturing of wheat products & Dali and also sales purchase of same item under trading activities.



8. 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 whichever is lower.
9. Closing stock of packing material stores and raw material are valued at cost or net realizable value whichever is less.

10. **Contingent Liability not provided**

	<u>2010-2011</u>	<u>2009-2010</u>
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

11. **Payment to Auditors**

	<b>Current Year</b> <u>2010-2011</u>	<b>Previous Year</b> <u>2009-2010</u>
1. Audit Fees	75000=00	60000=00
2. Service Tax	Nil	6180=00
Total	----- 75000=00 =====	----- 66180=00 =====

12. Director meeting fee represents the fee paid to Non executive directors of the company for their participation in the board meeting during the year.
13. Some of the balances of debtor's 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.
14. Previous year corresponding figures have been regrouped re-casted and re-arranged to make them comparable with current year's figures wherever necessary.
15. 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 Income Tax (F.Y.2009-2010)	Statutory	174238
Excess Provision of Govt.Benefit Licence	Reversal of Income	36613
Short Provision for Income Tax	Statutory	394486
TDS Diff.For The Year 07-08 & 08-09	Statutory	17970
Exp.of Prior Period (09-10)	Reversal of Income	151158
<b>Total</b>		<b>774465</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. 774465/-

16. Remuneration to Directors:-

	<b>Current Year</b> <u>31.03.2011</u>	<b>Previous Year</b> <u>31.03.2010</u>
1. Salary	1682000=00	1500000=00
2. Sitting Fees	37000=00	34000=00
Total:	----- 1719000=00 =====	----- 1534000=00 =====





17. Expenditure on employees (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  
31.03.2011**                      **Year ending on  
31.03.2010**

Nil    Nil

18. 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.528885/-
19. The position of the fund raised by the company in F.Y. 2007-2008 (Listed in 2008-2009) by public offer including share premium and utilization thereof up to 31st March2011 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	FDR's	1.322*
2	Project WIP	4.084
3	Purchase of Land for project	2.173
4	Advance against Project Work	2.175
5	Loans & Advances to others	3.469
6	Loans & Advances to Subsidiary	6.245
7	Expenses on Public issue	2.359
8	Use in Working Capital	9.657
9	Balance in IPO A/c	0.016
	<b>Total</b>	<b>31.500</b>

- **The said FDR's is pledged against current working capital limit of the bank.**

20. The company has given loan & advance to GG REAL ESTATE PRIVATE LIMITED (100% subsidiary) having balance of total outstanding as on 31.3.2011 of Rs. 62,449,326 and charged interest of Rs. 8023737/-.
21. Loans & Advance includes Rs.21752189/- (P.Y. Rs 251000/-) due from parties on account of advance against Capital Goods.
22. The FDR's with Union Bank of India of Rs. 13220309/- is pledged with said bank against current working capital limit with the bank.



23. The provision of deferred tax Asset as on 31/03/2011 has been calculated as under after considering the timing difference in depreciation and other as per AS-22 of ICAI.

	OPENING BALANCE 01-04-2010	CURRENT YEAR	CLOSING BALANCE 31-03-11
Differed 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 2010-11

1) As per Income Tax	3316024.00
2) As per companies Act.	4501571.00

A) Timing Difference due to Depreciation (1185547.00)

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) (1185547.00)

Deferred Tax Liabilities (Assets) created @ 33.99 % (402967.00)

**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.**

24. Related Party Disclosures:

i) 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:-

**LIST OF RELATED PARTIES AND RELATIONSHIP**

**1. Key Managerial Personnel**

- Mr. Dinesh Agrawal Chairmen Cum Managing Director
  - Mr. Ashish Agrawal Whole Time Director
  - Miss Neha Agrawal \*
- \*Appointed on 29/05/2010 & Resigned w.e.f.06/09/2010

**2. Relatives of Key Management Personnels**

Name of the Relative	Relation
a) Mr. Anoop Agrawal	Son of Mr. Dinesh Agrawal
b) Mr. Manish Agrawal	Son of Mr. Rajababu Agrawal
c) Mr. Manisha Agrawal	W/o Mr. Manish Agrawal
d) Mrs. Ruchi Agrawal	Wife of Mr. Rupesh Agrawal
e) S/s Rajababu Agrawal HUF	HUF of Mr. Rajababu Agrawal
f) S/s Dinesh Agrawal HUF	HUF of Mr. Dinesh Agrawal
g) Usha Devi Agrawal	Wife of Rajababu Agrawal
h) Neha Agrawal	Daughter of Dinesh Agrawal
i) Manish Agrawal HUF	HUF of Mr. Manish Agrawal
j) Mr. Rajababu Agrawal	Brother of Mr. Dinesh Agrawal
k) Mr. Rupesh Agrawal	Son of Mr. Rajababu 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.	( Company in which relative is Director)
d) Ms. Anoop Foods Ltd.	(Group Company)
e) M/s. Usha Dall Mill	(Proprietorship Firm of Directors brother)
f) GG Real Estate Pvt.Ltd.	(Subsidiary Company)

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

Amount in Rs.

	<u>2010-11</u>	<u>2009-10</u>
<b><u>OPENING BALANCE AS ON 1<sup>ST</sup> APRIL</u></b>		
Equity Share Capital	120926230	120130020
Sundry Debtors	102468601	37231947
Unsecured Loans taken	Nil	1292913
Current account of Key Managerial Personnel	430626Cr.)	1335912 (Cr.)
Sundry Creditors	Nil	Nil
<b><u>TRANSACTIONS</u></b>		
Sale of Goods	163898220	77307258
Purchase of Goods	594414750	301136795
Repayment of unsecured loans taken	Nil	1292913
Remuneration to Key Managerial Personnel Salary	1682000	1500000
Loans & Advances to Subsidiary	78188744	Nil
Loans & Advances Recovered (Subsidiary)	15739418	Nil
<b><u>CLOSING BALANCE AS ON 31ST MARCH.</u></b>		
Equity Share Capital	120928730	120926230
Sundry Debtors	128725598	102468601
Unsecured loans taken	Nil	Nil
Current account Key Managerial Personnel	190349(Cr.)	430626Cr.)
Sundry Outstanding	168750	Nil
Sundry Creditors	7685035	Nil
Loans & Advance to Subsidiary	62449326	Nil

**Note:** During the year Company has acquired 100% Share holding (Face Value 10/- at a Price of Rs. 45/-) in M/s GG Real Estate Pvt. Ltd.



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

Amount in Rs.

A	As Debtors	2010-11	2009-10
	1) Anoop Foods Ltd.	8000745	25766345
	2) Manish Trading Company	Nil	31287007
	3) Sita Shree Marketing Pvt. Ltd.	36353125	19231525
	4) Usha Dall Mil	28707524	3980420
	5) Sitaram Shree Narayan Agrawal & Company	55664204	22203304
	<b>Total</b>	<b>128725598</b>	<b>102468601</b>
B	As Creditors	2010-11	2009-10
	1) Manish Trading Company	7685035	Nil
	<b>Total</b>	<b>7685035</b>	<b>Nil</b>

26. 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 31-03-2011	As On 31-03-2010
Employee (as per the general policy of the company)	Interest Free	500000	500000

In addition to above advance given to employee Rs.438534/- (P.Y. Rs.514920/-) but these are not in the nature of loans.

### 27. EARNING PER SHARE

		2010-11	2009-10
1	Net Profit after tax available for equity share holders	9372815	11899424
2	Weighted average number of equity share	22036800	22036800
3	Basic & Diluted Earning Per Share (Rs.) (Face Value of Rs.10/- each)	0.43	0.54

### 28. DISCLOSURES IN RESPECT OF PROVISIONS PURSUANT TO ACCOUNTING STANDARD-29

	PARTICULAR	OPENING BALANCE AS ON 01-04-10	PROVIDED DURING THE YEAR	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	CLOSING BALANC AS ON 31-03-11
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	6125000	5850000	6125000	NIL	5850000
4	Provision for Fringe Benefit Tax	NIL	NIL	NIL	NIL	NIL

**29. INFORMATION ABOUT BUSINESS SEGMENT**

	MANUFACTURING		TRADING		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Total Revenue (Sales)	964557519	796682896	404036724	555884423	1368594243	1352567319
Segment Result	52780064	52333809	(4088264)	35455446	48691800	87789255
Unallocated Corporate Exp.					24006507	51318828
Operating Profit					24685293	36470427
Interest and Other Income					17893513	15037964
Interest & other Exp.					27355991	33483967
Profit Before Tax					15222815	18024424
Income Tax					5850000	6125000
Profit After Tax					9372815	11899424

**OTHER INFORMATION**

	MANUFACTURING		TRADING		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Assets	428841074	384335186	2208298	94877758	431049372	479212944
Unallocated Corporate Assets	-	-	-	-	271062960	364379842
Total Assets	-	-	-	-	702112332	843592786
Segment Liabilities	22837296	23488776	-	191149179	22837296	42637955
Unallocated Corporate Liabilities	-	-	-	-	244128053	367466846
Total Liabilities					266965349	410104801
Capital Expenditure	-	-	-	-	40842335	33128518
Depreciation	-	4201890	-	-	4501571	4201890
Non-Cash Exp. (Other than Depreciation)	NIL	NIL	NIL	NIL	NIL	NIL

**Note:**

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

30. 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.
31. Unpaid amount on account of share warrant purchased from M/s Choksi Laboratories Ltd. is Rs. 9900000/-. Payable after 18 months of allotment
32. In view of the insufficient information from suppliers regarding their status as SSI/SME Company amount overdue to such undertaking could not be ascertained but the management does not envisage any material impact on the Financial Statement.
33. 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

we approve to the correctness of above

**FOR M. K. SHAH & ASSOCIATES**

CHARTERED ACCOUNTANT

(Reg. No. 002077C)

( M.K. SHAH )

Proprietor

M.NO.:400-71199

PLACE: INDORE

DATE : 30th May, 2011

**FOR AND ON BEHALF OF THE BOARD**

Dinesh Agrawal

Ashish Goyal

G.P. Chaturvedi

Managing Director

Whole Time Director

Chief Accountant



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March,2011

## SCHEDULE- "25"

(Amount in Rs.)

S. NO.	PARTICULARS	31/03/2011	31/03/2010
A	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	NET PROFIT BEFORE TAXATION	15222815.00	18024424.00
	<b>ADJUSTMENTS FOR :</b>		
	DEPRECIATION	4501571.00	4201890.00
	INTEREST/DIVIDEND INCOME	-14120223.00	-14674825.00
	PRELIMINARY EXPENSES WRITTEN OFF	0.00	0.00
	INTEREST PAID	22854420.00	29282077.00
	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>28458583.00</b>	<b>36833566.00</b>
	CHANGE IN TRADE AND OTHER RECEIVABLES	-508720.00	-83375827.00
	CHANGE IN INVENTORIES	45146238.00	-65622459.00
	CHANGE IN OTHER CURRENT ASSETS	-69299677.00	5993009.00
	CHANGE IN CURRENT LIABILITIES	-33841251.00	40798891.00
	INCOME TAX	-5850000.00	-6125000.00
	PRIOR PERIOD EXPENDITURE	-	-
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>-35894827.00</b>	<b>-71497820.00</b>
B	<b>CASH FLOW FROM INVESTING</b>		
	INTEREST RECEIVED	14116478.00	14668920.00
	DIVIDEND RECEIVED	3745.00	5905.00
	PURCHASE OF FIXED ASSETS	-9419544.00	-24919279.00
	SALE OF FIXED ASSETS	0.00	0.00
	INVESTMENTS PURCHASED (FDR EXCLUDING INT.)	162953283.00	-23041521.00
	SALE OF INVESTMENT	0.00	0.00
	<b>NET CASH FLOW USED IN INVESTING ACITIVIES (B)</b>	<b>167653962.00</b>	<b>-33285975.00</b>
C	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	CHANGES IN BORROWINGS	-109298201.00	137246806.00
	PROCEEDS FROM ISSUANCE OF CAPITAL	0.00	0.00
	INTEREST PAID	-22854420.00	-29282077.00
	DIVIDEND PAID	0.00	0.00
	PUBLIC ISSUE EXPENSES	-808605.00	-300000.00
	PREOPRETIVE EXP. (SOYA DIVISION)	0.00	
	PREMIUM ON ISSUE OF SHARES	0.00	0.00
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES [C]</b>	<b>-132961226.00</b>	<b>107664729.00</b>
	<b>NET INCREASED IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-1202091.00</b>	<b>2880934.00</b>
	CASH AND CASH EQUIVALENTS (OPENING BALANCE)	6142072.00	3261138.00
	CASH AND CASH EQUIVALENTS (CLOSING BALANACE)	4939981.00	6142072.00

IN TERMS OF OUR SEPARATE REPORT  
OF EVEN DATE ATTACHED,  
FOR M. K. SHAH & ASSOCIATES

CHARTERED ACCOUNTANT  
(Reg. No. 002077C)  
( M.K. SHAH )  
PROPRIETOR  
M.NO.:400-71199

WE CERTIFY 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 : 30th May, 2011



INFORMATION PURSUANT TO PROVISION OF PARAGRAPHS 3 4C AND 4D OF  
PART - II OF SCHEDULE VI OF THE COMPANY ACT, 1956,  
FOR THE YEAR ENDED 31.03.2011

**A. CAPACITY AND PRODUCTION**

ANNEXURE-I

	CLASS OF GOODS	YEAR 2011			YEAR 2010		
		Licenced Capacity (per annum)	Installed Capacity (per annum)	Production	Licenced Capacity (per annum)	Installed Capacity (per annum)	Production
1	Wheat Flour Mill	43200 m.t.	43200 m.t.	34989	43200 m.t.	43200 m.t.	32068
2	Dall Mill	3500 m. t.	3500 m. t.	2562	3500 m. t.	3500 m. t.	4805
3	Processed Goods	-	-	-	-	-	-

**B. DETAILS OF SALES, PURCHASES & STOCK 2010-11**

S. No.	ITEMS	31ST MARCH 2011		31ST MARCH 2010	
		QTY (IN M.T.)	AMT.(IN RS.)	QTY (IN M.T.)	AMT.(IN RS.)
<b>A(I) SALES OF TRADING ITEMS :</b>					
1	ATTA	108.500	1,541,750.00	-	-
2	BESAN	-	-	18.000	543,510.00
3	CHANA	579.522	14,268,973.00	397.111	8,742,779.00
4	CHANADALL	9,215.000	251,320,715.00	-	-
5	CHAWLA	-	-	682.052	24,614,481.00
6	CHICK PEAS	636.819	27,729,088.00	2,618.501	89,025,224.00
7	MAIDA	1,839.135	27,072,637.00	3,575.665	51,139,003.00
8	MASOOR	29.883	1,255,086.00	859.250	35,795,559.00
9	MUNG	980.710	54,396,228.00	3,817.080	176,972,162.00
10	MUSTURD SEED	-	-	-	-
11	PEAS (Green & Yellow)	-	-	2,914.690	49,546,470.00
12	RAJMA	283.851	8,322,432.00	1,163.610	36,360,746.00
13	RAPESEED MEAL	-	-	1,005.550	13,947,823.00
14	RAWA	518.940	8,239,689.00	-	-
15	SOYA DOC	-	-	341.200	6,901,336.00
16	SUJI	220.045	3,531,383.00	137.520	1,909,587.00
17	URAD	-	-	238.890	12,365,920.00
18	WHEAT	321.150	4,207,602.00	924.932	11,857,165.00
	<b>TOTAL</b>	<b>14,733.555</b>	<b>401,885,583.00</b>	<b>18694.051</b>	<b>519,721,765.00</b>
<b>A(II) SALES OF MANUFACTURED GOODS :</b>					
<b>(I) ATTA ITEMS :</b>					
1	ATTA	20,814.423	316,515,787.00	17,248.839	250,934,644.00
2	CHAPAD	5,091.150	44,232,686.00	4,717.583	39,230,434.00
3	DEER ATTA	-	-	980.930	13,873,673.00
4	MAIDA	7,299.365	112,317,115.00	7,125.035	109,643,113.00
5	PACKING MATERIAL	-	2,264,975.00	-	3,979,543.00
6	RAWA	1,104.890	17,540,761.00	1,082.410	17,051,052.00
7	REFRACTION	304.348	469,714.00	399.742	562,843.00
8	SUJI	610.005	9,721,081.00	607.630	9,770,120.00
9	T. ATTA	-	-	48.800	775,660.00
	<b>TOTAL A)</b>	<b>35,224.181</b>	<b>503,062,119.00</b>	<b>32210.969</b>	<b>445,821,082.00</b>



S. No.	ITEMS	31ST MARCH 2011		31ST MARCH 2010	
		QTY (IN M.T.)	AMT.(IN RS.)	QTY (IN M.T.)	AMT.(IN RS.)
<b>(II) CHANA DALL ITEMS</b>					
1	CHANA DALL	13,386.025	390,081,165.00	8,040.955	222,343,144.00
2	CHANA CHILKA	209.275	1,694,623.00	82.025	607,224.00
3	CHANA CHURI	507.190	5,243,959.00	120.270	1,166,685.00
4	KABULICHANA(Trd)	1,281.611	62,639,150.00	3,800.069	162,921,697.00
5	MASOOR GOTA	31.217	1,186,246.00	-	-
6	MATAR DALL	42.440	721,480.00	-	-
	<b>TOTAL B)</b>	<b>15,457.758</b>	<b>461,566,623.00</b>	<b>12043.319</b>	<b>387,038,750.00</b>
	<b>TOTAL (A TO B)</b>	<b>50681.939</b>	<b>964628742.00</b>	<b>44254.288</b>	<b>832,859,832.00</b>
<b>B(I) PURCHASE OF TRADING ITEMS :</b>					
1	ATTA	108.500	1,541,750.00	-	-
2	BESAN	-	-	18.000	495,000.00
3	CHANA	579.522	14,260,618.00	397.111	8,645,568.00
4	CHANADALL	9,215.000	253,249,500.00	-	-
5	CHAWLA	-	-	685.518	24,026,873.00
6	CHICK PEAS	115.670	5,732,279.00	3,121.425	110,948,124.00
7	GREEN MOONG	907.312	47,930,443.00	3,641.224	152,496,473.00
8	MAIDA	1,839.135	27,072,637.00	3,575.665	51,139,003.00
9	MASOOR	-	-	920.330	37,340,792.00
10	MATAR	-	-	42.440	891,240.00
11	PEAS (Green & Yellow)	-	-	2,960.710	51,674,975.00
12	RAJMA	72.000	2,336,951.00	1,392.190	42,188,545.00
13	RAPESEED MEAL	-	-	1,024.417	10,749,179.00
14	RAWA	518.940	8,239,689.00	-	-
15	SOYA DOC	-	-	344.380	6,850,411.00
16	SUJI	220.045	3,531,383.00	137.520	1,909,587.00
17	URAD	-	-	239.040	10,098,505.00
18	WHEAT	321.150	4,207,602.00	924.932	11,827,298.00
	<b>TOTAL</b>	<b>13897.274</b>	<b>368102852.00</b>	<b>19424.902</b>	<b>521281573.00</b>
<b>B(II) PURCHASE OF MANUFACTURING ITEMS :</b>					
1	CHANA	1,969.827	43,689,098.00	846.065	17,858,088.00
2	CHANADALL	10,044.300	293,098,315.00	7,527.200	211,300,390.00
3	KABULICHANA	1,225.579	57,648,960.00	3,725.956	152,484,416.00
4	WHEAT	36,233.649	464,702,019.00	31,191.185	395,828,337.00
	<b>TOTAL</b>	<b>49473.355</b>	<b>859138392.00</b>	<b>43290.406</b>	<b>777,471,231.00</b>





S. No.	ITEMS	31ST MARCH 2011		31ST MARCH 2010	
		QTY (IN M.T.)	AMT.(IN RS.)	QTY (IN M.T.)	AMT.(IN RS.)
<b>C(I)</b>	<b><u>TRADING STOCK</u></b>				
1	CHICK PEAS	-	-	506.862	22,935,506.00
1	GREEN MOONG	-	-	72.000	4,554,000.00
2	KIDNEY BEANS(RAJMA)	7.440	336,362.00	220.000	9,020,000.00
3	MATAR	-	-	42.440	903,972.00
4	RED LENTILS (MASOOR)	-	-	61.100	2,945,020.00
	<b>TOTAL</b>	<b>7.440</b>	<b>336,362.00</b>	<b>902.402</b>	<b>40,358,498.00</b>
<b>C(II)</b>	<b><u>RAW MATERIAL STOCK</u></b>				
1	CHANA	333.300	8,454,495.00	792.778	19,663,617.00
3	WHEAT	8,443.155	139,165,960.00	6,051.914	88,519,784.00
	<b>TOTAL</b>	<b>8,776.455</b>	<b>147620455.00</b>	<b>6,844.692</b>	<b>108,183,401.00</b>
<b>C(III)</b>	<b><u>FINISHED GOOD STOCK</u></b>				
	<b><u>WHEAT ITEM</u></b>				
1	ATTA	190.709	3,530,024.00	493.694	7,158,563.00
2	CHAPAD	300.750	3,007,500.00	44.878	415,122.00
3	MAIDA	97.830	1,819,638.00	175.442	2,561,453.00
4	RAWA	15.900	295,740.00	110.451	1,629,152.00
	<b>TOTAL</b>	<b>605.189</b>	<b>8,652,902.000</b>	<b>824.465</b>	<b>11,764,290.00</b>
<b>C(IV)</b>	<b><u>CHANA ITEMS</u></b>				
1	CHANA DALL	539.400	16,721,400.00	2,029.956	60,594,187.00
2	CHANA CHURI	48.290	482,900.00	127.395	1,369,496.00
3	KABULI CHANA	174.314	11,330,410.00	230.524	10,511,894.00
	<b>TOTAL</b>	<b>762.004</b>	<b>28,534,710.000</b>	<b>2387.875</b>	<b>72,475,577.00</b>

ANNEXURE II

**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	31.03.2011

**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
742,954,667.00	742,954,667.00

**a) Source of Funds**

Paid up Capital	Reserve & Surplus	Secured Loan	Unsecured Loan
220368000.00	255,621,318.00	214672041.00	0.00

**b) Application of Funds**

Net Fixed Assets	Investment	Net Current Assets
119752438.00	8424910.00	550355364.00
Misc. Expenditure	Accumulated Loss	
25295317.00	Nil	

**IV) Performance of the Company**

Total Income	Total Expenditure	Profit Before Tax
1295091978.00	1279869163.00	15222815.00
Profit (+)/Loss(-) After Tax	Earning per Share	Dividend Rate %
9372815.00	0.43	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 SEPARATE REPORT  
OF EVEN DATE ATTACHED,  
FOR M. K. SHAH & ASSOCIATES**

CHARTERED ACCOUNTANT  
(Reg. No. 002077C)  
( M.K. SHAH )  
PROPRIETOR  
M.NO.:400-71199

**WE CERTIFY 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 : 30th May, 2011