



SitaShree

Food Products Ltd.

**SITA SHREE FOOD
PRODUCTS LIMITED**

**16th Annual Report
2011-2012**

Board of Directors:

- | | |
|-------------------------|------------------------------------|
| 1. Dinesh Agrawal | Chairman and Managing Director |
| 2. Ashish Goyal | Whole Time Director |
| 3. Anoop Goyal | Whole Time 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 Square
Indore- 452001

Bankers:

State Bank of India
Union Bank of India

Registered Office:

332/4/2, R.D. Udyog Nagar,
Palda Nemawar Road, Mathurawala's Colony,
Indore (M.P.) 452001
Tel.: +91-731-2439901-902-920
Fax: +91-731-4068448
Website – www.sitashri.com
Email – info@sitashri.com

Registrar and Share Transfer Agent:

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

NOTICE

NOTICE is hereby given that Sixteenth 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 Saturday, 29th September, 2012 at 10.30 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012 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 Independent Director in place of Shri Santosh Kumar Gupta, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint Whole Time Director in place of Shri Ashish Goyal, 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.

AS SPECIAL BUSINESS:

As Special Resolution

5. Re-confirmation of Issue and allot Equity Shares / Warrants on preferential basis and ratification

“RESOLVED THAT approval of shareholders be and is hereby re-accorded on same terms and conditions as mentioned in Special Resolution passed in the Extra Ordinary General Meeting held on 30th June 2012, pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to any approval, consent, permission and / or sanction of the appropriate authorities, (hereinafter collectively referred to as “the appropriate authorities”), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as “the requisite approvals”), and which may be agreed to by the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby once again authorised to create, offer, issue and allot, from time to time in one or more tranches **1,20,00,000 (One Crore Twenty Lacs)** convertible Equity Warrants each carrying right to subscribe equal numbers of equity shares of the Company by domestic / foreign institutions, institutional investors,

banks, mutual funds, insurance companies, bodies corporate, individuals or other entities, whether or not such investors are Members of the Company, under a preferential issue through offer letter and/or circular and/or information memorandum and/or such other documents / writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion; provided that the nominal value of the warrants is Rs. 10/- (Rupees ten) each at a price of Rs. 15.00/- (Fifteen Rupees only) with respect to the Relevant Date i.e. **30th August 2012**, as prescribed under the Guidelines for Preferential Issues contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 including any statutory modification or re-enactment thereof for the time being in force.

FURTHER RESOLVED THAT allotment of 1,20,00,000 Convertible Warrants by the Board of Directors on 29th August 2012 be and is hereby ratified.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or Executive Director or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.”

BY ORDERS OF THE BOARD

SITA SHREE FOOD PRODUCTS LIMITED

Place: Indore

Dated: 29.08.2012

Dinesh Agarawal

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 **22nd Sept, 2012 to 29th Sept, 2012** (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. Shri Santosh Kumar Gupta

Shri Santosh Kumar Gupta, Independent Director aged 66 years, is a post graduate in Chemistry. He has worked for Flour Testing Project of Wheat Associate, USA at Hapurand from 1969 to 1971 and from 1971 to 2006 as Deputy Manager for Central Warehousing Corporation (A Government of India Undertaking). After retirement from Central Warehousing Corporation in 2006, he rendered his services to IPS Academy, Indore as Administrative Officer. He is an Independent Director of the Company since 29.09.2008 and liable to retire by rotation, Board recommends his reappointment as director of the Company.

Shri Santosh Kumar Gupta is holding NIL shares (either in his name or in the name of any other person on a beneficial basis) in the Company.

2. Shri Ashish Goyal

Shri Ashish Goyal, Wholetime Director, age 28 years is the young entrepreneur with bright, innovative and fresh ideas of to do business. He is a Bachelor in Business Administration. He is handling business of global grain trading and processing. He is responsible for the company's product marketing and accounts work. He liable to retire by rotation, Board recommends his reappointment as director of the Company.

Shri Ashish Goyal is holding 1415800 shares (either in his name or in the name of any other person on a beneficial basis) in the Company.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM No. : 5

Company had accorded its consent to issue and allot 1,20,00,000 Convertible Warrants on preferential basis vide special resolution passed in extraordinary general meeting held on 30th June 2012. As per terms of said special resolution, Company has to allot the convertible warrants within 15 days from date of EGM or date of In-principle approval of Stock Exchanges (NSE and BSE) whichever is later. However, In-Principle approval BSE was received vide letter dated 02.07.2012 and In-Principle approval NSE was received vide letter dated 19.07.2012. Accordingly warrants should be allotted latest by 03.08.2012, but the same has not been done. On receipt of 25% of amount from the allottees, Board has allotted the 1,20,00,000 Convertible Warrants on 29th August 2012, which is beyond the time limit as stipulated above. So in terms of regulation 74(2), Board has to again obtain approval of shareholder by way of special resolution for the above allotment and for the ratification of the act of the Board of Directors. Therefore, the said resolution again put forth before the shareholder for their re-confirmation on same terms and condition as it was confirmed earlier. Although relevant date is changed to 30.08.2012, but no change in price of warrants is expected. If, there is any change in price of shares on Exchange, which required upward revision in issue price of warrants, then only issue price shall be revised as per SEBI (ICDR) Regulation, 2009, otherwise price mentioned in the resolution shall remain same. The text of explanatory statement is reproduce below:-

The Company is pursuing several growth opportunities in its existing scale of business. Your company is trying to maximize the shareholders value by accelerating the growth in pace with the opportunities. To augment the long term resources of the company, particularly to meet fund requirement of Solvent Extraction Plant and to retire borrowings of the Company and in order to meet the growth opportunities and general corporate purposes, your board intends to mobilize funds through issue of warrants persons by way of preferential allotment of warrants for cash, in terms of Regulations issued by the Securities And Exchange Board of India, as in force on the date of this notice. The number of warrants entitled to convert into equity shares to such persons and on such terms and conditions including as to dividend, premium, conversion etc. are detailed in the draft resolution set out in the Notice and Explanatory Statement. The proposed issue of the members by a special resolution pursuant to the provision of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the Listing Agreement entered into by the Company with the Stock Exchange. The 1,20,00,000 (One Crore Twenty Lacs) Equity Warrants proposed to be issued

to persons other than promoter and existing shareholders of the company will carry an option to acquire equivalent numbers of equity shares of Rs. 10/- (Rupees Ten only) each fully paid-up, on the terms and conditions mentioned in the aforesaid special resolution. Disclosure required to be given in the explanatory statement to the Notice of the General Meeting, in terms of provisions of Chapter VII of the SEBI (Issue of Capital And Disclosure Requirement) Regulation, 2009 as in force on the date of notice, are as under.

The details of the issue and other particulars as required in terms of the Preferential Issue Guidelines are given as under:

- 1. Securities to be issued:** The resolution set out in the accompanying Notice is an enabling resolution, entitling the Board to issue equity shares or warrants entitling to apply for equity shares as may be deemed appropriate in the best interest of the Company.
- 2. Object of the Issue:** Object of this issue is to raise fund for working capital requirement, capital expenditure for Solvent Extraction Plant and retirement of debts of the Company.
- 3. Pricing of the Equity Shares / Warrants:** Each equity share/warrants of face value of Rs. 10/-, including the equity shares arising out of the exercise of option attached to warrants, shall be issued at a price not being less than Rs. 15/- (Fifteen Only) per equity share.
- 4. Terms of Warrants:** The Board may allot convertible warrants at a price not being less than Rs. 15/- per warrant, which will entitle the holder to subscribe for one equity share of the face value of Rs.10/-, at a price not being less than Rs. 15/- per equity share of the Company against each warrant. An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable upon subscription of the warrants. The warrants would be allotted on the following terms:
 - The holder of warrants will have an option to apply for and be allotted 1 (one) equity share of the Company per warrant any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. In this connection, either the Company or the warrant holder will give an advance notice of at least fifteen days calling upon the other party to exercise / avail the aforesaid option specifying the number of warrants. The warrant holders will be liable to make the payment of balance sum per warrant for such number of warrants within 15 days of the service of the notice.
 - Upon receipt of the payment as above, the Board (or a Committee thereof) shall allot one equity share as fully paid-up per warrant by appropriating Rs.10 towards equity share capital and balance towards premium.
 - If the entitlement against the warrants to apply for the equity shares is not exercised within the period specified in the notice referred hereinabove, the entitlement of warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
 - The warrant by itself does not give to the holder(s) thereof any rights of the shareholders of the Company.

- The equity shares issued as above shall rank pari passu in all respects with the then existing equity shares of the Company. The warrants and equity shares shall be subject to the Memorandum and Articles of Association of the Company.

5. Lock-in: The shares resultant from the conversion of warrants issued under the above Preferential Issue shall be locked-in for a period of three years for promoter and one year for other allottees (non-promoters) from the date of allotment.

6. Particulars of Subscribers and Intention proposal of Promoters / directors / Key Managerial Persons to Subscribe the Offer: None of the promoters or promoters group or Key Managerial persons had shown their interest to subscribe any warrant arising out of this issue. Details of subscribers (other than promoters) of the said preferential issue are given as below

Sr. No.	Name of Proposed Subscriber/allottees	Category	Present Shareholding of Allottees (pre-issue of)	Number of warrants proposed to be allotted	Post issue shareholding of Allottees after conversion of warrants	Percentage to post issue capital of the Company after conversion
1	OREGON COMMERCIALS LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,35,000	12,35,000	3.63%
2	SIMPLEX TRADING & AGENCIES LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,35,000	12,35,000	3.63%
3	SARAL MINING LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,25,000	12,25,000	3.60%
4	SUN TECHNO OVERSEAS LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,30,000	12,30,000	3.61%
5	SYNERGY COSMETICS (EXIM) LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,30,000	12,30,000	3.61%
6	SUN AND SHINE WORLDWIDE LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,30,000	12,30,000	3.61%
7	INTERFACE FINANCIAL SERVICES LIMITED	Body Corporate Investor (Non-promoter)	NIL	12,35,000	12,35,000	3.63%
8	SYNERGY INFRASTRUCTURES LIMITED	Body Corporate Investor (Non-promoter)	NIL	16,91,000	16,91,000	4.97%
9	CLASSIC FILAMENTS LIMITED	Body Corporate Investor (Non-promoter)	NIL	16,89,000	16,89,000	4.96%
Total		NIL		1,20,00,000	1,20,00,000	35.25%

No, change in control, in the company will occur due this preferential allotment.

7. **Shareholding Pattern:** The Shareholding pattern giving present position as also considering full allotment of equity shares arising out of securities issued as above is given as below:

Shareholding Pattern

Sl.No	Category	Pre – issue		Post Issue	
		No. of Equity Shares	Percentage (%)	No. of Equity shares	Percentage (%)
1	Promoters Holding	12098214	54.90	12098214	35.54
2	Institutional Investors a)Mutual Funds & UTI b)Banks, FI, FIIs,	-	-	-	-
3	Private Corporate Bodies	2553777	11.59	14553777	42.76
4	Indian Public	7272922	33.00	7272922	21.37
5	NRI'S and OCB's and Clearing Members	111887	0.50	111887	0.33
	TOTAL	22036800	100.00	34036800	100.00

8. **Completion of Allotment:** The allotment of the Equity Shares being issued on preferential basis is proposed to be made within 15 days from the date of passing of the resolution by the Members, provided that where the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed with in 15 days from the date of receipt of such approval.
9. **Undertaking:** Company shall undertake that re-compute the price of specified securities in terms of the provision of these regulations where it is required to do so and if any amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.
10. **Auditors Certificate:** Auditors certificate as required in terms of Guidelines for preferential issues under SEBI (Issue of Capital And Disclosure Requirement) Regulations, 2009 will be available for inspection 21 days prior to the date of this meeting at the Registered Office of the Company between 11.00 a.m. to 1.00 a.m. on any working day excluding Saturday, Sunday and Public Holiday and shall be placed at the meeting.

Your Directors recommend the above Resolution for your approval.

None of the directors are interested or concerned, either directly or indirectly, in the proposed resolution.

Date : 29.08. 2012

Place: Indore

SITASHREE FOOD PRODUCTS LIMITED

Managing Director

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 31st March, 2012;

FINANCIAL RESULTS

(Rs. In Lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
Income from operation	14425.08	13864.88
Profit/loss before providing Depreciation and Interest	500.15	409.68
Less: Depreciation	48.78	45.02
Less: Interest	293.64	212.43
Profit/loss Before Taxation	157.73	152.23
Less: Provision for Taxation	58.36	58.50
Deferred Tax Liability	0.00	0.00
Profit /Loss after Taxation	99.37	93.73

WORKING PERFORMANCE REVIEW:

During the financial year income of the company is increased from Rs. 13864.88 Lacs to Rs. 14425.08 Lacs resulting in increase in net profit from Rs. 93.73 Lacs to Rs. 99.37 Lacs. There is slight increase net profit of the Company. Increase in turnover is satisfactory as compare to growth in industry. 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:

At upcoming Soya Extraction Plant at Barlai Jangir, civil construction is almost completed. Installation of Plant and Machinery is in process and the same is expected to be completed soon. All necessary permission and statutory licenses has been obtained. 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. Project cost is also gone up due to price escalation, capacity enhancement and acquisition of new land. Earlier project cost of Rs. 4812.92 Lacs and now it is Rs. 9687.23 Lacs. Production is expected by October 2012. 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.

ISSUE OF FURTHER CAPITAL ON PREFERENTIAL BASIS:

Company has issued 1,20,00,000 Convertible Warrants on preferential basis pursuant to shareholders approval vide special resolution dated 30.06.2012, in order to meet fund requirement for new project, working capital requirement and retirement of unsecured loan. These Warrants are convertible in equal number of equity shares of the Company. Allotment of above warrants was done on 29.08.2012. This resolution is again put for reconfirmation and ratification of shareholders in ensuing AGM, due to some reason, specifically detailed in notice of the AGM.

SUBSIDIARY COMPANY:

Company has a 100% subsidiary company 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, has been appointed as Director on the Board of the M/s GG Real Estate 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. Santosh Kumar Gupta and Mr. Ashish Goyal, 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.

Mr. Anoop Goyal, proposed is appointed as Whole time Director of the Company w.e.f. 01.10.2011. Approval of shareholders for his appointment was duly taken in last Annual General Meeting.

Further, Mr. Kamlesh Jain, Independent Director of the Company has resigned from the Company w.e.f. from 24th July 2012. Board and Management of the Company is thankful to him for his services and guidance given by him during his tenor.

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. 5.00 Lacs per month or Rs. 60.00 Lacs per year or more.

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

Particulars with respect to conservation of energy is annexed in Part-A and form an integral part of this report for the year ended 31st March, 2012.

TECHNOLOGY ABSORTION :

Company is applying best available technology for its existing manufacturing activity and upcoming soya extraction plant is also at par with best available technology in the Country. Technology of this plant is far ahead than as proposed in Prospectus for IPO.

FOREIGN EXCHANGE EARNING & OUTGO :

Further, Company has earned foreign exchange (CIF Value of goods Export) equivalent to Rs. 76.06 Lacs for the year and foreign exchange outgo is 515.38 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, 2012:

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, 2012 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 State Bank of India and Union Bank of India 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: 29.08.2012

CHAIRMAN

FORM A - CONSERVATION OF ENERGY

A:	POWER & FUEL CONSUMTION	CURRENT YEAR 2011-12	PREVIOUS YEAR 2010-11
I.	ELECTRICITY		
	(a) PURCHASED UNITS (KWH)	3477570	2901490
	TOTAL AMOUNT (Rs.)	19,673,155	14,827,264
	RATE PER UNIT (Rs.)	5.66	5.11
	(b) OWN GENERATION		
	(i) THROUGH DIESEL GENERATION UNIT (KWH)	Nil	Nil
	(ii) THROUGH THERMAL GENERATION UNIT (KWH)	Nil	Nil
	(iii) THROUGH TRIAL RUN UNIT (KWH)	Nil	Nil
	UNIT PER TON OF COAL (KWH)		
	COST PER UNIT (Rs.)		
II.	(a) COAL FOR KILN		
	QUALITY		
	WHERE USED	Nil	Nil
	QUANTITY USED (M.T.)	Nil	Nil
	TOTAL COST (Rs.)	Nil	Nil
	AVERAGE RATE PER M.T./Rs.	Nil	Nil
	(b) COAL FOR CTPP		
	QUALITY	Nil	Nil
	WHERE USED	Nil	Nil
	QUANTITY USED (M.T.)	Nil	Nil
	TOTAL COST (Rs.)	Nil	Nil
	AVERAGE RATE PER M.T./Rs.		
III.	FURNACE OIL	Nil	Nil
IV.	OTHERS/INTERNAL GENERATION	Nil	Nil
B:	CONSUMPTION PER UNIT OF PRODUCTION		
	PRODUCT		
	UNIT		
	ELECTRICITY (KWH/MT)	77.89	77.27
	FURNACE OIL		
	COAL PER M.T.FO CLINKER		
	COAL QUALITY		
	AVERAGE ASH CONTENTS PERCENTAGE	Nil	Nil
	AVERAGE CALORIFIC VALUE (kcal/kg)		
	OTHER – HSD		

FORM B - TECHNOLOGY ABSROPTION

1. The company has no specific research & development expenditure done for Four Mill during the year. Soya Project plant is being installed with latest available technology.

FORM C - FOREIGN EXCHANGE EARNING & OUTGO

S.No.	PARTICULAR	CURRENT YEAR (Rs. in lacs) 2011-12	PREVIOUS YEAR (Rs. in lacs) 2010-11
1	FOREIGN EXCHANGE EARNING	76.06	163.02
2	FOREIGN EXCHANGE EXPENDITURE	515.38	560.00

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 2011-12 Company has achieved total turnover of Rs. 142.72 Crores out of which export turnover was of Rs. 0.76 Crores.

Proposed Soya Extraction Plant is in Installation stage, Civil Construction is almost completed. We are expecting production run by October 2012.

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 September 2012. 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. Being in agricultural food industry availability of raw material is mostly dependent upon monsoon, which always unpredictable.

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 soya 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 PERFORMANCE:

The Company is engaged in the business of wheat and pulses products manufacturing, trading and derivative of agro commodities in local as well as international market. In manufacturing activity turnover is Rs. 134.22 Crores as compare to Rs. 96.24 Crores of previous year. In trading activity turnover is Rs. 8.45 Crores as compare to Rs. 40.63 Crores of previous year. In real estate sector (through subsidiary) turnover increases from Rs. 0.68 Crores to Rs. 2.70 Crores.

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, 2012, the Company had a total workforce of approximately 50 persons, including managers, staff and workers. By the end of March 2013 work force will increase significantly to match with the production of soya plant.

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: 29.08.2012

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	-	10	Yes
2	Mr. Ashish Goyal Whole-time-Director	Executive / Non Independent	1	10	Yes
3	Mr. Anoop Goyal* Whole-time-Director	Executive / Non Independent	3	6	Yes
4	Mr. Kamlesh Jain	Non Executive / Independent	-	-	No
5	Mr. Suresh Narayan Wagh	Non Executive/ Independent	-	-	No
6	Mr. Ganesh Prasad Sharma	Non Executive /Independent	-	5	Yes
7	Mr. Santosh Kumar Gupta	Non Executive /Independent	1	6	Yes

* Appointed w.e.f. 01.10.2011, **other than Sitashree Food Products Limited

During the year under review Ten (10) meetings of the Board of Directors were held on 14.04.2011, 30.05.2011, 12.08.2011, 01.09.2011, 17.10.2011, 09.11.2011, 05.01.2012, 02.02.2012, 07.02.2012 and 30.03.2012.

Note on Directors re-appointment

Mr. Ashish Goyal and Mr. Santosh Kumar Gupta, the Directors of the Company are retiring at the forthcoming annual general meeting by rotation and they are eligible for re-appointment.

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 2011-2012 Five (5) meetings were held on the following dates:

- | | | |
|---------------|---------------|---------------|
| 1) 30.05.2011 | 3) 09.11.2011 | 5) 30.03.2012 |
| 2) 12.08.2011 | 4) 02.02.2012 | |

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

Name	Designation	Committee Meetings Attended
Mr. Ganesh Prasad Sharma	Chairman	5
Mr. Kamlesh Jain	Member	-
Mr. Suresh Narayan Wagh	Member	-
Mr. Santosh Kumar Gupta	Member	5

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	1
Mr. Kamlesh Jain	Member	-
Mr. Suresh Narayan Wagh	Member	-
Mr. Santosh Kumar Gupta	Member	1

During the financial year 2011-2012 one (1) meeting were held on 12.08.2011 to review remuneration of Promoter Executive Directors of the Company.

Details of remuneration paid/payable to directors for the year ended March, 2012 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	-	12, 00,000	-	12, 00,000
Mr. Ashish Goyal	Whole time Director	Promoter	-	6, 00,000	-	6, 00,000
Mr. Anoop Goyal	Director	Promoter	-	3, 00,000	-	3, 00,000
Mr. Suresh Narayan Wagh	Non Executive / Independent	Independent	-	-	-	-
Mr. Ganesh Prasad Sharma	Non Executive / Independent	Independent	15,000	-	-	15,000
Mr. Kamlesh Jain	Non Executive / Independent	Independent	-	-	-	-
Mr. Santosh Kumar Gupta	Non Executive / Independent	Independent	16,000	-	-	16,000

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

Salary and perquisites includes provident Fund 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	4
Mr. Ganesh Prasad Sharma	Member	4
Mr. Suresh Narayan Wagh	Member	-
Mr. Ashish Goyal	Member	4

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 Four (4) meetings of the Shareholders Grievance Committee were held on 30.05.2011, 09.11.2011, 02.02.2012 and 30.03.2012.

During the year the Company received no 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
2011	30 th Sept, 2011	10.30 a.m.	332/4/2 R. D. Udyog Nagar Palda Nemawar Road, Mathurawala's Colony, Indore	Three
2010	30 th Sept, 2010	10.30 a.m.	332/4/2 R. D. Udyog Nagar Palda Nemawar Road, Mathurawala's Colony, Indore	Two
2009	29 th Sept., 2009	10.30 a.m.	Hotel Apsara, Ravindra Natya Grah, 1, R.N.T. Marg, Indore	One

- 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 11 and 12 of Schedule “26” 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. Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary carried out Reconciliation of Share Capital 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) Nav Shakti (3) 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.
- 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 a 100% subsidiary company M/s GG Real Estate Private Limited. 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

29th September, 2012 at 10.30 a.m.
332/4/2, R.D. Udyog Nagar,
Mathurawalas Colony, Nemawar Road,
INDORE (M.P.) -452001

b) Financial Calendar (2012-13)

Financial reporting for

Quarter ending 30th June, 2012

Quarter ending 30th September, 2012

Quarter ending 31st December, 2012

Year ending 31st March, 2013

Second Week of August'2012

Second week of November'2012

Second Week of February'2013

Last week of May' 2013

c) Date of Book Closure22nd Sept, 2012 to 29th Sept, 2012
(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-11	7.25	5.95	263977	Apr-11	7.39	5.95	119,155
May-11	7.70	6.00	123196	May-11	6.95	6.00	126,639
Jun-11	6.60	5.70	127472	Jun-11	6.60	5.60	117,243
Jul-11	9.80	6.00	956190	Jul-11	10.15	5.91	850,110
Aug-11	9.25	6.50	273911	Aug-11	9.29	6.36	308,958
Sep-11	9.50	6.70	216808	Sep-11	9.55	6.71	242,526
Oct-11	9.30	5.55	151115	Oct-11	8.50	6.30	175,020
Nov-11	7.50	5.50	93401	Nov-11	7.95	5.60	93,133
Dec-11	6.70	5.10	151782	Dec-11	6.85	5.15	132,623
Jan-12	6.90	5.45	89840	Jan-12	6.95	5.60	94,153
Feb-12	6.60	5.75	118366	Feb-12	6.50	5.75	57,439
Mar-12	6.10	5.35	86989	Mar-12	6.10	5.21	59,034
YEAR	9.80	5.10	2653047	YEAR	10.15	5.15	2,376,033

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

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 31st March, 2012

Slab of Shareholding	No. of share Holder	%	No. of Shares	%
1-5000	8876	76.72	1617326	7.34
5001-10000	1413	12.21	1186242	5.38
10001-20000	627	5.42	993949	4.51
20001-30000	239	2.07	623161	2.83
30001-40000	93	0.80	333284	1.51
40001-50000	88	0.76	418286	1.90
50001-100000	106	0.92	788923	3.58
100001- and above	128	1.10	16075629	72.95
Total	11570	100.00	22036800	100.00

According to categories of shareholdings as on 31st March, 2012

SR. NO.	CATEGORY	NO. OF SHARES	% OF HOLDING
A	PROMOTER'S HOLDING		
1.	Promoters -Indian Promoters -Foreign Promoters	12092873	54.88
2.	Persons acting in concert		
	Sub-Total	12092873	54.88
B	NON PROMOTERS HOLDING		
3.	Institutional Investors	-	-
a.	Mutual funds and UTI	-	-
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions /Non-government Institutions)	-	-
C.	FII	-	-
	Sub-Total		
4.	Others		
a.	Private Corporate Bodies	2530919	11.48
b.	NRIs/OCBs	109493	0.50
c.	Indian Public	7297708	33.11
d.	Any Other (Clearing Member)	5807	0.03
	Sub-Total	9943927	45.12
	GRAND TOTAL	22036800	100.00

l) Dematerialization of shares

As on 31st March, 2012, 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 Plant located at 332/4/2, R.D. Udyog Nagar, Palda, Nemawar Road, Mathurawalas Colony, Indore (M.P.) and Proposed Soya Extruction plant located at 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
Tel 0731- 2439902, 2439912 Fax 0731- 4068448
Email at: **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

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 31st March, 2012.

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, 2012 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 31st March, 2012 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: 29.08.2012
Place: Indore

M.K.SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

207 CITY PLAZA,

NEAR REGAL SQUARE, INDORE

☎: (O) 2536214, 4048445, (m) 9425057217

E-mail: mkshahassociates@yahoo.com

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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 31st March 2012 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 31st March 2012 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2012 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 31st March 2012; and
 - (b) in the case of the Profit and Loss Account, of the **Profit** for the year ended on that date and
 - (c) In the case of the cash flow statement of the cash flow for the year ended on the date.

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

(M.K.SHAH)
PROPRIETOR
M.NO. 400-71199

Place: Indore

Date: 30th May 2012

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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 31st March, 2012).

(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 granted unsecured loan to its 100% subsidiary company GG Real Estate Pvt.Ltd. and maximum outstanding at any time during the year was Rs. 81639401/- and the year end balance is Rs.81639401/-. The Company has charges interest @ 18% 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 taken unsecured loan of Rs.17.00 Crore from GG Infra Pvt. Ltd. Except this there is no unsecured loan taken from Companies, Firms & Other Parties covered in the Register maintained u/s 301 of Companies Act 1956.
- (c) In respect of the said loans and interest thereon, there are no overdue amounts.

(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 2012 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 consortium State 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 16 of Note 26 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.

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

Place: Indore
Date: 30th May 2012

(M.K.Shah)
Proprietor
M.NO. 400-71199

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.
BALANCE SHEET AS AT 31st March , 2012

			(Amount in Rs.)	
S. NO.	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS FUND				
	(a) SHARE CAPITAL	"01"	220,368,000	220,368,000
	(b) RESERVE & SURPLUS	"02"	265,558,611	255,621,318
	(c) MONEY RECEIVED AGAINST SHARE WARRANTS			
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT				
-				
(3) NON CURRENT LIABILITIES				
	(a) LONG TERM BORROWINGS	"03"	181,650,311	378,989
	(b) DEFERRED TAX LIABILITY (NET)		13,166,670	13,166,670
	(c) OTHER LONG TERM LIABILITIES	"04"	-	-
	(d) LONG TERM PROVISIONS	"05"	549,976	484,495
(4) CURRENT LIABILITIES				
	(a) SHORT-TERM BORROWINGS	"06"	243,260,269	214,048,132
	(b) TRADE PAYABLES	"07"	10,988,061	31,883,874
	(c) OTHER CURRENT LIABILITIES	"08"	15,863,672	1,153,189
	(d) SHORT-TERM PROVISIONS	"09"	5,844,361	5,850,000
GRAND TOTAL			<u>957,249,931</u>	<u>742,954,667</u>
II. ASSETS				
NON-CURRENT ASSETS				
(1) (a) FIXED ASSETS				
	(i) TANGIBLE ASSETS	"10"	81,236,844	78,832,085
	(ii) INTANGIBLE ASSETS		449,873	78,018
	(iii) CAPITAL WORK-IN PROGRESS		155,713,821	40,842,335
	(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		-	-
	(b) NON-CURRENT INVESTMENTS	"11"	11,374,910	8,424,910
	(c) DEFERRED TAX ASSETS (NET)		-	-
	(d) LONG-TERM LOANS AND ADVANCES	"12"	214,527,740	157,098,729
	(e) OTHER NON- CURRENT ASSETS	"13"	36,651,585	25,295,317
(2) CURRENT ASSETS				
	(a) CURRENT INVESTMENTS		-	-
	(b) INVENTORIES	"14"	179,424,675	190,344,419
	(c) TRADE RECEIVABLES	"15"	247,655,773	213,995,212
	(d) CASH AND CASH EQUIVALENTS	"16"	18,080,055	18,160,290
	(e) SHORT-TERMS LOANS AND ADVANCES	"17"	12,134,655	9,883,352
	(f) OTHER CURRENT ASSETS		-	-
GRAND TOTAL			<u>957,249,931</u>	<u>742,954,667</u>

ADDITIONAL NOTES ON FINANCIAL STATEMENT
SIGNIFICANT ACCOUNTING POLICIES
CASH FLOW STATEMENT

"26"

**IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED,
FOR M. K. SHAH & ASSOCIATES
CHARTERED ACCOUNTANT
(Reg. No. 002077C)**

**WE CERTIFY TO THE CORRECTNESS OF ABOVE,
FOR AND ON BEHALF OF THE BOARD**

**(M.K. SHAH)
PROPRIETOR
M.NO.:400-71199**

**DINESH AGRAWAI
(MANAGING DIRECTOR)**

**ASHISH GOYAL
(DIRECTOR)**

PLACE: INDORE
DATE : 30th May, 201:

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD 31/03/2012	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31/03/2011
I	REVENUE FROM OPERATIONS	"18"	1,427,184,421	1,368,594,243
II	OTHER INCOME	"19"	15,323,805	17,893,513
III	TOTAL REVENUE (I + II)		<u>1,442,508,226</u>	<u>1,386,487,756</u>
IV	EXPENSES:			
	COST OF MATERIAL CONSUMED	"20"	1,181,545,620	815,379,951
	PURCHASE OF STOCK-IN-TRADE	"21"	61,226,122	368,102,852
	CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	"22"	52,915,977	91,395,778
	EMPLOYEE BENEFITS EXPENSES	"23"	2,795,514	2,024,943
	FINANCE COST	"24"	31,472,115	22,875,136
	DEPRECIATION AND AMORTIZATION EXPENSES	"10"	4,877,781	4,501,571
	OTHER EXPENSES	"25"	91,901,680	66,984,710
	TOTAL EXPENSES		<u>1,426,734,809</u>	<u>1,371,264,941</u>
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX(III-IV)		15,773,417	15,222,815
VI	EXCEPTIONAL ITEMS		-	-
VII	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		15,773,417	15,222,815
VIII	EXTRAORDINARY ITEMS		-	-
IX	PROFIT BEFORE TAX (VII-VIII)		15,773,417	15,222,815
X	TAX EXPENSES			
	(1) CURRENT TAX	5,836,124	-	5,850,000
	(2) DEFERRED TAX	-	-	-
			<u>5,836,124</u>	<u>5,850,000</u>
XI	PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		9,937,293	9,372,815
XII	PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII	TAX EXPENSES OF DISCONTINUING OPERATIONS		-	-
XIV	PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)		-	-
XV	PROFIT / (LOSS) FOR THE PERIOD (XI+XIV)		9,937,293	9,372,815
	EARNINGS PER EQUITY SHARE:			
	(1) BASIC		0.45	0.43
	(2) DILUTED		-	-

ADDITIONAL NOTES ON FINANCIAL STATEMENT
SIGNIFICANT ACCOUNTING POLICIES
CASH FLOW STATEMENT

"26"

IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED,

WE CERTIFY TO THE CORRECTNESS OF ABOVE,

FOR M. K. SHAH & ASSOCIATES

CHARTERED ACCOUNTANT
(Reg. No. 002077C)

(M.K. SHAH)
PROPRIETOR
M.NO.: 400-71199

FOR AND ON BEHALF OF THE BOARD

DINESH AGRAWAL
(MANAGING DIRECTOR)

ASHISH GOYAL
(DIRECTOR)

PLACE: INDORE
DATE : 30th May, 2012

**SIGNIFICANT ACCOUNTING POLICIES ON FINANCIAL STATEMENT FOR THE
YEAR ENDED AT 31ST MARCH 2012**

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 in Note No. 25(d) of Notes on financial Statement.

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.155713821/- are still in work in progress thus depreciation is not required to be provided on the same.

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

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

Particular	CURRENT YEAR (Rs. In Lac) 2011-12	PREVIOUS YEAR (Rs. In Lac) 2010-11
Traded Goods	515.38	560.00

EARNING IN FOREIGN CURRENCY IN RESPECT OF :

Particular	CURRENT YEAR (Rs. In Lac) 2011-12	PREVIOUS YEAR (Rs. In Lac) 2010-11
Traded Goods	76.06	163.02

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 65481/- . Further contribution in respect of Provident Fund and ESI is made monthly and is charged to the Profit & Loss Account.

l. **Borrowing Cost**

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

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

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 2012 includes dividend on investments Interest on Bank Fixed deposits and interest on advances etc.

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.)
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	(Amount in Rs.) FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
NOTE NO. "01"			
=====			
<u>SHARE CAPITAL</u>			
	<u>AUTHORISED SHARE CAPITAL</u>		
	2,40,00,000 EQUITY SHARES OF RS. 10/- EACH	240,000,000	240,000,000
	(P.Y. 24000000 EQUITY SHARES OF RS. 10/- EACH)	<u>240,000,000</u>	<u>240,000,000</u>
	 <u>ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL</u>		
	22036800 EQUITY SHARES OF RS. 10/- EACH FULLY PAIDUP	220,368,000	220,368,000
	(P.Y. 22036800 EQUITY SHARES OF RS. 10/- EACH FULLY PAIDUP)		
	TOTAL	<u>220,368,000</u>	<u>220,368,000</u>

1 The Detail of Share Holders Holding More than 5% Shares

Name of the Shareholder	AS AT 31/03/2012		AS AT 31/03/2011	
	No. of Shares	% held	No. of Shares	% held
1 Sita Shree Marketing Pvt. Ltd.	1,588,957	7.21%	1,588,957	7.21%
2 Anoop Foods Ltd.	1,508,286	6.84%	1,508,286	6.84%
3 Ashish Goyal	1,415,800	6.42%	1,415,800	6.42%
4 Ruchi Agrawal	1,195,035	5.42%	1,195,035	5.42%
5 Smt. Chandrika Agrawal	1,475,565	6.70%	1,475,565	6.70%

1 The reconciliation of the No. of share of outstanding is set out Below.

Particulars	AS AT 31/03/2012		AS AT 31/03/2011	
	No. of Shares		No. of Shares	
Equity Shares at the beginning of the year	22,036,800		22,036,800	
Add: Share Issued	Nil		Nil	
Less: Share Canceled or buy back of Equity Shares	Nil		Nil	
Equity Shares at the end of the year	22,036,800		22,036,800	

1 During the year out of Shares Issued subscribed and paidup Share capital held by under mentioned the company has been pledged by the Company in favour of State Bank of India Consortium with Union Bank of India for securing loan taken by the Sita Shree Food Products Ltd. Of Rs. 95.16 crore. Detail of Share Pledge of following share holder.

Name of Share Holder	No. of Share held	% of Holding
Anoop Foods Ltd.	1508286	6.84%
Ashish Goyal	1415800	6.42%
Anoop Goyal	788735	3.58%
Dinesh Agrawal	282430	1.28%
Dinesh Agrawal-HUF	412109	1.87%

1 There is no Shares allotted without payment being receiving in cash, Share allotted by way of bonus shares and share buy back for the Period of five year immediately preceding the date of Balance Sheet.

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

		(Amount in Rs.)
S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012
		FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011

NOTE NO. "02"

=====

RESERVE & SURPLUS

2.1	PROFIT & LOSS ACCOUNT		
	OP. BALANCE	45,621,318	36,248,503
	Add: PROFIT DURING THE YEAR	<u>9,937,293</u>	<u>9,372,815</u>
	CLOSING BALANCE	55,558,611	45,621,318
2.2	SECURITYIES PREMIUM RESERVE	<u>210,000,000</u>	<u>210,000,000</u>
	TOTAL	<u>265,558,611</u>	<u>255,621,318</u>

NOTE NO. "03"

=====

LONG TERM BORROWINGS

A SECURED LOAN FROM BANKS

a) TERM LOAN FOR SOYA PROJECT (U.B.I.)

(Paripassu Charge over Entire Fixed Assets of the Company)

	8,123,250		
Non current	8,123,250	-	-
Current	<u>9,000,000</u>	-	-
Total	<u>17,123,250</u>	-	-

8,123,250

-

b) CAR LOAN (U.B.I.)

(Secured by Hypothication of Car)

	284,189		
Non current	284,189	378,989	378,989
Current	<u>94,800</u>	<u>244,920</u>	623,909
Total	<u>378,989</u>	623,909	623,909

284,189

378,989

c) TERM LOAN FOR SOYA PROJECT (S.B.I.)

(Paripassu Charge over Entire Fixed Assets of the Company)

Non current	742,872	-	-
Current	<u>608,520</u>	-	-
Total	<u>1,351,392</u>	-	-

-

-

B SECURED LOAN FROM OTHER

RELIANCE CAPITAL LTD

(Secured by Hypothication of Car (Pajero))

	742,872		
Non current	742,872	-	-
Current	<u>608,520</u>	-	-
Total	<u>1,351,392</u>	-	-

742,872

-

C UNSECURED LOAN

INTERCORPORATE LOAN

(Refer clause 11 of Note No. 26- Additional note to Financial Statement)

	170,000,000		
Non current	170,000,000	-	-
Current	-	-	-
Total	<u>170,000,000</u>	-	-

170,000,000

-

INTERCORPORATE LOAN (FROM OTHER)

	2,500,000		
Non current	2,500,000	-	-
Current	-	-	-
Total	<u>2,500,000</u>	-	-

2,500,000

-

TOTAL

181,650,311

378,989

3.1 During the year Company has opt fresh credit facility from State Bank of India (Commercial Branch) Consortium with Union Bank of India (SSI Branch) of Rs. 74.66 Crore. (Total 95.16, (74.66 New + 20.50 old)) Out of this Rs. 1.71 Crore Term Loan (included in above) & CC of Rs. 8.00 Crore included in current liabilities (refer Note No. 06) has been disbursed during the year .

3.2 Classification of Total Credit Facilities is as follows:-

Type of Facilities	Amount in Crore				Total
	UBI		SBI		
	Existing	Proposed	Existing	Proposed	
<u>Fund Base</u>					
Cash Credit Limit	20.00	25.00	-	11.00	36.00
Term Loan	-	20.00	-	25.00	45.00
Total (A)	20.00	45.00	-	36.00	81.00
<u>Non Fund Base</u>					
Letter of Credit	0.50	-	-	7.00	7.00
Bank Guaranty	-	-	-	2.00	2.00
Stand by Limit	-	-	-	3.75	3.75
Credit Exposure Limit	-	-	-	1.41	1.41
Total (B)	0.50	-	-	14.16	14.16
Total (A+B)	20.50	45.00	-	50.16	95.16

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

		(Amount in Rs.)
S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012
		FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011

- 3.3 This Credit Facilities is Secured by Entire Assets of the Company & the personal Guaranty of following Persons
- i) Dinesh Agrawal (Managing Director)
 - ii) Ashish Goyal (Wholetime Director)
 - iii) Anoop Goyal (Wholetime Director)
 - iv) Sapan Garg (Other)
 - v) Sandesh Garg (Other)
 - vi) GG Real Estate Pvt. Ltd. (Subsidiary Company)
 - vii) GG Infra Pvt. Ltd. (Group Company)

- 3.4 Maturity profile of Term Loan are as set out below.
 Repayment schedule is according to sanction amount.

	Amount in Crore		
Repayment Year	UBI	SBI	Total
2012-13	0.40	0.50	0.90
2013-14	2.40	3.00	5.40
2014-15	3.00	3.84	6.84
2015-16	3.96	5.04	9.00
2016-17	4.20	5.40	9.60
2017-18	4.20	5.40	9.60
2018-19	1.84	1.82	3.66
Total	20.00	25.00	45.00

- 3.5 Secured loan in the form of Term Loan & Working Capital facility has been secured by way of mortgage of the Following Properties as collateral securities.
- a) Land situated at plot No. 52, & 55 at Scheme No.91, New Dewas Road, Indore (Area-1100 Sqft.) in the name of Chandrika Agrawal (deceased) & Dinesh Agrawal.
 - b) Land situated at plot No.53 & 54 at Scheme No.91, New Dewas Road, Indore. (Area 1100 Sqft.) in the name of Rajababu Agrawal & Mr.Rupesh Agrawal.
 - c) Land situated at Palda Tehsil & Dist. Indore (Survey no. 366/3/2, Gram Palda, Tehlis & District Inodre) on pari pasu bais (Area 14914 Sq ft.) in the name of Sapan Garg & Sandesh Garg.
 - d) Residential Flats/commercial Shops (179/1/2, Gram Sirpur, opposite Armed Police Traning College, Aerodrome Road, Inodre) in the name of Ashish Goyal & Anoop Goyal.
 - e) Land in the name of GG Infra Private Limited (PAN AADCG3862A) situated at Gram Musakhedi Tehsil & Distt. Indore, Patwari Halka Number 26 survey No. 362/1/1 admeasuring 0.334 hectares of 3340 sq.meters.
 - f) Land situated at Palda Tehsil & Dist Indore (Survey No. 366/3/2, Gram Palda, Tehsil & District Indore) on pari pasu basis (Area 14914 Sq Ft.) in the name of Sapan Garg & Sandesh Garg.

NOTE NO. "04"

=====

OTHER LONG TERM LIABILITIES

A	FROM DIRECTORS	-	-
B	FROM OTHERS	-	-
TOTAL (A to B)		-	-

NOTE NO. "05"

=====

LONG TERM PROVISIONS

A	Provision for Employee Benefits (Gratuity)	549,976	484,495
TOTAL		549,976	484,495

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

(Amount in Rs.)

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
NOTE NO. "06"			
=====			
<u>SHORT-TERM BORROWINGS</u>			
	<u>SECURED</u>		
A	WORKING CAPITAL LOAN FROM UNION BANK OF INDIA (PARIPASSU CHARGE OF GOODS CONSISTING AS FINISHED GOODS, SEMI FINISHED GOODS, RAW MATERIAL, BOOK DEBTS AND ALL CURRENT ASSETS & FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEE OF THE DIRECTORS)	163,120,164	214,048,132
B	WORKING CAPITAL LOAN FROM AXIS BANK (SECURED BY WAY OF HYPOTHECATION OF WARE HOUSE RECEIPT AGAINST STOCK)	130,800	-
C	WORKING CAPITAL LOAN FROM STATE BANK OF INDIA (PARIPASSU CHARGE OF GOODS CONSISTING AS FINISHED GOODS, SEMI FINISHED GOODS, RAW MATERIAL, BOOK DEBTS AND ALL CURRENT ASSETS & FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEE OF THE DIRECTORS)	80,009,305	-
	TOTAL	<u>243,260,269</u>	<u>214,048,132</u>
NOTE NO. "07"			
=====			
<u>TRADE PAYABLES</u>			
1	CREDITORS FOR GOODS	2,094,951	22,532,215
2	CREDITORS FOR ADVANCE RECEIVED FROM CUSTOMER AGAINST SALES/ORDERS	819,287	305,081
3	CREDITORS FOR EXPENSES	4,654,095	6,143,306
4	CREDITORS FOR BROKERAGE	3,419,728	2,903,272
	TOTAL	<u>10,988,061</u>	<u>31,883,874</u>
NOTE NO. "08"			
=====			
<u>OTHER CURRENT LIABILITIES</u>			
1	TERM LOAN FOR SOYA PROJECT (U.B.I.) Refer Note No. 3	9,000,000	-
2	CAR LOAN (U.B.I.) (Secured by Hypothication of Car)	94,800	244,920
3	RELIANCE CAPITAL LTD. (Secured by Hypothication of Car (Pajero))	608,520	-
4	CREDITORS FOR CAPITAL GOODS	5,366,394	626,900
5	OTHER STATUTORY LIABILITIES	793,958	281,369
	TOTAL	<u>15,863,672</u>	<u>1,153,189</u>
NOTE NO. "09"			
=====			
<u>SHORT-TERM PROVISIONS</u>			
1	PROVISION FOR CURRENT TAX	5,844,361	5,850,000
	TOTAL	<u>5,844,361</u>	<u>5,850,000</u>

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

NOTE NO. "10"

FIXED ASSETS

(i) **TANGIBLE ASSETS**

(Amount in Rs.)

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK				DEPRECIATION					NET BLOCK		
			VALUE AS AT	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT	BALANCE AS ON	FOR THE YEAR	FOR PRIOR PERIOD	DEDUCTION	BALANCE AS ON	AS AT	AS AT	
			01.04.2011			31.03.2012	01.04.2011				31.03.2012	31.03.2012	31.03.2011	
SOYA DIVISION														
1	LAND (BARLAI)		21,732,483.00	-		21,732,483.00	-	-	-	-	-	21,732,483.00	21,732,483.00	
2	COMPUTERS	16.21	-	116,125.00	-	116,125.00	-	-	-	-	-	116,125.00	-	
TOTAL- A - (SOYA DIVISION)			21,732,483.00	116,125.00	-	21,848,608.00	-	-	-	-	-	21,848,608.00	21,732,483.00	
FLOUR DIVISION														
1	LAND	-	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	571,215.00	-	3,443,205.00	1,140,516.00	104,349.00	-	-	1,244,865.00	2,198,340.00	1,731,474.00	
3	FACTORY BUILDING (INCL. ADMINISTRATION BLOCK)	3.34	37,021,297.00	-	-	37,021,297.00	14,069,311.00	1,236,511.00	-	-	15,305,822.00	21,715,475.00	22,951,986.00	
4	OFFICE EQUIPMENT	4.75	943,762.00	142,991.00	-	1,086,753.00	388,001.00	49,663.00	-	-	437,664.00	649,089.00	555,761.00	
5	PLANT & MACHINERY	4.75	50,402,240.00	3,562,552.00	-	53,964,792.00	25,849,693.00	2,489,101.00	-	-	28,338,794.00	25,625,998.00	24,552,547.00	
6	MOBILE PHONE	4.75	170,900.00	-	-	170,900.00	45,225.00	8,118.00	-	-	53,343.00	117,557.00	125,675.00	
7	VEHICLE	9.5	3,803,043.00	2,304,488.00	-	6,107,531.00	2,296,250.00	560,251.00	-	-	2,856,501.00	3,251,030.00	1,506,793.00	
8	FURNITURE & FIXTURE	6.33	2,724,109.00	36,612.00	-	2,760,721.00	1,081,576.00	173,630.00	-	-	1,255,206.00	1,505,515.00	1,642,533.00	
9	LAB. EQUIPMENT	4.75	152,476.00	4,900.00	-	157,376.00	14,392.00	7,420.00	-	-	21,812.00	135,564.00	138,084.00	
10	COMPUTERS	16.21	751,004.00	139,450.00	-	890,454.00	514,496.00	133,623.00	-	-	648,119.00	242,335.00	236,508.00	
11	AIR CONDITIONERS	4.75	298,517.00	17,990.00	-	316,507.00	53,276.00	14,208.00	-	-	67,484.00	249,023.00	245,241.00	
12	ELECTRICAL INSTALLATION	4.75	1,403,132.00	365,572.00	-	1,768,704.00	406,102.00	80,262.00	-	-	486,364.00	1,282,340.00	997,030.00	
TOTAL- B - (FLOUR DIVISION)			102,958,440.00	7,145,770.00	-	110,104,210.00	45,858,838.00	4,857,136.00	-	-	50,715,974.00	59,388,236.00	57,099,602.00	
CURRENT YEAR GRAND TOTAL (A+B)			124690923.00	7261895.00	-	131,952,818.00	45,858,838.00	4857136.00	-	-	50,715,974.00	81236844.00	78,832,085.00	
PREVIOUS YEAR TOTAL			123382529.00	1308394.00	-	124690923.00	41377778.00	4481060.00	-	-	45858838.00	78832085.00	81,609,918.00	

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

NOTE NO. "10"

FIXED ASSETS

(ii) **INTANGIBLE ASSETS**

(Amount in Rs.)

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK		
			VALUE AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT 31.03.2012	BALANCE AS ON 01.04.2011	FOR THE YEAR	FOR PRIOR PERIOD	DEDUCTION	BALANCE AS ON 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
SOYA DIVISION													
1	COMPUTER SOFTWARE	16.21	-	392,500.00	-	392,500.00	-	-	-	-	-	392,500.00	-
TOTAL- A - (SOYA DIVISION)			-	392,500.00	-	392,500.00	-	-	-	-	-	392,500.00	-
FLOUR DIVISION													
1	COMPUTER SOFTWARE	16.21	127,359.00	-	-	127,359.00	49,341.00	20,645.00	-	-	69,986.00	57,373.00	78,018.00
TOTAL- B - (FLOUR DIVISION)			127,359.00	-	-	127,359.00	49,341.00	20,645.00	-	-	69,986.00	57,373.00	78,018.00
CURRENT YEAR GRAND TOTAL (A+B)			127359.00	392500.00	-	519859.00	49341.00	20645.00	-	-	69,986.00	449873.00	78,018.00
PREVIOUS YEAR TOTAL			124859.00	2500.00	-	127359.00	28830.00	20511.00	-	-	49341.00	78018.00	96,029.00

(iii) **CAPITAL WORK IN PROGRESS**

(Amount in Rs.)

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK		
			VALUE AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT 31.03.2012	BALANCE AS ON 01.04.2011	FOR THE YEAR	FOR PRIOR PERIOD	DEDUCTION	BALANCE AS ON 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
SOYA DIVISION													
1	BUILDING UNDER CONSTRUCTION		5,306,342.00	41,009,770.00	-	46,316,112.00	-	-	-	-	-	46,316,112.00	5,306,342.00
2	ELECTRICAL INSTALLATION		158,654.00	5,456,500.00	-	5,615,154.00	-	-	-	-	-	5,615,154.00	158,654.00
3	PLANT & MACHINERY		33,128,518.00	67,901,078.00	-	101,029,596.00	-	-	-	-	-	101,029,596.00	33,128,518.00
TOTAL- A - (SOYA DIVISION)			38,593,514.00	114,367,348.00	-	152,960,862.00	-	-	-	-	-	152,960,862.00	38,593,514.00
FLOUR DIVISION													
1	BUILDING UNDER CONSTRUCTION		2,119,999.00	632,960.00	-	2,752,959.00	-	-	-	-	-	2,752,959.00	2,119,999.00
2	PLANT & MACHINERY		128,822.00	1,873,224.00	2,002,046.00	-	-	-	-	-	-	-	128,822.00
TOTAL- B - (FLOUR DIVISION)			2,248,821.00	2,506,184.00	2,002,046.00	2,752,959.00	-	-	-	-	-	2,752,959.00	2,248,821.00
CURRENT YEAR GRAND TOTAL (A+B)			40842335.00	116873532.00	2002046.00	155713821.00	-	-	-	-	-	155713821.00	40,842,335.00
PREVIOUS YEAR TOTAL			32733685.00	8108650.00	-	40842335.00	-	-	-	-	-	40842335.00	33,128,518.00

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

(Amount in Rs.)

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
NOTE NO. "11"			
=====			
<u>NON-CURRENT INVESTMENTS</u>			
<u>(LONG TERM) (FULLY PAID UP)</u>			
	QUOTED EQUITY SHARES OF		
1	UNION BANK OF INDIA 1181 EQUITY SHARE (FACE VALUE RS.10/- PER SHARE) (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 500000 EQUITY SHARE (FACE VALUE RS.10/- PER SHARE) (P.Y. 800000 Convertible Warant pending for allotment) (MARKET VALUE RS.5410000/-, P.Y. - N.A.)	10,750,000	7,300,000
<u>UNQUOTED</u>			
3	SHARE APPLICATION MONEY IN N.J INVESTMENTS PVT. LTD.	-	500,000
4	GG REAL ESTATE PVT. LTD. (Subsidiary) 11000 EQUITY SHARE (FACE VALUE RS.10/- PER SHARE) (P.Y. 11000 EQUITY SHARES FACE VALUE RS.10/- PER SHARE)	495,000	495,000
TOTAL		<u>11,374,910</u>	<u>8,424,910</u>

The Company has invested Rs. 1.23 crore for acquiring 8.00 Lakhs convertible warrants of M/s Choksi Laboratories Ltd. Nominal value of warrants was Rs. 10/- each and has been allotted at a price of Rs. 21.50 per Warrant. 5.00 Lakhs warrants out of 8.00 Lakhs warrants has been converted into 5.00 Lakhs Equity Shares on 19.03.2012. These Equity Shares are under Lock-in for a period of one year from the date of allotment i.e. 18.03.2013. Balance 3.00 Lakhs convertible warrants were forfeited by the M/s Choksi Laboratories Ltd. due to non payment of balance amount due thereon and this resulted into forfeiture of amount of Rs. 16,12,500/- already paid thereon. Investment is considered as long term investment so, no provision has been made for temporary fall in the price of above Equity Shares.

The company has made an investment by way of share application in M/s NJ Investment Pvt. Ltd. in previous year and the same has been received back due to non allotment of shares during the year.

NOTE NO. "12"

=====

LONG-TERM LOANS AND ADVANCES

(a)	ADVANCE FOR CAPITAL WORK IN PROGRESS	108,088,148	21,752,189
(b)	LOANS & ADVANCES TO RELATED PARTY G.G. REAL ESTATE PRIVATE LIMITED (SUBSIDIARY) Refer Note No. 26.11	81,639,401	62,449,326
(c)	OTHER LOANS & ADVANCES		
i)	TO STAFF	500,000	500,000
ii)	TO OTHERS	18,917,747	34,185,327
(d)	SECURITY DEPOSITS (GOVT. DEP. & OTHER)	3,807,444	1,636,887
(e)	SECURITY DEPOSITS WITH B.S.E.	1,575,000	1,575,000
(f)	SECURITY DEPOSITS AGST. LEASE HOLD LAND	-	35,000,000
TOTAL		<u>214,527,740</u>	<u>157,098,729</u>

12.1 Loan And Advances to GG Real Estate Pvt. Ltd. Is unsecured considered good

12.2 Other Loans and Advances unsecured considered Good

NOTE NO. "13"

=====

OTHER NON CURRENT ASSETS

OTHER

A	PUBLIC ISSUE & PREOPERATIVE EXPENSES	24,711,712	24,711,712
B	PREOPRETIVE EXP. (SOYA DIVISION)	11,939,873	583,605
TOTAL (A + B)		<u>36,651,585</u>	<u>25,295,317</u>

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March , 2012

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	(Amount in Rs.) FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
NOTE NO. "14"			
=====			
INVENTORIES			
(As Vauded & Certified by the Directors)			
1	RAW MATERIAL	130,294,094	93,011,315
2	STOCK OF FINISHED GOODS	38,289,855	37,187,612
3	STOCK OF PACKING MATERIAL & OTHER CONSUMABLE STORES	9,913,444	5,199,990
4	STOCK OF W.I.P. (SEMI FINISHED GOODS)	927,282	54,609,140
5	STOCK OF TRADING GOODS	-	336,362
	TOTAL	179,424,675	190,344,419
NOTE NO. "15"			
=====			
TRADE RECEIVABLE			
(UNSECURED CONSIDERED GOOD)			
1	OVER SIX MONTH	11,012,734	16,595,290
2	OTHERS	236,643,039	197,399,922
	TOTAL	247,655,773	213,995,212
Some of the balances of debtors, creditors and advances are subject to confirmation by the parties. However Management does not expect any material difference affecting the current year financial statement.			
NOTE NO. "16"			
=====			
CASH AND CASH EQUIVALENTS			
A.	CASH IN HAND (AS CERTIFIED BY DIRECTOR)	3,408,616	3,882,222
B	<u>BALANCE WITH BANK</u>		
I)	<u>CURRENT A/Cs</u>		
1	HSBC BANK LIMITED	1,045	108,893
2	STATE BANK OF INDIA (GPO),	195,471	588,651
3	STATE BANK OF INDIA (DUTY DRAW BACK)	68,278	61,824
4	UNION BANK OF INDIA EEFC A/C	-	-
5	UNION BANK OF INDIA IPO A/C	156,738	156,738
6	UNION BANK OF INDIA (C/A) SSI BR. INDORE	31,650	134,200
7	UNION BANK OF INDIA TERM LOAN DEBIT BALANCE	7,453	7,453
		460,635	1,057,759
II)	<u>FIXED DEPOSIT ACCOUNT</u>		
	UNION BANK OF INDIA	14,210,804	13,220,309
	TOTAL (A + B)	18,080,055	18,160,290
16	The above FDRs are pledge against Secured Loan of the Bank and will be renewed on maturity till the currency of Loan, hence all FDRs are considered as Non-Current asset.		
NOTE NO. "17"			
=====			
SHORT-TERMS LOANS AND ADVANCES			
(UNSECURED CONSIDERED GOOD)			
I	<u>ADVANCE FOR PURCHASES & OTHERS</u>		
1	ADVANCE FOR RAW MATERIAL	2,135,558	2,157,194
2	ADVANCE INCOME TAX & TDS RECEIVABLE	4,647,761	2,907,868
3	ADVANCE FOR EXPENSES	241,145	99,795
4	EMPLOYEE ADVANCES	541,092	438,534
II	<u>OTHER CURRENT ASSETS</u>		
	OTHER CURRENT ASSETS	4,569,099	4,279,961
	TOTAL	12,134,655	9,883,352

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
NOTE NO. "18"			
=====			
<u>REVENUE FROM OPERATIONS</u>			
A) <u>SALES OF PRODUCTS</u>			
<u>MANUFACTURING ACTIVITY</u>			
	I) INDIGENOUS	1,334,614,066	960,090,843
	II) EXPORT	<u>7,606,186</u>	<u>2,272,924</u>
		1,342,220,252	962,363,767
<u>TRADING ACTIVITY</u>			
	I) INDIGENOUS	84,530,027	392,272,651
	II) EXPORT	<u>-</u>	<u>14,029,048</u>
		84,530,027	406,301,699
B) <u>INCOME FROM SERVICES</u>			
		434,142	-
	<u>LESS : SALES RETURN</u>	-	(71,223)
	TOTAL	<u>1,427,184,421</u>	<u>1,368,594,243</u>
NOTE NO. "19"			
=====			
<u>OTHER INCOME</u>			
	INTEREST INCOME (Refer Note No. 26.23)	16,378,317	14,116,478
	DIVIDED INCOME	5,448	3,745
	NET GAIN/ LOSS ON SALE OF INVESTMENT	(1,612,500)	-
	OTHER NON OPERATING INCOME	552,540	3,773,290
	TOTAL	<u>15,323,805</u>	<u>17,893,513</u>
NOTE NO. "20"			
=====			
<u>COST OF MATERIAL CONSUMED</u>			
1	OPENING STOCK	93,011,315	49,252,874
2	PURCHASE (NET OF RETURN)	1,218,828,399	859,138,392
	LESS: CLOSING STOCK	130,294,094	93,011,315
	TOTAL	<u>1,181,545,620</u>	<u>815,379,951</u>
NOTE NO. "21"			
=====			
<u>PURCHASES OF STOCK IN TRADE</u>			
1	INDEGINIOUS	9,688,377	312,103,179
2	IMPORT	51,537,745	55,999,673
	TOTAL	<u>61,226,122</u>	<u>368,102,852</u>

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
NOTE NO. "22"			
=====			
<u>CHANGE IN INVENTORIES</u>			
1	OP.STOCK OF FINISHED GOODS	37,187,612	84,239,867
2	OP.STOCK OF W.I.P.	54,609,140	40,358,498
3	OP.STOCK OF STOCK-IN-TRADE	336,362	58,930,527
		92,133,114	183,528,892
LESS:			
1	CLS.STOCK OF FINISHED GOODS	38,289,855	37,187,612
2	CLS.STOCK OF W.I.P.	927,282	54,609,140
3	CLS.STOCK OF STOCK-IN-TRADE	-	336,362
		39,217,137	92,133,114
	DECREASE / (INCREASE) IN STOCK	52,915,977	91,395,778

NOTE NO. "23"

=====

EMPLOYEE BENEFITS EXPENSES

1	SALARY AND OTHER BENEFITS	2,250,105	1,692,487
2	BONUS	171,469	70,100
3	LEAVE INCASHMENT	37,051	
4	P.F. CONTRIBUTION	190,796	130,053
5	E.S.I.C.	42,663	44,037
6	GRATUITY	65,481	62,019
7	MEDICAL EXPENSES TO STAFF	1,989	15,097
8	STAFF WELFARE EXP.	35,960	11,150
	TOTAL	2,795,514	2,024,943

NOTE NO. "24"

=====

FINANCE COST

1	BANK CHARGES	2,108,491	1,611,263
2	NET GAIN/ LOSS ON FOREIGN CURRENCY TRANSACTIONS	(413)	20,716
3	INTEREST ON CC LOAN	29,120,483	20,647,076
4	INTEREST ON OD	-	448,344
5	INTEREST ON VEHICLE LOAN	56,100	63,811
6	INTEREST TO OTHERS	187,454	83,926
	TOTAL	31,472,115	22,875,136

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
NOTE NO. "25"			
=====			
<u>OTHER EXPENSES</u>			
(A) <u>MANUFACTURING EXPENSES</u>			
1	PACKING MATERIAL CONSUMED	24,316,615	19,190,495
2	ENTRY TAX	498,997	409,594
3	FACTORY EXPENSES	60,579	62,744
4	FREIGHT (INWARD)	1,023,900	247,878
5	FUMIGATION EXPENSES	579,409	353,235
6	HAMMALI AND WAGES	4,814,295	3,089,704
7	INSPECTION CHARGES	8,050	
8	LAB CHEMICAL	741,324	1,308,229
9	LOADING UNLOADING EXPENSES	2,809,516	1,745,824
10	MANDI TAX	145,511	104,250
11	PACKING AND BARDANA EXPENSES	2,364,103	1,766,998
12	POWER & FUEL	19,673,155	14,827,264
13	REPAIRS & MAINTAINCE		
	a) Plant & Machinery	2,523,898	1,884,540
	b) Building	13,576	33,107
14	WAREHOUSE STORAGE CHARGES	150,597	606,178
	TOTAL	<u>59,723,525</u>	<u>45,630,040</u>
(B) <u>ESTABLISHMENT & ADMINISTRATIVE EXP.</u>			
1	ADVERTIZEMENT EXPENSES	126,932	89,768
2	<u>AUDITORS REMUNERATION</u>		
	a) STATUTORY AUDIT	80,000	75,000
	b) INTERNAL AUDIT	34,000	34,000
3	A.G.M.MEETING EXPENSES	8,100	-
4	CHARITY & DONATION	276,000	-
5	COMPUTER REPAIR & MAINTAINCE	125,279	75,857
6	DETENTION & DEMRAGE	3,585	-
7	DIRECTOR MEETING FEES	31,000	37,000
8	DIRECTOR SALARY & PERQUISITE	2,100,000	1,682,000
9	DUTIES & TAXES	-	105,449
10	ELECTRICAL EXPENSES	4,591	67,472
11	EXPORT LICENCE EXPENSES A/C	-	29,997
12	FESTIVAL EXPENSES	48,010	37,225
13	FILING FEES (ROC)	13,500	10,000
14	GARDEN MAINTAINENCE	63,016	49,150
15	INSURANCE EXPENSES	671,104	470,318
16	ISO AUDIT CHARGES	-	7,721
17	LEGAL & PROFESSIONAL EXPENSES	884,543	779,568
18	LICENCE & REGISTRATION FEES	14,685	133,588
19	MEMBERSHIP FEES	24,494	28,322
20	MISC. EXPENSES	2,000	52,755
21	OFFICE EXPENSES	250,345	140,374
22	POOJA EXPENSES	103,122	82,150
23	POSTAGE & TELEGRAM EXPENSES	284,727	332,442
24	PROFESSIONAL FEES	-	96,874
25	PROFESSIONAL TAX	2,500	2,500
26	PROPERTY TAX	20,000	-
27	REPAIR & MAINTAINCE (OTHER)	52,369	36,766
28	SECURITY EXPENSES	205,774	386,109
29	SERVICE TAX EXPENS	183,650	12,064
30	SERVICE TAX ON EXPORT	-	22,293
31	STATIONERY & PRINTING EXPENSES	263,918	251,412
32	TELEPHONE & TRUNK CALL EXP.	331,536	295,528
33	TESTING FEES	10,680	23,320
34	TRAVELLING & CONVEYANCE EXPENSES	315,291	838,206
35	VEHICLE RUNNING & MAINTENANCE	91,394	223,039
36	WEBSITE DESIGNING & UPDATION CHARGES	-	12,800
	TOTAL	<u>6,626,145</u>	<u>6,521,067</u>

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	(Amount in Rs.) FIGURES AS ON 31/03/2011
(C) <u>SELLING & DISTRIBUTION EXPENSES</u>			
1	BROKERAGE ON SALES	3,468,419	4,355,726
2	CLEARING & FORWARDING EXPENSES	2,364,314	1,992,443
3	DISCOUNT	9,660,333	4,692,002
4	FREIGHT OUTWARD (EXPORT)	643,070	209,616
5	FREIGHT OUTWARD (OTHER)	6,835,189	441,555
6	GOODS INSPECTION CHRGES (EXPORT)	16,600	40,693
7	HAMMALI & LABOUR CHARGES (EXPORT)	211,192	275,828
8	INSURANCE (EXPORT)	26,397	84,569
9	RATE DIFFERENCE ON SALES	98,686	395,805
10	SALES PROMOTION EXP.	11,961	2,100
11	SHIPPING & FORWARDING EXPENSES	321,027	1,205,353
12	TRANSPORATION (IMPORT)	345,150	357,150
13	LOSS IN TRANSIT	-	6,298
	TOTAL	<u>24,002,338</u>	<u>14,059,138</u>
(D) <u>PRIOR PERIOD ITEMS</u>			
1	EXCESS PROVISION OF GOVT.BENEFIT LICENCE	-	36,613
2	EXP.OF PRIOR PERIOD (09-10)	-	151,158
3	FREINGE BENEFIT TAX RECEIVABLE (08-09)	8,865	-
4	INCOME TAX ASSESEMENT (2008-2009),	217,800	-
5	EXCESS PROVISION OF INTEREST (ON FDR)	570,384	-
6	INTEREST DELAY PAYMENT CHARGES	-	174,238
7	PROPERTY TAX	220,000	-
8	SERVICE TAX RECEIVABLE	532,623	-
9	SHORT PROVIOSION FOR INCOME TAX	-	394,486
10	TDS DIFF.FOR YEAR 2007-2008 & 2008-2009	-	17,970
	TOTAL	<u>1,549,672</u>	<u>774,465</u>
	TOTAL (A TO D)	<u>91,901,680</u>	<u>66,984,710</u>

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

NOTE NO "26"

ADDITIONAL NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2012

1. Considering the deduction and exemption available as per the provision of the Income Tax Act 1961 a provision of Rs. 5836124/- (P.Y 5850000/-) made in the account towards current income tax for the year.

2. **Contingent Liability not provided**

	<u>2011-2012</u>	<u>2010-2011</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

3. Payment to Auditors

	<u>Current Year</u> <u>2011-2012</u>	<u>Previous Year</u> <u>2010-2011</u>
1. Audit Fees	80000=00	75000=00 [
2. Service Tax	Nil	Nil
Total	----- 80000=00 =====	----- 75000=00 =====

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

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

a) Detail of prior period items with nature:-

Particular	Nature	Amount
FREINGE BENEFIT TAX RECEIVABLE (08-09)	Statutory	8865
INCOME TAX ASSESEMENT (2008-2009)	Statutory	217800
EXCESS PROVISION OF INTEREST (ON FDR)	Expenses	570384
PROPERTY TAX (Gram Panchayat)	Expenses	220000
SERVICE TAX RECEVABLE	Statutory	532623
Total		1549672

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. 1549672/-

6. Remuneration to Directors:-

	<u>Current Year</u> <u>31.03.2012</u>	<u>Previous Year</u> <u>31.03.2011</u>
1. Salary	2100000=00	1682000=00
2. Sitting Fees	31000=00	37000=00
Total:	----- 2131000=00 =====	----- 1719000=00 =====

7. Expenditure on employees (excluding perquisite) who are in receipt of remuneration of not less than Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month when employed for past of the year.

<u>Year ending on</u> <u>31.03.2012</u>	<u>Year ending on</u> <u>31.03.2011</u>
Nil	Nil

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

8. 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 March 2012 is as under:

a) Fund raised through Initial Public Offer is Rs 31.50 Crores. This fund was raised for upcoming soya Project of the company & Project is under process.

b) Utilization as per Records

S.No.	Particulars	Amount (in crore)
1	FDR's**	1.322
2	Project WIP	15.416
3	Purchase of Land	2.173
4	Advance again Project Work	10.214
5	Expenses on Public issue	2.359
6	Balance in IPO A/c	0.016
	Total	31.500

• The said FDR's is pledged against the loan facility granted by Bank.

c) Comparison of Project Status as detailed in Prospectus and actual position:-

Capacity :-	As per	Actual	
	Prospectus	Project	
Solvent Extraction Plant	500 TPD (Normal)	600 TPD (High Protein)	
Edible Oil Refinery	100 TPD	200 TPD	
Lecithin Plant	5 TPD	5 TPD	
Flour Mill	275 TPD	275 TPD	
Soya Nuggets	-	50 TPD	
Acid Oil Plant	-	10 TPD	
Cost :-	As per	Actual	Upto
	Prospectus	Project	31.03.2012
Land & Site Development	431.25	433.79	217.32
Factory Building	603.17	1484.23	463.16
Plant & Machinery	2479.23	4770.00	3155.57 *
Other Fixed asset	46.00	264.20	61.24
Contingencies	84.59	309.26	0.00
Pre-operative Exp.	173.76	293.83	119.40
Working Capital	758.67	1884.80	0.00
IPO Exp.	236.25	247.12	247.12
TOTAL	4812.92	9687.23	4263.81

* Expenditure for Plant and Machinery includes Advance for Capital Expenditure.

As per prospectus of the Company said plant was expected to commence commercial production by Sept. 2008, and as per present status commercial production is expected to commence by October 2012. Delay was occurred due to acquisition of new land, inflation in project cost and increase in capacity.

9. Loans & Advance includes Rs. 10,80,88,148 /- (P.Y. Rs 21752189/-) due from parties on account of advance against Capital Goods.

10. The provision of deferred tax Asset as on 31/03/2012 has been calculated as under after considering the timing difference in depreciation and other as per AS-22 of ICAI.

	OPENING BALANCE 01-04-2011 -----	CURRENT YEAR -----	CLOSING BALANCE 31-03-12 -----
Differed Tax Liability due to Depreciation and late deposited of TDS as per books & tax	13166670.00	0.00	13166670.00

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

Note:

Calculation of Deferred Tax of current year

A) Total depreciation for the year 2011-12

1) As per Income Tax	3843492.00
2) As per companies Act.	4877781.00

A) Timing Difference due to Depreciation	(1034289.00)
--	--------------

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)(1034289.00)

Deferred Tax Liabilities (Assets) created @ 33.99 %	(351555.00)
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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.

11. 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		
	Name	Degination
a)	Mr. Dinesh Agrawal	Chairmen Cum Managing Director
b)	Mr. Ashish Goyal (Agrawal)	Whole Time Director
c)	Mr. Anoop Goyal (Agrawal)*	Whole Time Director
*Appointed on 01/10/2011		

2. Relatives of Key Management Personnels	
Name of the Relative	Relation
Mr. Manish Agrawal Mr. Manisha Agrawal Mrs. Ruchi Agrawal S/s Dinesh Agrawal HUF Usha Devi Agrawal Neha Agrawal Mr.Rajababu Agrawal Mr.Rupesh Agrawal	Relative of Director

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 relative of Directors)
f) G.G.Real Estate Pvt.Ltd.	(Subsidiary Company)
g) GG Infra Pvt. Ltd.	(Group Company)

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

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

	2011-12	2010-11
<u>OPENING BALANCE AS ON 1ST APRIL</u>		
Equity Share Capital	120928730	120926230
Sundry Debtors	128725598	102468601
Unsecured Loans taken	Nil	Nil
Current account of Key Managerial Personnel	190349 (Cr.)	430626 (Cr.)
Sundry Outstanding	168750	Nil
Sundry Creditors	7685035	Nil
Loans & Advance to Subsidiary	62449326	Nil
<u>TRANSACTIONS</u>		
Sale of Goods	96,411,945.00	163898220
Purchase of Goods	716,650,821.00	594414750
Settlement Income	20,016,000.00	Nil
Loans & Advances Received	170,000,000.00	Nil
Repayment of unsecured loans taken	Nil	Nil
Repayment of Sundry Outstanding	168,750.00	Nil
Remuneration to Key Managerial Personnel Salary	2,100,000.00	1682000
Interest Received from Subsidiary	12,144,528.00	
Loans & Advances to Subsidiary	18,550,000.00	78188744
Loans & Advances Recovered (Subsidiary)	11,504,453.00	15739418
Lease Deposit Recovered	35,000,000.00	Nil
<u>CLOSING BALANCE AS ON 31ST MARCH .</u>		
Equity Share Capital	120928730	120928730
Sundry Debtors	167,049,426.00	128725598
Unsecured loans taken	Nil	Nil
Current account Key Managerial Personnel	2,600.00 (Cr.)	190349 (Cr.)
Sundry Outstanding	Nil	168750
Sundry Creditors	-	7685035
Loans & Advance	170,000,000.00	Nil
Loans & Advance to Subsidiary	81,639,401.00	62449326

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

A	As Debtors	2011-12	2010-11
	1) Anoop Foods Ltd.	41,965,070.00	8,000,745.00
	2) Manish Trading Company	56,832,476.00	Nil
	3) Sita Shree Marketing Pvt. Ltd.	12,787,831.00	36,353,125.00
	4) Usha Dall Mil	5,779,545.00	28,707,524.00
	5) Sitaram Shree Narayan Agrawal & Company	51,700,504.00	55,664,204.00
	Total	169,065,426.00	128,725,598.00

B	As Creditors	2011-12	2010-11
	1) Manish Trading Company	-	7,685,035.00
	Total	-	7,685,035.00

13. 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 31-03-2012	As On 31-03-2011
Employee (as per the general policy of the company)	Interest Free	500000	500000

In addition to above advance given to employee Rs. 541092/- (P.Y. Rs. 438534/-) but these are not in the nature of loans.

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

14. EARNING PER SHARE

		2011-12	2010-11
1	Net Profit after tax available for equity share holders	9,937,293	9372815
2	Weighted average number of equity share	22036800	22036800
3	Basic & Diluted Earning Per Share (Rs.) (Face Value of Rs.10/- each)	0.45	0.43

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

	PARTICULAR	OPENING BALANCE AS ON 01-04-11	PROVIDED DURING THE YEAR	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	CLOSING BALANC AS ON 31-03-12
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	5850000	5836124	5667247	174516 (Interest)	5844361
4	Provision for Fringe Benefit Tax	NIL	NIL	NIL	NIL	NIL

16. INFORMATION ABOUT BUSINESS SEGMENT

	MANUFACTURING		TRADING		TOTAL	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Total Revenue (Sales)	1,342,220,252	964,557,519	84,530,027	404,036,724	1,426,750,279	1,368,594,243
Segment Result	47,937,350	52,780,064	22,967,543	(4,088,264)	70,904,893	48,691,800
Unallocated Corporate Exp.					34,539,527	24,006,507
Operating Profit					36,365,366	24,685,293
Interest and Other Operating Income					15,757,947	17,893,513
Interest & other Exp.					36,349,896	27,355,991
Profit Before Tax					15,773,417	15,222,815
Income Tax					5,836,124	5,850,000
Profit After Tax					9,937,293	9,372,815
OTHER INFORMATION						
	MANUFACTURING		TRADING		TOTAL	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Assets	480,035,257	428,841,074	2,554,436	2,208,298	482,589,693	431,049,372
Unallocated Corporate Assets	-	-	-	-	474,660,238	271,062,960
Total Assets	-	-	-	-	957,249,931	702,112,332
Segment Liabilities	264,095,172	22,837,296	-	-	264,095,172	22,837,296
Unallocated Corporate Liabilities	-	-	-	-	207,228,148	244,128,053
Total Liabilities					471,323,320	266,965,349
Depreciation	-	-	-	-	4,877,781	4,501,571
Non-Cash Exp. (Other than Depreciation)	NIL	NIL	NIL	NIL	NIL	NIL

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

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.

17. 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.

18. 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.

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

Signed to Note “01” to “26”

In terms of our report of even date attached

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

(M.K. SHAH)
Proprietor
M.NO. 400-71199

we approve to the correctness of above

FOR AND ON BEHALF OF THE BOARD

DINESH AGRAWAL **ASHISH GOYAL**
(MANAGING DIRECTOR) (DIRECTOR)

Place: Indore

Date: 30th May, 2012

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY

PALDA, NEMAWAR ROAD, INDORE (M.P.)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March,2012

(Amount in Rs.)

S. NO.	PARTICULARS	31-03-2012	31-03-2011
A	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
	NET PROFIT BEFORE TAXATION	15773417.00	15222815.00
	<u>ADJUSTMENTS FOR :</u>		
	DEPRECIATION	4877781.00	4501571.00
	INTEREST/DIVIDEND INCOME	-16383765.00	-1087553.00
	PRELIMINARY EXPENSES WRITTEN OFF	-	-
	INTEREST PAID	31472115.00	22875136.00
	PROFIT ON SALE OF INVESTMENT	1612500.00	-
	LOSS ON SALE OF FIXED ASSETS	-	-
	<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	37352048.00	41511969.00
	CHANGE IN TRADE AND OTHER RECEIVABLES	-33660561.00	-508720.00
	CHANGE IN INVENTORIES	10919744.00	45146238.00
	CHANGE IN OTHER CURRENT ASSETS	-59680314.00	-69299677.00
	CHANGE IN CURRENT LIABILITIES	-6125488.00	-33841251.00
	INCOME TAX	-5836124.00	-5850000.00
	<u>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</u>	-57030695.00	-22841441.00
B	<u>CASH FLOW FROM INVESTING</u>		
	PURCHASE OF FIXED ASSETS	-122525881.00	-9419544.00
	SALE OF FIXED ASSETS	-	-
	INVESTMENTS PURCHASED (FDR EXCLUDING INT.)	-3940495.00	162953283.00
	LOSS ON SALE OF INVESTMENT	-1612500.00	-
	<u>NET CASH FLOW USED IN INVESTING ACITIVIES (B)</u>	-128078876.00	153533739.00
C	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
	CHANGES IN BORROWINGS	210483459.00	-109298201.00
	INTEREST RECEIVED	16378317.00	1083808.00
	DIVIDEND RECEIVED	5448.00	3745.00
	PROCEEDS FROM ISSUANCE OF CAPITAL	-	-
	INTEREST PAID	-31472115.00	-22875136.00
	DIVIDEND PAID	-	-
	PUBLIC ISSUE EXPENSES	-	-808605.00
	PREOPRETIVE EXP. (SOYA DIVISION)	-11356268.00	-
	PREMIUM ON ISSUE OF SHARES	-	-
	<u>NET CASH FLOW FROM FINANCING ACTIVITIES [C]</u>	184038841.00	-131894389.00
	<u>NET INCREASED IN CASH AND CASH EQUIVALENTS (A+B+C)</u>	-1070730.00	-1202091.00
	CASH AND CASH EQUIVALENTS (OPENING BALANCE)	4939981.00	6142072.00
	CASH AND CASH EQUIVALENTS (CLOSING BALANACE)	3869251.00	4939981.00

As per our report of even date attached,

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

CHARTERED ACCOUNTANTS

(Reg. No. 002077C)

(M. K. SHAH)

PROPRIETOR

M.NO. 400-71199

Place : INDORE

Date : 30th May, 2012

We certify to the correctness of above

For AND ON BEHALF OF THE BOARD

DINESH AGRAWAL
(MANAGING DIRECTOR)

ASHISH GOYAL
(DIRECTOR)

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

ANNEXURE - I

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 31.03.2012

A. CAPACITY AND PRODUCTION

S. No.	CLASS OF GOODS	YEAR 2012			YEAR 2011		
		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.	42869	43200 m.t.	43200 m.t.	34989
2	Dall Mill	3500 m. t.	3500 m. t.	1776	3500 m. t.	3500 m. t.	2562
3	Processed Goods	-	-	-	-	-	-

B. DETAILS OF SALES, PURCHASES & STOCK 2011-12

S. No.	ITEMS	31ST MARCH 2012		31ST MARCH 2011	
		QTY (IN M.T.)	AMT.(IN RS.)	QTY (IN M.T.)	AMT.(IN RS.)
A(I)	<u>SALES OF TRADING ITEMS :</u>				
1	ATTA	-	-	108.500	1,541,750.00
2	CHANA	319.404	10,943,413.00	579.522	14,268,973.00
3	CHANADALL	-	-	9,215.000	251,320,715.00
4	CHICK PEAS	837.580	36704809.00	636.819	27,729,088.00
5	MAIDA	-	-	1,839.135	27,072,637.00
6	MASOOR	-	-	29.883	1,255,086.00
7	MUNG	-	-	980.710	54,396,228.00
8	PACKING MATERIAL	-	1,593,900.00	-	2,264,975.00
9	RAJMA	5.798	108365.00	283.851	8,322,432.00
10	RAWA	-	-	518.940	8,239,689.00
11	SUJI	-	-	220.045	3,531,383.00
12	TOOR	119.810	3809556.00	-	-
13	URAD	236.330	8226673.00	-	-
14	WHEAT	-	-	321.150	4,207,602.00
	TOTAL	1,518.922	61,386,716.00	14733.555	404,150,558.00
A(II)	<u>SALES OF MANUFACTURED GOODS :</u>				
(I)	<u>ATTA ITEMS :</u>				
1	ATTA	26,113.340	381,794,759.00	20,814.423	316,515,787.00
2	CHAPAD	6,936.960	59,752,148.00	5,091.150	44,232,686.00
3	DALIYA	67.300	1,106,996.00	-	-
4	MAIDA	14,579.450	210,884,005.00	7,299.365	112,317,115.00
5	RAWA	1213.005	17,791,092.00	1,104.890	17,540,761.00
6	REFRACTION	458.895	792,639.00	304.348	469,714.00
7	SUJI	864.120	12,969,191.00	610.005	9,721,081.00
	TOTAL A)	50,233.070	685,090,830.00	35224.181	500,797,144.00
(II)	<u>CHANA DAL ITEMS</u>				
1	CHANA DALL	10,989.680	397,750,192.00	13,386.025	390,081,165.00
2	CHANA CHILKA	122.625	1,238,918.00	209.275	1,694,623.00
3	CHANA CHURI	248.050	2,837,760.00	507.190	5,243,959.00
4	KABULICHANA	3,755.770	249,215,977.00	1,281.611	62,639,150.00
5	MASOOR DALL	171.770	6,086,575.00	31.217	1,186,246.00
6	MATAR DALL	-	-	42.440	721,480.00
	TOTAL B)	15,287.895	657,129,422.00	15457.758	461,566,623.00
	TOTAL (A TO B)	65520.965	1342220252.00	50681.939	962,363,767.00

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

ANNEXURE - I

S. No.	ITEMS	31ST MARCH 2012		31ST MARCH 2011	
		QTY (IN M.T.)	AMT.(IN RS.)	QTY (IN M.T.)	AMT.(IN RS.)
B(I)	<u>PURCHASE OF TRADING ITEMS :</u>				
1	ATTA	-	-	108.500	1,541,750.00
2	CHANA	319.404	9,688,377.00	579.522	14,260,618.00
3	CHANADALL	-	-	9,215.000	253,249,500.00
4	CHICK PEAS	841.015	37,958,559.00	115.670	5,732,279.00
5	GREEN MOONG	-	-	907.312	47,930,443.00
6	MAIDA	-	-	1,839.135	27,072,637.00
7	RAJMA	-	-	72.000	2,336,951.00
8	RAWA	-	-	518.940	8,239,689.00
9	SUJI	-	-	220.045	3,531,383.00
10	TOOR	119.890	3,936,984.00	-	-
11	URAD	239.534	9,642,202.00	-	-
12	WHEAT	-	-	321.150	4,207,602.00
	TOTAL	1519.843	61226122.00	13897.274	368102852.00

B(II)	<u>PURCHASE OF MANUFACTURING ITEMS :</u>				
1	ATTA	3,519.000	49,920,300.00	-	-
2	CHANA	1,209.590	38,056,377.00	1,969.827	43,689,098.00
3	CHANADALL	9,811.800	346,458,602.00	10,044.300	293,098,315.00
4	KABULICHANA	3,642.482	241,256,219.00	1,225.579	57,648,960.00
5	MAIDA	3,540.907	47,613,664.00	-	-
6	MASOOR	342.358	9,847,296.00	-	-
7	MASOOR DALL	24.070	724,747.00	-	-
8	RAWA / SUJI	46.426	682,062.00	-	-
9	WHEAT	40,947.990	484,269,138.00	36,233.649	464,702,019.00
	TOTAL	63084.623	1218828405.00	49473.355	859,138,392.00

S. No.	ITEMS	31ST MARCH 2012		31ST MARCH 2011	
		QTY (IN M.T.)	AMT.(IN RS.)	QTY (IN M.T.)	AMT.(IN RS.)
C(I)	<u>TRADING STOCK</u>				
1	KIDNEY BEANS(RAJMA)	-	-	7.440	336,362.00
	TOTAL	-	-	7.440	336,362.00
C(II)	<u>RAW MATERIAL STOCK</u>				
1	CHANA	-	-	333.300	8,454,495.00
2	MASOOR	169.825	5,184,488.00	-	-
3	WHEAT	7,717.742	126,615,719.00	8,443.155	139,165,960.00
	TOTAL	7,887.567	131800207.00	8,776.455	147,620,455.00

C(III)	<u>FINISHED GOOD STOCK</u>				
	<u>WHEAT ITEM</u>				
1	ATTA	216.750	3,142,875.00	190.709	3,530,024.00
2	CHAPAD	25.265	252,650.00	300.750	3,007,500.00
3	MAIDA	82.255	1,233,825.00	97.830	1,819,638.00
4	RAWA	23.230	348,450.00	15.900	295,740.00
	TOTAL	347.500	4,977,800.00	605.189	8,652,902.00

	<u>CHANA & MASSOR ITEMS</u>				
1	CHANA DALL	617.500	27,787,500.00	539.400	16,721,400.00
2	CHANA CHURI	-	-	48.290	482,900.00
3	KABULI CHANA	53.244	4,259,520.00	174.314	11,330,410.00
4	MASOOR DALL	25.720	913,060.00	-	-
	TOTAL	696.464	32,960,080.00	762.004	28,534,710.00

SITA SHREE FOOD PRODUCTS LTD.

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

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	3/31/2012

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
957249931.00	957249931.00

a) Source of Funds

Paid up Capital	Reserve & Surplus	Secured Loan	Unsecured Loan
220368000.00	265558611.00	424910580.00	0.00

b) Application of Funds

Net Fixed Assets	Investment	Net Current Assets
237400538.00	11374910.00	395866535.00
Misc. Expenditure	Accumulated Loss	
36651585.00	0.00	

IV) Performance of the Company

Total Income	Total Expenditure	Profit Before Tax
1442508226.00	1426734809.00	15773417.00
Profit (+)/Loss (-) After Tax	Earning per Share	Dividend Rate %
9937293.00	0.45	0.00

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 "26"
In terms of our report of even date attached,
For: M.K.SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS
(Reg. No. 002077C)

(M.K. SHAH)
Proprietor
M.NO. 400-71199

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

DINESH AGRAWAL ASHISH GOYAL
(MANAGING DIRECTOR) (DIRECTOR)

Place: INDORE
Date: 30th May, 2012

**CONSOLIDATES
FINANCIAL
STATEMENT**

M.K.SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

207 CITY PLAZA

NEAR REGAL SQUARE, INDORE

☎: (O) 2536214, 4048445, (m) 9425057217

E-mail: mkshahassociates@yahoo.com

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AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SITA SHREE FOOD PRODUCTS LTD. ON THE CONSOLIDATED FINANCIAL STATEMENT OF SITA SHREE FOOD PRODUCTS LTD. & ITS SUBSIDIARY GG REAL ESTATE PVT. LTD.

1. We have audited the attached Consolidated Balance Sheet of **Sita Shree Food Products Limited**, & Its Subsidiary as at 31st March 2012 and the related Consolidated Profit and Loss Account and also the Consolidated cash flow statement (Collectively referred to as Consolidated Financial Statement) for the year ended on that which we have signed under reference to this report. These Consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards 21- Consolidated financial Statements and Accounting Standard 23-Accounting for Investments in Associates in Consolidated financial Statements prescribed by the Companies (Accounting Standard) Rules, 2006.
4. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements/ consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2012;
 - ii) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the Cash flows of the Group for the year ended on that date.

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

(M.K.SHAH)
PROPRIETOR
M.NO. 400-71199

Place: Indore

Date: **30th May, 2012**

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.)
CONSOLIDATED BALANCE SHEET AS AT 31st March , 2012

		(Amount in Rs.)		
S. NO.	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS FUND				
	(a) SHARE CAPITAL	"01"	220,368,000	220,368,000
	(b) RESERVE & SURPLUS	"02"	268,808,104	256,760,816
	(c) MONEY RECEIVED AGAINST SHARE WARRANTS		-	-
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT				
(3) NON CURRENT LIABILITIES				
	(a) LONG TERM BORROWINGS	"03"	181,650,311	1,741,789
	(b) DEFERRED TAX LIABILITY (NET)		13,166,670	13,166,670
	(c) OTHER LONG TERM LIABILITIES	"04"	-	-
	(d) LONG TERM PROVISIONS	"05"	549,976	484,495
(4) CURRENT LIABILITIES				
	(a) SHORT-TERM BORROWINGS	"06"	243,260,269	214,048,132
	(b) TRADE PAYABLES	"07"	29,090,614	67,449,502
	(c) OTHER CURRENT LIABILITIES	"08"	18,148,125	6,985,563
	(d) SHORT-TERM PROVISIONS	"09"	6,787,904	6,102,040
GRAND TOTAL			<u>981,829,973</u>	<u>787,107,007</u>
II. ASSETS				
NON-CURRENT ASSETS				
(1) (a) FIXED ASSETS				
	(i) TANGIBLE ASSETS	"10"	81,236,844	78,832,085
	(ii) INTANGIBLE ASSETS		987,166	615,311
	(iii) CAPITAL WORK-IN PROGRESS		155,713,821	40,842,335
	(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		-	-
	(b) NON-CURRENT INVESTMENTS	"11"	11,379,910	8,429,910
	(c) DEFERRED TAX ASSETS (NET)		-	-
	(d) LONG-TERM LOANS AND ADVANCES	"12"	132,888,339	94,649,403
	(e) OTHER NON- CURRENT ASSETS	"13"	36,651,585	25,295,317
(2) CURRENT ASSETS				
	(a) CURRENT INVESTMENTS		-	-
	(b) INVENTORIES	"14"	261,626,928	282,665,655
	(c) TRADE RECEIVABLES	"15"	251,007,788	219,258,213
	(d) CASH AND CASH EQUIVALENTS	"16"	30,184,246	18,616,735
	(e) SHORT-TERMS LOANS AND ADVANCES	"17"	20,153,346	17,902,043
	(f) OTHER CURRENT ASSETS		-	-
GRAND TOTAL			<u>981,829,973</u>	<u>787,107,007</u>

NOTES ON FINANCIAL STATEMENT

"26"

SIGNIFICANT ACCOUNTING POLICIES

**IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED,
FOR M. K. SHAH & ASSOCIATES
CHARTERED ACCOUNTANT
(Reg. No. 002077C)**

**WE CERTIFY TO THE CORRECTNESS OF ABOVE,
FOR AND ON BEHALF OF THE BOARD**

**(M.K. SHAH)
PROPRIETOR
M.NO.:400-71199**

**DINESH AGRAWAI
(MANAGING DIRECTOR)**

**ASHISH GOYAL
(DIRECTOR)**

PLACE: INDORE
DATE : 30th May, 2012

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD 31/03/2012	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31/03/2011
I	REVENUE FROM OPERATIONS	"18"	1,454,198,716	1,375,443,443
II	OTHER INCOME	"19"	3,207,636	9,873,076
III	TOTAL REVENUE (I + II)		<u>1,457,406,352</u>	<u>1,385,316,519</u>
IV	EXPENSES:			
	COST OF MATERIAL CONSUMED	"20"	1,181,545,620	815,379,951
	PURCHASE OF STOCK-IN-TRADE	"21"	61,226,122	368,102,852
	CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN- TRADE	"22"	63,034,960	88,410,703
	EMPLOYEE BENEFITS EXPENSES	"23"	3,587,514	2,075,243
	FINANCE COST	"24"	31,483,095	22,875,136
	DEPRICIATION AND AMORTIZATION EXPENSES	"10"	4,877,781	4,501,571
	OTHER EXPENSES	"25"	92,824,305	67,356,710
	TOTAL EXPENSES		<u>1,438,579,397</u>	<u>1,368,702,166</u>
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMES AND TAX(III-IV)		18,826,955	16,614,353
VI	EXCEPTIONAL ITEMES		-	-
VII	PROFIT BEFORE EXTRAORDINARY ITEMES AND TAX (V-VI)		18,826,955	16,614,353
VIII	EXTRAORDINARY ITEMES		-	-
IX	PROFIT BEFORE TAX (VII-VIII)		18,826,955	16,614,353
X	TAX EXPENSES			
	(1) CURRENT TAX		6,779,667	6,102,040
	(2) DEFERRED TAX		-	-
			<u>6,779,667</u>	<u>6,102,040</u>
XI	PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		12,047,288	10,512,313
XII	PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII	TAX EXPENSES OF DISCONTINUING OPERATIONS		-	-
XIV	PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)		-	-
XV	PROFIT / (LOSS) FOR THE PERIOD (XI+XIV)		12,047,288	10,512,313
	EARNINGS PER EQUITY SHARE:			
	(1) BASIC		0.55	0.48
	(2) DILUTED		-	-

NOTES ON FINANCIAL STATEMENT "26"

SIGNIFICANT ACCOUNTING POLICIES

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 AGRAWAI
(MANAGING DIRECTOR)

ASHISH GOYAL
(DIRECTOR)

PLACE: INDORE

DATE : 30th May, 2012

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED AT 31ST MARCH 2012

Accounting Convention

A. Basis of Accounting

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.

B. Principles of consolidation

- i) The consolidated financial statements include the financial statements of Sita Shree Food Products Ltd, ("Parent Company"), its subsidiaries and associates (collectively known as "the Group").

Name of Subsidiary	Country of incorporation	Shareholding (%)
GG Real Estate Pvt. Ltd.	India	100% (W.E.F.26 th March 2011)

- ii) The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra- group balances/transaction and unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.
- iii) An investment in an associated has been accounted for by the equity method of consolidation from the date on which it falls within the definition of associates in accordance with Accounting Standard-23 "Accounting of investments in Associates in Consolidated Financial Statements".
- iv) The Excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made in recognized in the consolidated financial statements as goodwill/capital reserve. The Parent company portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.
- v) Entities acquired/ sold during the year have been consolidated from/ up to the respective date of their acquisition/ disposal.
- vi) The consolidated financial statements are presented, to the extent possible and required, in the same format as that adopted by the Parent Company for its separate financial statements.

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

C. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statement, and reported amounts of revenues and expenses for the year.

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

D. Goodwill/ Capital Reserve

Company has Goodwill of Rs. 537293/- on Consolidation. Which is computed as Per method prescribed in Accounting Standard 21 consolidated financial statements. Company has acquired 100% share holding in M/s GG Real Estate Pvt. Ltd.

On the consolidation of financial statement it has been affected in creation of to Goodwill the calculation of which is as follows:

Particular	Amount
Purchase of Share 11000@45/-each	495000.00
Less: Face Value of Share 11000/-@10/-each	110000.00
Less: Capital Profit prior to acquisition 1 st April 2010 of Rs. 423580.00(Cr.)	152293.00(Dr.)
Profit & Loss as at date of acquisition of Rs. 575873.00(Dr.)	
Total Goodwill on consolidation	537293.00

E. Other Significant Accounting Policy

These are set out under "Significant Accounting Policies" as given in the company's separate financial statements.

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.)
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
--------	-------------	---	--

NOTE NO. "01"

=====
SHARE CAPITAL

<u>AUTHORISED SHARE CAPITAL</u>			
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
<u>AUTHORISED SHARE CAPITAL OF SUBSIDIARY CO.</u>			
50,000 EQUITY SHARES OF RS. 10/- EACH (P.Y.50000 EQUITY SHARES OF RS. 10/- EACH)	500,000		500,000
		<u>240,500,000</u>	<u>240,500,000</u>
<u>ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL</u>			
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
<u>ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL OF SUBSIDIARY CO.</u>			
11000 EQUITY SHARES OF RS. 10/- EACH FULLY PAIDUP (P.Y. 11000 EQUITY SHARES OF RS. 10/- EACH FULLY PAIDUP)	110,000		110,000
TOTAL		220,368,000	220,368,000

1 The Detail of Share Holders Holding More than 5% Shares

Name of the Shareholder	AS AT 31/03/2012		AS AT 31/03/2011	
	No. of Shares	% held	No. of Shares	% held
1 Sita Shree Marketing Pvt. Ltd.	1,588,957	7.21%	1,588,957	7.21%
2 Anoop Foods Ltd.	1,508,286	6.84%	1,508,286	6.84%
3 Ashish Goyal	1,415,800	6.42%	1,415,800	6.42%
4 Ruchi Agrawal	1,195,035	5.42%	1,195,035	5.42%
5 Smt. Chandrika Agrawal	1,475,565	6.70%	1,475,565	6.70%

1 The reconciliation of the No. of share of outstanding is set out Below.

Particulars	AS AT 31/03/2012		AS AT 31/03/2011	
	No. of Shares		No. of Shares	
Equity Shares at the beginning of the year	22,036,800		22,036,800	
Add: Share Issued	Nil		Nil	
Less: Share Canceled or buy back of Equity Shares	Nil		Nil	
Equity Shares at the end of the year	22,036,800		22,036,800	

1 During the year out of Shares Issued subscribed and paidup Share capital held by under mentioned the company has been pledged by the Company in favour of State Bank of India Consortium with Union Bank of India for securing loan taken by the Sita Shree Food Products Ltd. Of Rs. 95.16 crore. Detail of Share Pledge of following share holder.

Name of Share Holder	No. of Share held	% of Holding
Anoop Foods Ltd.	1508286	6.84%
Ashish Goyal	1415800	6.42%
Anoop Goyal	788735	3.58%
Dinesh Agrawal	282430	1.28%
Dinesh Agrawal-HUF	412109	1.87%

1 There is no Shares allotted without payment being receiving in cash, Share allotted by way of bonus shares and share buy back for the Period of five year immediately preceding the date of Balance Sheet.

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

		FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	(Amount in Rs.) FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
S. NO.	PARTICULARS		

3.3 This Credit Facilities is Secured by Entire Assets of the Company & the personal Guaranty of following Persons

- i) Dinesh Agrawal (Managing Director)
- ii) Ashish Goyal (Wholetime Director)
- iii) Anoop Goyal (Wholetime Director)
- iv) Sapan Garg (Other)
- v) Sandesh Garg (Other)
- vi) GG Real estate Pvt. Ltd. (Subsidiary Company)
- vii) GG Infra Pvt. Ltd. (Group Company)

3.4 Maturity profile of Term Loan are as set out below.
 Repayment schedule is according to sanction amount.

	Amount in Crore		
Repayment Year	UBI	SBI	Total
2012-13	0.40	0.50	0.90
2013-14	2.40	3.00	5.40
2014-15	3.00	3.84	6.84
2015-16	3.96	5.04	9.00
2016-17	4.20	5.40	9.60
2017-18	4.20	5.40	9.60
2018-19	1.84	1.82	3.66
Total	20.00	25.00	45.00

3.5 Secured loan in the form of Term Loan & Working Capital facility has been secured by way of mortgage of the Following Properties as collateral securities.

- a) Land situated at plot No. 52, & 55 at Scheme No.91, New Dewas Road, Indore (Area-1100 Sqft.) in the name of Chandrika Agrawal (decea & Dinesh Agrawal.
- b) Land situated at plot No.53 & 54 at Scheme No.91, New Dewas Road, Indore. (Area 1100 Sqft.) in the name of Rajababu Agrawal & Mr.Rupesh Agrawal.
- c) Land situated at Palda Tehsil & Dist. Indore (Survey no. 366/3/2, Gram Palda, Tehlis & District Inodre) on pari pasu bais (Area 14914 Sq ft.) in the name of Sapan Garg & Sandesh Garg.
- d) Residential Flats/commercial Shops (179/1/2, Gram Sirpur, opposite Armed Police Traning College, Aerodrome Road, Inodre) in the name of Ashish Goyal & Anoop Goyal.
- e) Land in the name of GG Infra Private Limited (PAN AADCG3862A)situated at Gram Musakhedi Tehsil & Distt. Indore, Patwari Halka Number 26 survey No. 362/1/1 admeasuring 0.334 hectares of 3340 sq.meters.
- f) Land situated at Palda Tehsil & Dist Indore (Survey No. 366/3/2, Gram Palda, Tehsil & District Indore) on pari pasu basis (Area 14914 Sq Ft.) in the name of Sapan Garg & Sandesh Garg.

NOTE NO. "04"

=====

OTHER LONG TERM LIABILITIES

A	FROM DIRECTORS	-	-
B	FROM OTHERS	-	-
TOTAL (A to B)		-	-

NOTE NO. "05"

=====

LONG TERM PROVISIONS

A	Provision for Employee Benefits (Gratuity)	549,976	484,495
TOTAL		549,976	484,495

SITA SHREE FOOD PRODUCTS LIMITED
332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2011

(Amount in Rs.)

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
NOTE NO. "06"			
SHORT-TERM BORROWINGS			
SECURED			
A	WORKING CAPITAL LOAN FROM UNION BANK OF INDIA (Paripassu CHARGE OF GOODS CONSISTING AS FINISHED GOODS, SEMI FINISHED GOODS, RAW MATERIAL, BOOK DEBTS AND ALL CURRENT ASSETS & FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEE OF THE DIRECTORS)	163,120,164	214,048,132
B	WORKING CAPITAL LOAN FROM AXIS BANK (SECURED BY WAY OF HYPOTHECATION OF WARE HOUSE RECEIPT AGAINST STOCK)	130,800	-
C	WORKING CAPITAL LOAN FROM STATE BANK OF INDIA (Paripassu CHARGE OF GOODS CONSISTING AS FINISHED GOODS, SEMI FINISHED GOODS, RAW MATERIAL, BOOK DEBTS AND ALL CURRENT ASSETS & FIXED ASSETS OF THE COMPANY AND PERSONAL GUARANTEE OF THE DIRECTORS)	80,009,305	-
TOTAL		243,260,269	214,048,132
NOTE NO. "07"			
TRADE PAYABLES			
1	CREDITORS FOR GOODS	2,094,951	22,532,215
2	CREDITORS FOR ADVANCE RECEIVED FROM CUSTOMER AGAINST SALES/ORDERS	18,187,840	34,623,124
3	CREDITORS FOR EXPENSES	5,388,095	7,390,891
4	CREDITORS FOR BROKERAGE	3,419,728	2,903,272
TOTAL		29,090,614	67,449,502
NOTE NO. "08"			
OTHER CURRENT LIABILITIES			
1	TERM LOAN FOR SOYA PROJECT (U.B.I.) Refer Note No. 3	9,000,000	-
2	CAR LOAN (U.B.I.) (Secured by Hypothecation of Car)	94,800	244,920
3	RELIANCE CAPITAL LTD. (Secured by Hypothecation of Car (Pajero))	608,520	-
4	CREDITORS FOR CAPITAL GOODS	5,366,394	626,900
5	SECURITY DEPOSIT	1,000,000	5,000,000
6	OTHER STATUTORY LIABILITIES	2,078,411	1,113,743
TOTAL		18,148,125	6,985,563
<p>The Subsidiary Company has purchased a land admeasuring 0.930 Hector at survey no.179/1/2 on 23.05.2009. Further the company has made a registered development agreement with M/s SPL Creation, Indore and as per the said party will do construction of flats & shops & shall bear entire cost of construction and both the party shall have 50% finished goods salable registry on flats/shops. as per this agreement company has received 1.23 Lakhs sq. feet constructed area (shop & flat). Security Deposit 10 Lakhs repayable against this agreement.</p>			
NOTE NO. "09"			
SHORT-TERM PROVISIONS			
1	PROVISION FOR CURRENT TAX	6,787,904	6,102,040
TOTAL		6,787,904	6,102,040

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

NOTE NO. "10"

=====

FIXED ASSETS

(i) TANGIBLE ASSETS

(Amount in Rs.)

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK				DEPRECIATION					NET BLOCK		
			VALUE AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT 31.03.2012	BALANCE AS ON 01.04.2011	FOR THE YEAR	FOR PRIOR PERIOD	DEDUCTION	BALANCE AS ON 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011	
SOYA DIVISION														
1	LAND (BARLAI)		21,732,483.00	-	-	21,732,483.00	-	-	-	-	-	21,732,483.00	21,732,483.00	
2	COMPUTERS	16.21	-	116,125.00	-	116,125.00	-	-	-	-	-	116,125.00	-	
TOTAL- A - (SOYA DIVISION)			21,732,483.00	116,125.00	-	21,848,608.00	-	-	-	-	-	21,848,608.00	21,732,483.00	
FLOUR DIVISION														
1	LAND	-	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	571,215.00	-	3,443,205.00	1,140,516.00	104,349.00	-	-	1,244,865.00	2,198,340.00	1,731,474.00	
3	FACTORY BUILDING (INCL. ADMINISTRATION BLOCK)	3.34	37,021,297.00	-	-	37,021,297.00	14,069,311.00	1,236,511.00	-	-	15,305,822.00	21,715,475.00	22,951,986.00	
4	OFFICE EQUIPMENT	4.75	943,762.00	142,991.00	-	1,086,753.00	388,001.00	49,663.00	-	-	437,664.00	649,089.00	555,761.00	
5	PLANT & MACHINERY	4.75	50,402,240.00	3,562,552.00	-	53,964,792.00	25,849,693.00	2,489,101.00	-	-	28,338,794.00	25,625,998.00	24,552,547.00	
6	MOBILE PHONE	4.75	170,900.00	-	-	170,900.00	45,225.00	8,118.00	-	-	53,343.00	117,557.00	125,675.00	
7	VEHICLE	9.5	3,803,043.00	2,304,488.00	-	6,107,531.00	2,296,250.00	560,251.00	-	-	2,856,501.00	3,251,030.00	1,506,793.00	
8	FURNITURE & FIXTURE	6.33	2,724,109.00	36,612.00	-	2,760,721.00	1,081,576.00	173,630.00	-	-	1,255,206.00	1,505,515.00	1,642,533.00	
9	LAB. EQUIPMENT	4.75	152,476.00	4,900.00	-	157,376.00	14,392.00	7,420.00	-	-	21,812.00	135,564.00	138,084.00	
10	COMPUTERS	16.21	751,004.00	139,450.00	-	890,454.00	514,496.00	133,623.00	-	-	648,119.00	242,335.00	236,508.00	
11	AIR CONDITIONERS	4.75	298,517.00	17,990.00	-	316,507.00	53,276.00	14,208.00	-	-	67,484.00	249,023.00	245,241.00	
12	ELECTRICAL INSTALLATION	4.75	1,403,132.00	365,572.00	-	1,768,704.00	406,102.00	80,262.00	-	-	486,364.00	1,282,340.00	997,030.00	
TOTAL- B - (FLOUR DIVISION)			102,958,440.00	7,145,770.00	-	110,104,210.00	45,858,838.00	4,857,136.00	-	-	50,715,974.00	59,388,236.00	57,099,602.00	
CURRENT YEAR GRAND TOTAL (A+B)			124690923.00	7261895.00	-	131,952,818.00	45,858,838.00	4857136.00	-	-	50,715,974.00	81236844.00	78,832,085.00	
PREVIOUS YEAR TOTAL			123,382,529.00	1,308,394.00	-	124,690,923.00	41,377,778.00	4,481,060.00	-	-	45,858,838.00	78,832,085.00	81,609,918.00	

SITA SHREE FOOD PRODUCTS LIMITED

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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

NOTE NO. "10"

FIXED ASSETS

(ii) INTANGIBLE ASSETS

(Amount in Rs.)

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK				DEPRECIATION					NET BLOCK		
			VALUE AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT 31.03.2012	BALANCE AS ON 01.04.2011	FOR THE YEAR	FOR PRIOR PERIOD	DEDUCTION	BALANCE AS ON 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011	
SOYA DIVISION														
1	COMPUTER SOFTWARE	16.21	-	392,500.00	-	392,500.00	-	-	-	-	-	392,500.00	-	
TOTAL- A - (SOYA DIVISION)			-	392,500.00	-	392,500.00	-	-	-	-	-	392,500.00	-	
FLOUR DIVISION														
1	COMPUTER SOFTWARE	16.21	127,359.00	-	-	127,359.00	49,341.00	20,645.00	-	-	69,986.00	57,373.00	78,018.00	
2	GOODWILL ON CONSOLIDATION	-	537,293.00	-	-	537,293.00	-	-	-	-	-	537,293.00	537,293.00	
TOTAL- B - (FLOUR DIVISION)			664,652.00	-	-	664,652.00	49,341.00	20,645.00	-	-	69,986.00	594,666.00	615,311.00	
CURRENT YEAR GRAND TOTAL (A+B)			664652.00	392500.00	-	1057152.00	49341.00	20645.00	-	-	69,986.00	987166.00	615,311.00	
PREVIOUS YEAR TOTAL			124,859.00	539,793.00	-	664,652.00	28,830.00	20,511.00	-	-	49,341.00	615,311.00	96,029.00	

(iii) CAPITAL WORK IN PROGRESS

(Amount in Rs.)

S. No.	DEPRECIATION OF ASSETS	RATE OF DEP. (%)	GROSS BLOCK				DEPRECIATION					NET BLOCK		
			VALUE AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION	TOTAL AS AT 31.03.2012	BALANCE AS ON 01.04.2011	FOR THE YEAR	FOR PRIOR PERIOD	DEDUCTION	BALANCE AS ON 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011	
SOYA DIVISION														
1	BUILDING UNDER CONSTRUCTION		5,306,342.00	41,009,770.00	-	46,316,112.00	-	-	-	-	-	46,316,112.00	5,306,342.00	
2	ELECTRICAL INSTALLATION		158,654.00	5,456,500.00	-	5,615,154.00	-	-	-	-	-	5,615,154.00	158,654.00	
3	PLANT & MACHINERY		33,128,518.00	67,901,078.00	-	101,029,596.00	-	-	-	-	-	101,029,596.00	33,128,518.00	
TOTAL- A - (SOYA DIVISION)			38,593,514.00	114,367,348.00	-	152,960,862.00	-	-	-	-	-	152,960,862.00	38,593,514.00	
FLOUR DIVISION														
1	BUILDING UNDER CONSTRUCTION		2,119,999.00	632,960.00	-	2,752,959.00	-	-	-	-	-	2,752,959.00	2,119,999.00	
2	PLANT & MACHINERY		128,822.00	1,873,224.00	2,002,046.00	-	-	-	-	-	-	-	128,822.00	
TOTAL- B - (FLOUR DIVISION)			2,248,821.00	2,506,184.00	2,002,046.00	2,752,959.00	-	-	-	-	-	2,752,959.00	2,248,821.00	
CURRENT YEAR GRAND TOTAL (A+B)			40842335.00	116873532.00	2002046.00	155713821.00	-	-	-	-	-	155713821.00	40,842,335.00	
PREVIOUS YEAR TOTAL			32,733,685.00	8,108,650.00	-	40,842,335.00	-	-	-	-	-	40,842,335.00	33,128,518.00	

SITA SHREE FOOD PRODUCTS LIMITED
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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
NOTE NO. "11"			
=====			
<u>NON-CURRENT INVESTMENTS</u>			
(LONG TERM) (FULLY PAID UP)			
	QUOTED EQUITY SHARES OF		
1	UNION BANK OF INDIA	129,910	129,910
	1181 EQUITY SHARE (FACE VALUE RS.10/- PER SHARE)		
	(P.Y. 1181 EQUITY SHARES FACE VALUE RS.10/- PER SHARE)		
	(MARKET VALUE RS.410338/- P.Y. RS. 345974/-)		
2	CHOKSI LABORATORIES LIMITED INDORE	10,750,000	7,300,000
	500000 EQUITY SHARE (FACE VALUE RS.10/- PER SHARE)		
	(P.Y. 800000 Convertible Warrant pending for allotment)		
	(MARKET VALUE RS.5410000/-, P.Y. - N.A.)		
 UNQUOTED			
3	SHARE APPLICATION MONEY IN N.J INVESTMENTS PVT. LTD.	-	500,000
4	ANOOP FOODS LTD.**	500,000	500,000
	50000 EQUITY SHARE (FACE VALUE RS.10/- PER SHARE)		
	(P.Y. 50000 EQUITY SHARES FACE VALUE RS.10/- PER SHARE)		
	** Related party		
TOTAL		<u>11,379,910</u>	<u>8,429,910</u>

The Company has invested Rs. 1.23 crore for acquiring 8.00 Lakhs convertible warrants of M/s Choksi Laboratories Ltd. Nominal value of warrants was Rs. 10/- each and has been allotted at a price of Rs. 21.50 per Warrant. 5.00 Lakhs warrants out of 8.00 Lakhs warrants has been converted into 5.00 Lakhs Equity Shares on 19.03.2012. These Equity Shares are under Lock-in for a period of one year from the date of allotment i.e. 18.03.2013. Balance 3.00 Lakhs convertible warrants were forfeited by the M/s Choksi Laboratories Ltd. due to non payment of balance amount due thereon and this resulted into forfeiture of amount of Rs. 16,12,500/- already paid thereon. Investments considered as long term investments, so, no provision has been made for temporary fall in the price of above Equity Shares.

The company has made an investment by way of share application in M/s NJ Investment Pvt. Ltd. in previous year and the same has been received back due to non allotment of shares during the year.

NOTE NO. "12"

=====

LONG-TERM LOANS AND ADVANCES

(a)	ADVANCE FOR CAPITAL WORK IN PROGRESS	108,088,148	21,752,189
(b)	OTHER LOANS & ADVANCES		
i)	TO STAFF	500,000	500,000
ii)	TO OTHERS	18,917,747	34,185,327
(c)	SECURITY DEPOSITS (GOVT. DEP. & OTHER)	3,807,444	1,636,887
(d)	SECURITY DEPOSITS WITH B.S.E.	1,575,000	1,575,000
(e)	SECURITY DEPOSITS AGST. LEASE HOLD LAND	-	35,000,000
TOTAL		<u>132,888,339</u>	<u>94,649,403</u>

12 Other Loans and Advances unsecured considered Good

NOTE NO. "13"

=====

OTHER NON CURRENT ASSETS

OTHER

A	PUBLIC ISSUE & PREOPERATIVE EXPENSES	24,711,712	24,711,712
B	PREOPRETIVE EXP. (SOYA DIVISION)	11,939,873	583,605
TOTAL (A + B)		<u>36,651,585</u>	<u>25,295,317</u>

SITA SHREE FOOD PRODUCTS LIMITED
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NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

S. NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
(Amount in Rs.)			
NOTE NO. "14"			
INVENTORIES			
(As Vauded & Certified by the Directors)			
1	RAW MATERIAL	130,294,094	93,011,315
2	STOCK OF FINISHED GOODS	38,289,855	37,187,612
3	STOCK OF PACKING MATERIAL & OTHER CONSUMABLE STORES	9,913,444	5,199,990
4	STOCK OF W.I.P. (SEMI FINISHED GOODS)	927,282	54,609,140
5	STOCK OF TRADING GOODS	-	336,362
6	UNFINISHED SHOPS / FLATS	82,202,253	92,321,236
	TOTAL	261,626,928	282,665,655
NOTE NO. "15"			
TRADE RECEIVABLE			
(UNSECURED CONSIDERED GOOD)			
1	OVER SIX MONTH	13,577,216	16,595,290
2	OTHERS	237,430,572	202,662,923
	TOTAL	251,007,788	219,258,213
Some of the balances of debtors, creditors and advances are subject to confirmation by the parties. However Management does not expect any material difference affecting the current year financial statement.			
NOTE NO. "16"			
CASH AND CASH EQUIVALENTS			
A.	CASH IN HAND (AS CERTIFIED BY DIRECTOR)	11,729,778	4,112,112
B.	BALANCE WITH BANK		
I)	CURRENT A/Cs		
1	HSBC BANK LIMITED	1,045	108,893
2	STATE BANK OF INDIA (GPO),	195,471	588,651
3	STATE BANK OF INDIA (DUTY DRAW BACK)	68,278	61,824
4	UNION BANK OF INDIA EEFC A/C	-	-
5	UNION BANK OF INDIA IPO A/C	156,738	156,738
6	UNION BANK OF INDIA (C/A) SSI BR. INDORE	3,814,679	360,755
7	UNION BANK OF INDIA TERM LOAN DEBIT BALANCE	7,453	7,453
		4,243,664	1,284,314
II)	FIXED DEPOSIT ACCOUNT		
	UNION BANK OF INDIA	14,210,804	13,220,309
	TOTAL (A + B)	30,184,246	18,616,735
16	The above FDRs are pledge against Secured Loan of the Bank and will be renewed on maturity till the currency of Loan, hence all FDRs are considered as Non-Current asset.		
NOTE NO. "17"			
SHORT-TERMS LOANS AND ADVANCES			
(UNSECURED CONSIDERED GOOD)			
I	ADVANCE FOR PURCHASES & OTHERS		
1	ADVANCE FOR RAW MATERIAL	10,063,558	10,085,194
2	ADVANCE INCOME TAX & TDS RECEIVABLE	4,738,452	2,998,559
3	ADVANCE FOR EXPENSES	241,145	99,795
4	EMPLOYEE ADVANCES	541,092	438,534
II	OTHER CURRENT ASSETS		
	OTHER CURRENT ASSETS	4,569,099	4,279,961
	TOTAL	20,153,346	17,902,043

The company has entered in three agreements for purchase of land in preceeding Year at Gram Sukliya (Kshipra) Dist. Dewas survey no.52, 53/1,53/2 & 25/1,30,30/492 & 48/1 total 5.191 Hector for Rs. 13246300/- for this purpose an advance of Rs. 7928000/- have been paid & Rs. 5318300/- is payable after obtaining approval from appropriate authority . This agreement has not been executed or renewed in current year.

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
NOTE NO. "18"			
=====			
<u>REVENUE FROM OPERATIONS</u>			
A) <u>SALES OF PRODUCTS</u>			
 <u>MANUFACTURING ACTIVITY</u>			
	I) INDIGENOUS	1,334,614,066	960,090,843
	II) EXPORT	<u>7,606,186</u>	<u>2,272,924</u>
		1,342,220,252	962,363,767
 <u>TRADING ACITIVITY</u>			
	I) INDIGENOUS	84,530,027	392,272,651
	II) EXPORT	<u>-</u>	<u>14,029,048</u>
		84,530,027	406,301,699
B) <u>REAL ESTATE DEVELOPMENT</u>			
	<u>LESS</u> : REGISTRY EXP.	27,958,800	7,658,500
	<u>LESS</u> : STAMP DUTY	<u>(97,455)</u>	<u>(70,900)</u>
		<u>(847,050)</u>	<u>(738,400)</u>
		27,014,295	6,849,200
C) <u>INCOME FROM SERVICES</u>			
		434,142	-
	<u>LESS</u> : SALES RETURN	-	(71,223)
	TOTAL	<u>1,454,198,716</u>	<u>1,375,443,443</u>
NOTE NO. "19"			
=====			
<u>OTHER INCOME</u>			
	INTEREST INCOME	4,262,148	6,096,041
	DIVIDENED INCOME	5,448	3,745
	NET GAIN/ LOSS ON SALE OF INVESTMENT	(1,612,500)	-
	OTHER NON OPERATING INCOME	552,540	3,773,290
	TOTAL	<u>3,207,636</u>	<u>9,873,076</u>
NOTE NO. "20"			
=====			
<u>COST OF MATERIAL CONSUMED</u>			
1	OPENING STOCK	93,011,315	49,252,874
2	PURCHASE (NET OF RETURN)	1,218,828,399	859,138,392
	LESS: CLOSING STOCK	130,294,094	93,011,315
	TOTAL	<u>1,181,545,620</u>	<u>815,379,951</u>
NOTE NO. "21"			
=====			
<u>PURCHASES OF STOCK IN TRADE</u>			
1	INDEGINIOUS	9,688,377	312,103,179
2	IMPORT	51,537,745	55,999,673
	TOTAL	<u>61,226,122</u>	<u>368,102,852</u>

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
NOTE NO. "22"			
=====			
CHANGE IN INVENTORIES			
1	OP.STOCK OF FINISHED GOODS	37,187,612	84,239,867
2	OP.STOCK OF W.I.P.	54,609,140	40,358,498
3	OP.STOCK OF STOCK-IN-TRADE	336,362	58,930,527
4	OP.STOCK OF UNFINISHED SHOPS / FLATS	92,321,236	89,336,161
		184,454,350	272,865,053
LESS:			
1	CLS.STOCK OF FINISHED GOODS	38,289,855	37,187,612
2	CLS.STOCK OF W.I.P.	927,282	54,609,140
3	CLS.STOCK OF STOCK-IN-TRADE	-	336,362
4	CLS.STOCK OF UNFINISHED SHOPS / FLATS	82,202,253	92,321,236
		121,419,390	184,454,350
	DECREASE / (INCREASE) IN STOCK	<u>63,034,960</u>	<u>88,410,703</u>

NOTE NO. "23"

=====

EMPLOYEE BENEFITS EXPENSES

1	SALARY AND OTHER BENEFITS	3,042,105	1,742,787
2	BONUS	171,469	70,100
3	LEAVE INCASHMENT	37,051	-
4	P.F. CONTRIBUTION	190,796	130,053
5	E.S.I.C.	42,663	44,037
6	GRATUITY	65,481	62,019
7	MEDICAL EXPENSES TO STAFF	1,989	15,097
8	STAFF WELFARE EXP.	35,960	11,150
	TOTAL	<u>3,587,514</u>	<u>2,075,243</u>

NOTE NO. "24"

=====

FINANCE COST

1	BANK CHARGES	2,116,322	1,611,263
2	NET GAIN/ LOSS ON FOREIGN CURRENCY TRANSACTION	(413)	20,716
3	INTEREST ON CC LOAN	29,120,483	20,647,076
4	INTEREST ON OD	-	448,344
5	INTEREST ON VEHICLE LOAN	56,100	63,811
6	INTEREST TO OTHERS	190,603	83,926
	TOTAL	<u>31,483,095</u>	<u>22,875,136</u>

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)

S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
NOTE NO. "25"			
=====			
<u>OTHER EXPENSES</u>			
(A) <u>MANUFACTURING EXPENSES</u>			
1	PACKING MATERIAL CONSUMED	24,316,615	19,190,495
2	ENTRY TAX	498,997	409,594
3	FACTORY EXPENSES	60,579	62,744
4	FREIGHT (INWARD)	1,023,900	247,878
5	FUMIGATION EXPENSES	579,409	353,235
6	HAMMALI AND WAGES	4,814,295	3,089,704
7	INSPECTION CHARGES	8,050	-
8	LAB CHEMICAL	741,324	1,308,229
9	LOADING UNLOADING EXPENSES	2,809,516	1,745,824
10	MANDI TAX	145,511	104,250
11	PACKING AND BARDANA EXPENSES	2,364,103	1,766,998
12	POWER & FUEL	19,673,155	14,827,264
13	REPAIRS & MAINTAINCE	-	-
	a) Plant & Machinery	2,523,898	1,884,540
	b) Building	13,576	33,107
14	WAREHOUSE STORAGE CHARGES	150,597	606,178
	TOTAL	<u>59,723,525</u>	<u>45,630,040</u>
(B) <u>ESTABLISHMENT & ADMINISTRATIVE EXP.</u>			
1	ADVERTIZEMENT EXPENSES	126,932	89,768
2	<u>AUDITORS REMUNERATION</u>	-	-
	a) STATUTORY AUDIT	93,500	85,000
	b) INTERNAL AUDIT	34,000	34,000
3	A.G.M.MEETING EXPENSES	8,100	-
4	CHARITY & DONATION	276,000	-
5	COMPUTER REPAIR & MAINTENANCE	125,279	75,857
6	DETENTION & DEMRAGE	3,585	-
7	DIRECTOR MEETING FEES	31,000	37,000
8	DIRECTOR SALARY & PERQUISITE	2,370,000	2,042,000
9	DUTIES & TAXES	-	105,449
10	ELECTRICAL EXPENSES	4,591	67,472
11	EXPORT LICENCE EXPENSES A/C	-	29,997
12	FESTIVAL EXPENSES	48,010	37,225
13	FILING FEES (ROC)	18,300	10,000
14	GARDEN MAINTENANCE	63,016	49,150
15	INSURANCE EXPENSES	671,104	470,318
16	ISO AUDIT CHARGES	-	7,721
17	LEGAL & PROFESSIONAL EXPENSES	898,675	781,568
18	LICENCE & REGISTRATION FEES	14,685	133,588
19	MEMBERSHIP FEES	24,494	28,322
20	MISC. EXPENSES	2,000	52,755
21	OFFICE EXPENSES	250,900	140,374
22	POOJA EXPENSES	103,122	82,150
23	POSTAGE & TELEGRAM EXPENSES	284,727	332,442
24	PROFESSIONAL FEES	-	96,874
25	PROFESSIONAL TAX	7,500	2,500
26	PROPERTY TAX,	20,000	-
27	REPAIR & MAINTENANCE (OTHER)	52,369	36,766
28	SECURITY EXPENSES	205,774	386,109
29	SERVICE TAX EXPENS	184,823	12,064
30	SERVICE TAX ON EXPORT	-	22,293
31	STATIONERY & PRINTING EXPENSES	263,918	251,412
32	TELEPHONE & TRUNK CALL EXP.	331,536	295,528
33	TESTING FEES	10,680	23,320
34	TRAVELLING & CONVEYANCE EXPENSES	315,291	838,206
35	VEHICLE RUNNING & MAINTENANCE	91,394	223,039
36	WEBSITE DESIGNING & UPDATION CHARGES	-	12,800
	TOTAL	<u>6,935,305</u>	<u>6,893,067</u>

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY, PALDA, NEMAWAR ROAD, INDORE (M.P.)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

(Amount in Rs.)			
S. No.	PARTICULARS	FIGURES AS ON 31/03/2012	FIGURES AS ON 31/03/2011
(C) <u>SELLING & DISTRIBUTION EXPENSES</u>			
1	BROKERAGE ON SALES	4,068,419	4,355,726
2	CLEARING & FORWARDING EXPENSES	2,364,314	1,992,443
3	DISCOUNT	9,660,333	4,692,002
4	FREIGHT OUT WORD (EXPORT)	643,070	209,616
5	FREIGHT OUTWARD (OTHER)	6,835,189	441,555
6	GOODS INSPECTION CHRGES (EXPORT)	16,600	40,693
7	HAMMALI & LABOUR CHARGES (EXPORT)	211,192	275,828
8	INSURANCE (EXPORT)	26,397	84,569
9	RATE DIFFERENCE ON SALES	98,686	395,805
10	SALES PROMOTION EXP.	11,961	2,100
11	SHIPPING & FORWARDING EXPENSES	321,027	1,205,353
12	TRANSPORATION (IMPORT)	345,150	357,150
13	LOSS IN TRANSIT	-	6,298
	TOTAL	<u>24,602,338</u>	<u>14,059,138</u>
(D) <u>PRIOR PERIOD ITEMS</u>			
1	EXCESS PROVISION OF GOVT.BENEFIT LICENCE	-	36,613
2	EXP.OF PRIOR PERIOD (09-10)	-	151,158
3	FREINGE BENEFIT TAX RECEIVABLE (08-09)	8,865	-
4	INCOME TAX ASSESEMENT (2008-2009),	217,800	-
5	EXCESS PROVISION OF INTEREST (ON FDR)	570,384	-
6	INTEREST DELAY PAYMENT CHARGES	-	174,238
7	PROPERTY TAX	220,000	-
8	SERVICE TAX RECEVABLE	532,623	-
9	SHORT PROVISION FOR INCOME TAX	13,465	394,486
10	TDS DIFF.FOR YEAR 2007-2008 & 2008-2009	-	17,970
	TOTAL	<u>1,563,137</u>	<u>774,465</u>
	TOTAL (A TO D)	<u>92,824,305</u>	<u>67,356,710</u>

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

NOTE NO. "26"

ADDITIONAL NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED AT 31ST MARCH 2012

1. Considering the deduction and exemption available as per the provision of the Income Tax Act 1961 a provision of Rs. 6779667/- (P.Y 6102040/-) made in the account towards current income tax for the year.

- 2. Contingent Liability not provided**

	<u>2011-2012</u>	<u>2010-2011</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

	<u>Current Year</u>	<u>Previous Year</u>
	<u>2011-2012</u>	<u>2010-2011</u>
3. Payment to Auditors		
1. Audit Fees	93500=00	85000=00
2. Service Tax	Nil	Nil
	-----	-----
Total	93500=00	85000=00
	=====	=====

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

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

- a) Detail of prior period items with nature:-

Particular	Nature	Amount
FREINGE BENEFIT TAX RECEIVABLE (08-09)	Statutory	8865
INCOME TAX ASSESEMENT (2008-2009)	Statutory	217800
EXCESS PROVISION OF INTEREST (ON FDR)	Expenses	570384
PROPERTY TAX (Gram Panchayat)	Expenses	220000
SERVICE TAX RECEVABLE	Statutory	532623
SHORT PROVIOSION FOR INCOME TAX	Statutory	13465
Total		1563137

- 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. 1563137/-

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

6. Remuneration to Directors:-

	Current Year <u>31.03.2012</u>	Previous Year <u>31.03.2011</u>
1. Salary	2370000=00	2042000=00
2. Sitting Fees	31000=00	37000=00
	-----	-----
Total:	2131000=00	1719000=00
	=====	=====

7. Expenditure on employees (excluding perquisite) who are in receipt of remuneration of not less than Rs. 6000000/- per annum or Rs. 500000/- per month when employed for past of the year.

	Year ending on <u>31.03.2012</u>	Year ending on <u>31.03.2011</u>
	Nil	Nil

8. 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 March 2012 is as under:

a) Fund raised through Initial Public Offer is Rs 31.50 Crores. This fund was raised for upcoming soya Project of the company & Project is under process.

b) Utilization as per Records

S.No.	Particulars	Amount (in crore)
1	FDR's**	1.322
2	Project WIP	15.416
3	Purchase of Land	2.173
4	Advance again Project Work	10.214
5	Expenses on Public issue	2.359
6	Balance in IPO A/c	0.016
	Total	31.500

- **The said FDR's is pledged against the loan facility granted by Bank.**

c) Comparison of Project Status as detailed in Prospectus and actual position:-

Capacity :-	As per Prospectus	Actual Project	
Solvent Extraction Plant	500 TPD	600 TPD	
	(Normal)	(High Protein)	
Edible Oil Refinery	100 TPD	200 TPD	
Lecithin Plant	5 TPD	5 TPD	
Flour Mill	275 TPD	275 TPD	
Soya Nuggets	-	50 TPD	
Acid Oil Plant	-	10 TPD	

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

Cost :-	As per Prospectus	Actual Project	Upto 31.03.2012
Land & Site Development	431.25	433.79	217.32
Factory Building	603.17	1484.23	463.16
Plant & Machinery	2479.23	4770.00	3155.57 *
Other Fixed asset	46.00	264.20	61.24
Contingencies	84.59	309.26	0.00
Pre-operative Exp.	173.76	293.83	119.40
Working Capital	758.67	1884.80	0.00
IPO Exp.	236.25	247.12	247.12
TOTAL	4812.92	9687.23	4263.81

* Expenditure for Plant and Machinery includes Advance for Capital Expenditure.

As per prospectus of the Company said plant was expected to commence commercial production by Sept. 2008. and as per present status commercial production is expected to commence by October 2012. Delay was occurred due to acquisition of new land, inflation in project cost and increase in capacity.

9. Loans & Advance includes Rs. 10,80,88,148 /- (P.Y. Rs 21752189/-) due from parties on account of advance against Capital Goods.
10. The provision of deferred tax Asset as on 31/03/2012 has been calculated as under after considering the timing difference in depreciation and other as per AS-22 of ICAI.

	OPENING BALANCE 01-04-2011 -----	CURRENT YEAR -----	CLOSING BALANCE 31-03-12 -----
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 2011-12

1) As per Income Tax	3843492.00
2) As per companies Act.	4877781.00

A) Timing Difference due to Depreciation (1034289.00)

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) (1034289.00)

Deferred Tax Liabilities (Assets) created @ 33.99 % (351555.00)

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

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.

11. 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	
Name	Degination
Mr. Dinesh Agrawal Mr. Ashish Goyal (Agrawal) Mr. Anoop Goyal (Agrawal)*	Chairmen Cum Managing Director Whole Time Director Whole Time Director
*Appointed on 01/10/2011	

2. Relatives of Key Management Personnels	
Name of the Relative	Relation
Mr. Manish Agrawal Mr. Manisha Agrawal Mrs. Ruchi Agrawal S/s Dinesh Agrawal HUF Usha Devi Agrawal Neha Agrawal Mr.Rajababu Agrawal Mr.Rupesh Agrawal	Relative of Director

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. b) M/s. Sitaram Shreenarayan Agrawal & Co. c) M/s. Sita Shree Marketing P. Ltd. d) Ms. Anoop Foods Ltd. e) M/s. Usha Dall Mill f) G.G.Real Estate Pvt.Ltd. g) GG Infra Pvt. Ltd.	(Partnership firm of family members) (Proprietorship firm of Mr. Manish Agrawal) (Company in which relative is Director) (Group Company) (Proprietorship Firm of relative of Directors) (Subsidiary Company) (Group Company)

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

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

	2011-12	2010-11
<u>OPENING BALANCE AS ON 1ST APRIL</u>		
Equity Share Capital	120928730	120926230
Sundry Debtors	128725598	102468601
Unsecured Loans taken	Nil	Nil
Advance against Booking of Flat	11220000 Cr.)	14970000 Cr.)
Current account of Key Managerial Personnel	1720649(Cr.)	3180326 (Cr.)
Sundry Outstanding	168750	Nil
Sundry Creditors	7685035	Nil
Investment in Share Unquoted	500000	-
<u>TRANSACTIONS</u>		
Repayment of advance against Booking of Flat	11220000(Dr.)	
Sale of Goods	96,411,945	163898220
Purchase of Goods	716,650,821	594414750
Settlement Income	20,016,000	Nil
Loans & Advances Received	170,000,000	Nil
Current account Key Managerial Personnel	2182800(Cr.)	8092500(Cr.)
Current account Key Managerial Personnel	830000(Dr.)	398000(Dr.)
Repayment of Sundry Outstanding	168,750	Nil
Remuneration to Key Managerial Personnel Salary	2,370,000	2042000
Lease Deposit Recovered	35,000,000	Nil
Investment in Share (Unquoted)	-	500000
<u>CLOSING BALANCE AS ON 31ST MARCH.</u>		
Equity Share Capital	120928730	120928730
Advance against Booking of Flat	Nil	11220000(Cr.)
Sundry Debtors	167,049,426	128725598
Unsecured loans taken	Nil	Nil
Current account Key Managerial Personnel	180100(Cr.)	1900749 (Cr.)
Sundry Outstanding	Nil	168750
Sundry Creditors	Nil	7685035
Loans & Advance	170,000,000	Nil
Investment in Share Unquoted	500000	500000

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

A	As Debtors	2011-12	2010-11
	1) Anoop Foods Ltd.	41,965,070.00	8,000,745.00
	2) Manish Trading Company	56,832,476.00	Nil
	3) Sita Shree Marketing Pvt. Ltd.	12,787,831.00	36,353,125.00
	4) Usha Dall Mil	5,779,545.00	28,707,524.00
	5) Sitaram Shree Narayan Agrawal & Company	51,700,504.00	55,664,204.00
	Total	169,065,426.00	128,725,598.00

B	As Creditors	2011-12	2010-11
	Manish Trading Company	-	76,85,035.00
	Anoop Foods Ltd. (Advance against Booking)	-	1,12,20,000.00
	Total	-	1,89,05,035.00

SITA SHREE FOOD PRODUCTS LIMITED

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PALDA NEMAWAR ROAD INDORE (M.P.)

13. 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 31-03-2012	As On 31-03-2011
Employee (as per the general policy of the company)	Interest Free	500000	500000

In addition to above advance given to employee Rs. 541092/- (P.Y. Rs. 438534/-) but these are not in the nature of loans.

14. EARNING PER SHARE

	2011-12	2010-11
Net Profit after tax available for equity share holders	12047288	10,512,313
Weighted average number of equity share	22036800	22036800
Basic & Diluted Earning Per Share (Rs.) (Face Value of Rs.10/- each)	0.55	0.48

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

PARTICULAR	OPENING BALANCE AS ON 01-04-11	PROVIDED DURING THE YEAR	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	CLOSING BALANCE AS ON 31-03-12
Proposed dividend on equity Share	NIL	NIL	NIL	NIL	NIL
Corporate Dividend Tax	NIL	NIL	NIL	NIL	NIL
Provision for Income Tax	6102040	6779667	5919287	174516 (Interest)	6787904
Provision for Fringe Benefit Tax	NIL	NIL	NIL	NIL	NIL

SITA SHREE FOOD PRODUCTS LIMITED

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PALDA NEMAWAR ROAD INDORE (M.P.)

16. INFORMATION ABOUT BUSINESS SEGMENT

	MANUFACTURING		TRADING		TOTAL		REAL ESTATE		CONSOLIDATED	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Total Revenue (Sales)	1,342,220,252	964,557,519	84,530,027	404,036,724	1,426,750,279	1,368,594,243	27014295	6849200	1454198716	1375443443
Segment Result	47,937,350	52,780,064	22,967,543	(4,088,264)	70,904,893	48,691,800	16895312	9834275	87800205	58526075
Unallocated Corporate Exp.					34,539,527	24,006,507	1714625	422300	36254152	24428807
Operating Profit					36,365,366	24,685,293	15180687	9411975	51546053	34097268
Interest and Other Operating Income					15,757,947	17,893,513	28359	3300	3641778	9873076
Interest & other Exp.					36,349,896	27,355,991	12155508	8023737	36360876	27355991
Profit Before Tax					15,773,417	15,222,815	3053538	1391538	18826955	16614353
Income Tax					5,836,124	5,850,000	943543	252040	6779667	6102040
Profit After Tax					9,937,293	9,372,815	2109995	1139498	12047288	10512313
OTHER INFORMATION										
	MANUFACTURING		TRADING		TOTAL		REAL ESTATE		CONSOLIDATED	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Assets	480,035,257	428,841,074	2,554,436	2,208,298	482,589,693	431,049,372	106,177,150	106559373	588766843	537608745
Unallocated Corporate Assets	-	-	-	-	474,660,238	271,062,960			474702531	271105253
Total Assets	-	-	-	-	957,249,931	702,112,332	106,177,150	106559373	1063469374	808713998
Segment Liabilities	264,095,172	22,837,296	-	-	264,095,172	22,837,296	102969950	105462168	367065122	128299464
Unallocated Corporate Liabilities	-	-	-	-	207,228,148	244,128,053			207228148	244128053
Total Liabilities					471,323,320	266,965,349	102969950	105462168	574293270	372427517
Depreciation	-	-	-	-	4,877,781	4,501,571			4877781	4501571
Non-Cash Exp. (Other than Depreciation)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note:

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

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2 R.D. UDYOG NAGAR MATHURAWALA'S COLONY
PALDA NEMAWAR ROAD INDORE (M.P.)

17. 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.
18. 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.
19. In the opinion of the Board of Directors the current assets loans and advances including deposits have value on realization in the ordinary courses of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities is adequate and not in excess of the amount which is reasonably necessary.

Signed to Note “01” to “26”

In terms of our report of even date attached

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

(M.K. SHAH)
Proprietor
M.NO. 400-71199

we approve to the correctness of above

FOR AND ON BEHALF OF THE BOARD

DINESH AGRAWAL **ASHISH GOYAL**
(MANAGING DIRECTOR) **(DIRECTOR)**

Place: Indore

Date: **30th May, 2012**

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY

PALDA, NEMAWAR ROAD, INDORE (M.P.)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March,2012

(Amount in Rs.)

S. NO.	PARTICULARS	31-03-2012
A	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
	NET PROFIT BEFORE TAXATION	18,826,955.00
	<u>ADJUSTMENTS FOR :</u>	
	DEPRECIATION	4,877,781.00
	INTEREST/DIVIDEND INCOME	(4,256,700.00)
	PRELIMINARY EXPENSES WRITTEN OFF	-
	INTEREST PAID	31,483,095.00
	PROFIT ON SALE OF INVESTMENT	1,612,500.00
	LOSS ON SALE OF FIXED ASSETS	-
	<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	52,543,631.00
	CHANGE IN TRADE AND OTHER RECEIVABLES	(31,749,575.00)
	CHANGE IN INVENTORIES	21,038,727.00
	CHANGE IN OTHER CURRENT ASSETS	(40,490,239.00)
	CHANGE IN CURRENT LIABILITIES	(26,444,981.00)
	INCOME TAX	(6,779,667.00)
	PRIOR PERIOD EXPENDITURE	-
	<u>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</u>	(31,882,104.00)
B	<u>CASH FLOW FROM INVESTING</u>	
	PURCHASE OF FIXED ASSETS	(122,133,381.00)
	SALE OF FIXED ASSETS	-
	INVESTMENTS PURCHASED (FDR EXCLUDING INT.)	(3,940,495.00)
	INCREASE IN INTANGIBLE ASSETS	(392,500.00)
	SALE OF INVESTMENT	(1,612,500.00)
	<u>NET CASH FLOW USED IN INVESTING ACITIVIES (B)</u>	(128,078,876.00)
C	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
	CHANGES IN BORROWINGS	209,120,659.00
	INTEREST RECEIVED	4,251,252.00
	DIVIDEND RECEIVED	5,448.00
	PROCEEDS FROM ISSUANCE OF CAPITAL	-
	INTEREST PAID	(31,483,095.00)
	DIVIDEND PAID	-
	PUBLIC ISSUE EXPENSES	-
	PREOPRETIVE EXP. (SOYA DIVISION)	(11,356,268.00)
	PREMIUM ON ISSUE OF SHARES	-
	<u>NET CASH FLOW FROM FINANCING ACTIVITIES [C]</u>	170,537,996.00
	<u>NET INCREASED IN CASH AND CASH EQUIVALENTS (A+B+C)</u>	10,577,016.00
	<u>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</u>	5,396,426.00
	<u>CASH AND CASH EQUIVALENTS (CLOSING BALANACE)</u>	15,973,442.00

As per our report of even date attached,

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

CHARTERED ACCOUNTANTS

(Reg. No. 002077C)

(M. K. SHAH)

PROPRIETOR

M.NO. 400-71199

Place : INDORE

Date : 30th May, 2012

We certify to the correctness of above

For AND ON BEHALF OF THE BOARD

DINESH AGRAWAL
(MANAGING DIRECTOR)

ASHISH GOYAL
(DIRECTOR)

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. UDYOG NAGAR, MATHURAWALA'S COLONY,
PALDA, NEMAWAR ROAD, INDORE (M.P.)

Financial Information of Subsidiary Company

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Particular		
A	Name of the subsidiary Compny	GG Real Estate Private Limited BECAME SUBSIDIARY ON 26/03/2011
B	Financial year of the susidiary ended on	31st March, 2012
C	Holding Company's Interest 1) Number of shares 2) Paid up value Fully paid-up 3) Percent of holding	50,000 Equity Shares of Rs. 10/- each 11,000 Equity Shares of Rs. 10/- each 100%
D	Net aggregate amount of profit (Losses) of the Subsidiary so far as they concern members of Sita Shree Food Products Ltd. Is not dealt within the Company's account a) Profit (Loss) for the Subsidiary financial year b) Profit (Loss) for the previous financial year of the Subsidiary since it became the subsidiary of Sita Shree Food Products Ltd.	2,109,995.00 563,625.00
E	Net aggregate amount of the profits (Losses) of the Subsidiary so far or those profits (Losses are dealt within Sita Shree Food Products Ltd. Account a) for the previous financial year b) for the previous financial year,s since it became the subsidiary	NIL NIL

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

Particular		
A	Name of the subsidiary Compny	GG Real Estate Private Limited
A	Issued and Subscribed Share Capital	1,10,000.00
B	Reserve	3,097,200.00
C	Total Assets	106,177,150.00
D	Total Liabilities	106,177,150.00
E	Investment (except investmrent in subsidiary)	NIL
F	Turnover	27,014,295.00
G	Profit before taxation	3,053,538.00
H	Provision for Taxation	943,543.00
I	Profit after taxation	2,109,995.00
J	Proposed Dividend	NIL



Sita Shree Food Products Limited

SITA SHREE FOOD PRODUCTS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at 16th Annual General Meeting on 29th Sept. 2012 at "SITA SHREE FOOD PRODUCTS LIMITED " 332/4/2, R.D. Udyog Nagar, Palda Nemawar Road, Mathurawala's Colony, Indore (M.P.) 452001

Full Name of the Share Holder _____
(in Block Letters)

Folio No. _____ No. of Shares Held _____

Name of Proxy _____

(If the Proxy attends, instead of the shareholder)

Signature of the Shareholder

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

SITA SHREE FOOD PRODUCTS LIMITED

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

PROXY FORM

Folio No. _____ No. of Shares Held _____

I/We _____
of _____ being a member

members of Sita Shree Food Products Ltd. hereby appoint _____

_____ of _____

of failing him _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 29th September, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix Rs. 1
Revenue
Stamp

Signature _____

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

Book-Post

To, _____



If undelivered, Please return to :

SITA SHREE FOOD PRODUCTS LIMITED

332/4/2, R.D. Udyog Nagar, Palda Nemawar Road,
Mathurawala's Colony, Indore (M.P.) 452001,
Tel. : +91-731-2439902-912-920, Fax : +91-731-4068448
Website : www.sitashri.com, Email : info@sitashri.com