

2010-2011

35th Annual Report

Diamond Group of Industries

M. P. AGRO INDUSTRIES LIMITED

Your Company is presenting its 35th Annual accounts to its share holders for the Financial Year 2010-2011.

‡ BOARD OF DIRECTORS ‡

ABDUL RAZAK D. DHANANI

Chairman & M D

KANTILAL R. PATNI

Executive Director

YUNUS R. MEMON

Director

‡ AUDITORS ‡

M/s S. L. Chhajer & Co.

Chartered Accountants

12, Maharana Pratap Nagar

Zone-1

‡ BANKERS ‡

HDFC Bank – Bhopal

State Bank of India – Baroda

‡ REGISTERED OFFICE ‡

MIG – 44, Bharti Niketan,

Near, Gautam Nagar,

Bhopal – 462023 (M.P.)

‡ PLANT ‡

Village Raisalpur

Teh. & Dist.: Hoshangabad

Madhya Pradesh

° NOTICE TO MEMBERS °

Notice is hereby given that the THIRTYFIFTH ANNUAL GENERAL MEETING of the Members of M.P. AGRO INDUSTRIES LIMITED will be WEDNESDAY, the 28th September, 2011, at 3.00 p.m. at the Registered Office of the Company at MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal-462 023, (M.P.) to transact the following business.

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mr. Kantilal R. Patni, who retires by rotation and, being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration M/s. S. L. Chhajer & Co. Chartered Accountants the retiring Auditors are eligible for re-appointment.

By order of the Board of Director

Abdul Razak Dhanani

Bhopal, July 30, 2011

Chairman

* NOTES *

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. Pursuant to section 154 of the Companies Act, 1956 the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 22th September 2010 to Tuesday 27th September, 2010 (both days inclusive)
3. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
4. Shareholders desiring any information relating to accounts are requested to write to the company at an early date, to enable the management to keep the information ready.

REGISTERED OFFICE:

MIG-44, Bharti Niketan,

Near Gautam Nagar,

Bhopal - 462023.

By Order of the Board of Director

Abdul Razak Dhanani

Bhopal, July 30, 2011

Chairman

* DIRECTOR REPORTS *

Your Directors present the Thirty-second Annual Report of the Company together with Audited Statements of account for the Year Ended 31st March, 2011.

FINANCIAL RESULTS:

	Year Ended on 31 st March 2011	Year Ended on 31 st March 2010
Profit/Loss before Depreciation	(612795.58)	31613.22
Depreciations	45967.40	59074.90
Profit/Loss before taxation	(658762.98)	(27461.68)
Balance as per last Balance Sheet	(40345050.14)	(40345050.14)
Profit/Loss after Tax	(658762.98)	(27461.68)

OPERATIONS:

Your Company has registered loss during the year ended 31st March, 2011, amounted Rs. 6,58,763 as compared to loss amounted to Rs.27,462 during the previous year.

DIRECTORS:

Pursant to the provisions of Section 256 of the Companies Act 1956, Mr. Abdul Razak D. Dhanani, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORTION AND FOREIGN EXCHANGE EARNINGS AND OUT GOES:

Information required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 framed under Section 217 (1) (e) of the Companies Act, 1956 is furnished in Annexure attached here to.

PARTICULARS OF EMPLOYEES:

There are no employees in respect of whom particulars as required under Section 217 (2-A) of the Companies Act, 1956 need to be disclosed in the

Directors' Report.

FIXED DEPOSITS:

The Company has not invited or accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956.

INSURANCE:

All the properties and insurable interests' of the Company have been adequately insured to the extent required.

AUDITORS:

Members are requested to appoint Auditors to hold office until the conclusion of the next Annual General Meeting and fix their remuneration. The Company has received a letter from them to the effect that their appointment, if made, will be within the limits prescribed under Section 224 (1 B) of the Companies Act, 1956.

CORPORATE GOVERNANCE:

In terms of provisions of clause 49 of the listing agreement, the Corporate Governance Report is attached here in as Annexure 1.

LISTING OF SHARES:

The equity shares of the Company are listed at Vadodara Stock Exchange Limited, Vadodara, Bombay Stock Exchange Limited, Mumbai and M.P. Stock Exchanges, Indore.

AUDIT COMMITTEE:

Pursuant to the provisions of the newly introduced Section 292A of the Companies Act, 1956 the Audit Committee of the Board has been constituted.

DEMATERIALIZATION OF SHARES:

The Company has signed an agreement with Central Depository Services (India) limited. All the Valued Shareholders of the Company are requested

to dematerialize their holding to take benefit of the transactions.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per provisions of Section 217 (2M) of the Companies Act, 1956 the Board confirms that:

1.The financial statements are in full conformity with the companies Act, 1956 and applicable accounting standards had been followed along with proper explanation relating to material departures.

2.The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

3.The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing fraud and other irregularity.

4. The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors acknowledge the continued co-operation and assistance received from the state and central government authorities and company's bankers. Your Directors express their sincere appreciation and gratitude for the whole hearted support from the esteemed customers, tealers, business associates, shareholders and employees of the company.

Bhopal, July 30, 2011

For and on behalf of the Board
Abdul Razak Dhanani
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's report.

- | | |
|--|---|
| 1. Energy conservation measures taken | Nil |
| 2. Additional Investment and proposals if any, being implemented for reduction of consumption of energy | Nil |
| 3. Impact of measures at 1 and 2 above for reduction of energy consumption and consequent impact on the cost of production of goods. | Not applicable |
| 4. Total energy consumption and energy consumption per unit of production as per Form A. | Information in form A is attached |
| 5. Effort made in technology absorption as per Form B | Information against each Item in Form B is Nil since the Company is not engaged in any research and development or technology absorption or Innovation. |
| 6. Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services and export plans. | Nil |
| 7. Total foreign exchange used and earned | Nil |

CORPORATE GOVERNANCE REPORT

Annexure -1

The Board of Directors of the Company continued to lay great emphasis on the broad principles of Corporate Governance. Our pursuit towards achieving good governance is an on going process. In so far as compliance with the requirements under Clause 49 of the Stock Exchange Listing Agreement, the Company is in full compliance with the norms and disclosure that have to be made in Corporate Governance format.

1. Company's philosophy on Code of Governance

M. P. Agro industries Ltd. believes that good Corporate Governance is essential to achieving long term corporate goals and to enhancing stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance over the years. All employees are bound by a Code of Conduct that sets forth Company's policies on important issues, including our relationship with consumers, shareholders and Governance.

2. Composition of Board

The composition of the Board is in conformity with the listing agreement with stock exchange Mumbai. The composition of the Board and other relevant details relating to Directors are given below:

Name of Director	Category	Directorships Excluding Pvt. Ltd. Companies Directorships	No. of Memberships of other Board Committees	No of other Board Committees of which the director is a chairpersons
Mr Abdul Razak D. Dhanani	Chairman	Bharat Equity Services Ltd. Liberty Fertilizers Ltd. Liberty Const. & Leasing Ltd. Sayaji Hotels Ltd. Sayaji Airways Ltd. Bhavnagar Agro Industries Ltd.	NIL	NIL

Mr Kantilal R Patni	Director	Liberty Fertilizers Ltd. Liberty Const. & Leasing Ltd. Bhavnagar Agro Industries Ltd.	NIL	NIL
Mr Yunus R Memon	Director	Liberty Const. & Leasing Ltd. Bhavnagar Agro Industries Ltd.	NIL	NIL

3. Attendance of each Director at Board Meeting and last Annual General Meeting

During The Year 2010- 2011, 4 Board Meeting were held on June 30, 2009, July, 31, 2009, October 30, 2009 & January 31, 2010, The Last Annual General Meeting of the Company was held on September, 26, 2009,

Name of Director	No. of Board Meeting Attended	Attendance at Last AGM
Mr. Abdul Razak Dhanani	5	Yes
Mr. Kantilal R. Patni	5	Yes
Mr. Yunus R. Memon	5	Yes

4. Audit Committee

The Audit Committee Constituted in April 2000 consists of three independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The Composition of the Audit Committee is as under:

- I. Mr. Abdul Razak D. Dhanani - Chairman of the Meeting
- II. Mr. Kantilal R. Patni
- III. Mr. Yunus R. Memon

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on

internal audit reports.

- c) To apprise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussion with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

5. General Body Meetings

Location and time where last three Annual General Meeting were held are given below:

Financial Year	Date & Location of Meeting	Time
2007-08	September 27 th , 2008 At Registered Office of Company	3:00 PM
2008-09	September 26 th , 2009 At Registered Office of Company	3:00 PM
2009-10	September 30 th , 2010 At Registered Office of Company	3:00 PM

No special Resolution requiring a postal ballot is proposed at the ensuing Annual General Meeting.

6. Means of Communication

The Company results and official news release are displayed on the given below BSE Web Site:

<http://www.bseindia.com>.

7. General Shareholders Information

Annual General Meeting

Date and Time: 28th September, 2011 At 3-00 P.M.

Venue : Regd. office At
MIG-44, Bharti Niketan, Near Gautam
Nagar, Bhopal - 462023.

8. Financial Calendar

The Company follows April - March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter except for the last quarter, for which the results are declared in June as permitted under the listing agreement.

9. Dates of Books Closure

September 22, 2011 to September 27, 2011 (both days inclusive)

10. Listing on Stock Exchanges

The Company's Shares are listed on Bombay Stock Exchange Ltd, Mumbai and Madhya Pradesh Stock Exchange Ltd. in "T" Category.

10.1. Stock Code

Bombay Stock Exchange Ltd, Mumbai (physical & demat)
Code: 506543

10.2. Share Transfers:

Physical Shares for transfer are duly transferred within a period of three weeks from the date of receipts of the documents, if found in order, The Share transfer Committee of the company meets regularly to review and approve transfer proposals.

11. Investor Relations:

All complains received from shareholders have cleared within the financial year. The complaints are generally replied to within Ten (10) days from their lodgments. There are No cases in the Court relating to the transfer of share of the Company.

12. General Information:

(a) Registrar & Transfer Agent

Link Intime India (Pvt.) Limited
260, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (W), Mumbai - 400080.

Unit: M.P. Agro Industries Limited

(b) Registered Office:

M. P. Agro Industries Limited
MIG-44, Bharti Niketan,
Near Gautam Nagar,
Bhopal- 462023.

(c) Share Complaint & Grievance mail at: mpagroindustries@gmail.com

(d) ISIN no. of the Company's Equity: INE438C01017.

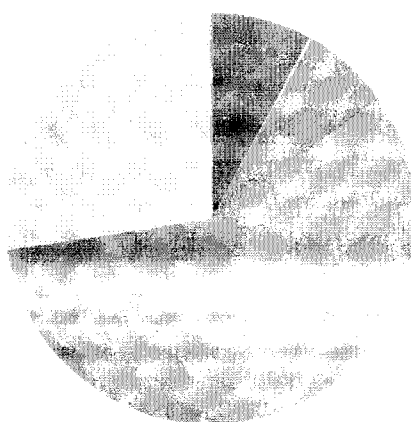
(e) Equity Share in Demat form : 34,27,141 Shares .

(f) Equity Share in Physical form: 23,76,773 Shares

(g) Depository Connectivity: CDSL.

(h) Categories of Shareholding as on 31st March 2011

Share Holding Pattern



■ Promoters
■ Mutual Funds
■ Banks
■ Insurance Company
■ Bodies Corporate
■ Public
■ Clearing Members

By Order of the Board of Directors
Adbul Razak Dhanani
Chairman

Bhopal July 30, 2011

CEO CERTIFICATE

This is to certify to the best of my knowledge and belief:

- a) That I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts, as well as the Cash Flow Statement and the Directors' Report;
- b) That these statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- c) These statements together present a True and Fair view of the Company and are in compliance with the existing accounting standards and / or applicable laws / regulations;
- d) I am responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and I will disclose to the auditors and the audit committee, deficiencies in the design and operations of internal controls, if any, and will also disclose the measures taken to rectify those deficiencies ;
- e) There is no instance of significant fraud that involves management or employees having a significant role in the Company's internal control system; and
- f) I have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and / or of accounting policies during the year.

For, M.P. AGRO INDUSTRIES LTD.

Place: Bhopal
Date: July 30th, 2011

(Abdul Razak D. Dhanani)
Chairman

AUDITORS' REPORT

**TO
THE MEMBERS OF
M.P AGRO INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of **M.P. AGRO INDUSTRIES LIMITED, BHOPAL** as at 31st March, 2011 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

- iv. In our opinion and subject to our comments in paragraph 2 (v) and 2 (vi) the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2011 from *being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.*
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes and the significant accounting policies thereon, subject to observations that :
- The Company is not a going concern entity whereas assets and liabilities have been taken at cost instead of market and realizable value.

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011 ;
- (b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For S.L CHHAJED & CO.

Chartered Accountants
Firm Reg. No. 000709C

(CA. Abhay Chhajed)

Date: July 30, 2011

Partner
M.No.79662

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 1 of our Report of even date)

**TO
THE MEMBERS OF
M.P AGRO INDUSTRIES LIMITED**

i (a) The Company has disposed off substantial part of fixed assets during the earlier year.

(b) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.

(c) All the major assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.

ii There is no inventory therefore provisions of sub-clause (a), (b), (c) of clause (ii) of paragraph 4 of the Order are not applicable to the Company.

iii. The Company has granted / taken loans secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

a) The rate of interest and other terms and conditions of such loans are, in our opinion, prima face, not prejudicial to the interests of the Company.

b) The payment of principal amounts and interest during the year has been regular as per stipulations.

c) There were no overdue amounts in respect of such loans.

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the Internal Control System.

v. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us.

- (a) The transactions that needed to be entered into the register have been entered.
- (b) Where each of such transactions (excluding Current Account Balances reported under paragraph (iii) above) is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vii. Provisions of clause (vii) of paragraph 4 of the Order are not applicable as paid-capital and reserves of the company do not exceed Rs. 50 lakhs as at the commencement of the financial year.
- viii. Maintenance of Cost records has been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 for the products of the Company.
- ix. There is no employee hence PF is not applicable. Sales tax and other tax disputed as per Notes on Account. Maharashtra Sales tax Rs. 157 lacs & M.P. Commercial tax Rs. 14.91 lacs are outstanding.
- x. The Company has accumulated losses of Rs. 410.04 lacs as on 31st March 2011 which exceeds 50% of Net Worth of the Company. The Company has incurred loss for Rs. 6.59 lacs during the financial year covered by our audit and as compared to previous year loss for Rs. 0.28 lacs for the immediately preceding financial year.
- xi. Interest payable from MPSIDC Rs. 38.44 lacs is unpaid during the year.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and debentures.
- xiii. The Company is not a chit fund or a nidhi or a mutual benefit fund/society. Therefore the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions.

xvi. According to the information and explanations given to us, the Company has not taken any Term loan during the year.

xvii. Based on our audit procedures and according to the overall examination the Company has raised funds against deposits during the year which is repaid by end of the year.

xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

xix. According to the information and explanations given to us, the Company has not issued any debentures during the year covered by our audit.

xx. The Company has not raised any fund by Public issue during the year covered by our audit.

xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year covered by our audit.

For S.L CHHAJED & CO.

Chartered Accountants
Firm Reg. No. 000709C

Place: Bhopal

(CA. Abhay Chhajed)

Date: July 30, 2011

Partner
M.No.79662

Balance Sheet as on 31st March 2011

Balance Sheet as on 31 March 2011			
Particulars	Sch	Amounts as On	
		31-3-2011	31-3-2010
Sources of Funds			
- Capital Account	1		
- Equity Share Capital A/c		5,80,39,140	5,80,39,140
- Reserves & Surplus		9,88,771	9,88,771
- Loan (Laibility)			
- Secured Loan A/c	2	38,44,043	54,78,064
- Unsecured Loan A/c	3	1,19,07,128	1,22,63,935
Total Of Liabilities Side		7,47,79,082	7,67,69,910
Application of Funds			
- Fixed Assets	4		
- Gross Block		2,88,438	3,47,513
- Deprecation		45,967	59,075
- Net Block of Assets		2,42,470	2,88,438
- Investment	5		
- Quoted Investment		41,774	41,774
- Unquoted Investment		2,50,00,000	2,50,00,000
- Current Assets	6		
- Sundry Debtors		4,48,726	5,28,726
- Loan & Advance		1,37,31,887	1,82,37,020
- Deposits		0	0
- Cash & Bank Balance		7,35,144	22,35,631
- Other Assets		1,37,242	26,89,690
- Current Liabilities	7		
- Provisions		11,030	10,000
- Sundry Creditors		0	46,52,750
- Other Liabilities		77,66,338	79,61,883
- Working Capital		84,65,631	1,10,66,433
- Misc. Expenses (Assets)		25,393	28,214
- Profit & Loss A/c		4,10,03,813	4,03,45,050
Total of Assets Side		7,47,79,082	7,67,69,910

As per our report on
given Date attached

For and on behalf of
the Board of Directors

For, S. L. Chhajer & Co.
Chartered Accountants
Abbaj Chhajer, Partner
Bhopal, 30th July 2011

Yunus R Memon, Director
Kantilal R Patni, Director
Bhopal, 30th July 2010

Profit & Loss as on 31st March 2011

Particulars	Sch	Amounts as On	
		31-3-2011	31-3-2010
<i>Income from Operation</i>			
- Income from Sales	9	0	0.00
- Income from Other Activity			
- Interest on TDR & Advance		77,452	9,53,679
- Profit on sale of Investment		0	9,605
- Provision of FBT written back		0	11,620
- Debit-Credit Balance W/off		40,347	0
- Other Miscellaneous Receipt		14,233	93
<i>Total Of Income Side</i>		<i>1,32,032</i>	<i>9,74,997</i>
<i>Expenditure for Operation</i>			
- Purchased		0.00	0.00
- Direct Expenses		0.00	0.00
- Indirect Expenses	10		
- Salary & Wages		2,81,575	3,52,730
- Interest on Overdraft		65,470	5,206
- Legal & Professional		42,240	69,950
- Rent Rate & Taxes		25,871	41,850
- Consultancy Charges		51,513	65,009
- Travelling Expenses		31,534	1,54,484
- Telephone & Trunk Call Exp.		31,335	42,601
- Other Adminis. Expenses		2,15,289	2,11,553
- Deprecation		45,967	59,075
<i>Total of Expenses Side</i>		<i>7,90,795</i>	<i>10,02,458</i>
- Profit after extra-ordinary items & Before Advance Tax		(6,58,763)	(27,462)
- Taxes		0.00	0.00
Net Profit/Loss		(6,58,763)	(27,462)
- Brought Down Loss from PY B/S		4,03,45,050	4,03,17,588
- Brought Forward Loss to B/S		4,10,03,813	4,03,45,050
Notes on the Accounts	11		
Accounting Polices	14		

As per our report on given
Date attached

For and on behalf of
the Board of Directors

For, S. L. Chhajer & Co.
S N Sharma, Partner
Chartered Accountants
Bhopal, 30th July 2011

Yunus R Memon, Director
Kantilal R Patni, Director

Bhopal, 30th July 2011

Schedule Forming Part of Account as on 31st March, 2011 (In Rs.)

Particular	Schedule No.	Amount as On March 2011	Amount as On March 2010
Share Capital	1		
Authorized Share Capital		6,00,00,000	6,00,00,000
60,00,000 Equity Share baring the face value of Rs. 10 each			
Issued & Paid-up Capital		5,80,39,140	5,80,39,140
58,03,914 Equity Shares issued at Rs. 10 each			
Reserves & Surplus		9,88,771	9,88,771
Capital Reserves		1,500	1,500
General Reserves		9,87,271	9,87,271
Total of Schedule - 1		5,90,27,911	5,90,27,911
Secured Loans	2		
MPSIDC Interest Free Loan		0	16,34,021
Interest free Sales Tax Loan from Government of M P Secured by equitable mortgages on immovable assets and hypothecation on moveable assets.			
Interest Payable		38,44,043	38,44,043
Interest Payable to MPSIDC for its Secured Loan on account of Default in making timely repayment			
Total of Schedule - 2		38,44,043	54,78,064
Unsecured Loans	3		
Loan from other Body Corporate		1,17,12,128	1,18,12,128
Bharat Equity Services Ltd.		2,50,000	0
Davar Agro Chemicals & Ferti.		9,98,128	9,98,128
Memon Export Company Ltd.		0	3,50,000
Others		1,04,64,000	1,04,64,000
Loan from Directors		0	1,01,807
Abdul Razak Dhanani		0	1,01,807
Loan from Others		1,95,000	3,50,000
Mr. Abrar Yusufbhai Khatri		0	1,55,000
Mr. Javed Yusufbhai Khatri		1,95,000	1,95,000
Total of Schedule - 3		1,19,07,128	1,22,63,935
Total of Liabilities		7,47,79,082	7,67,69,910

Schedule - 4 FIXED ASSETS

(In Rs.)

M P Agro Industries Ltd.

Schedule Forming Part of Balance Sheet and Profit & Loss Account as on 31-3-2010

Particulars	Opening Balance as on 1-4-2010	Addition/ Disposal	Closing as on 31-3-2011	Upto 2010	Depreciation During the year	Upto 2011	Net Block as on 31-3-2011	Net Block as on 31-3- 2010
LAND	70,723	0.00	70,723	0.00	0.00	0.00	70,723	70,723
FURNITURE & FIXTURE	1,30,807	0.00	1,30,807	23,676	19,391	43,067	87,740	1,07,131
OFFICE EQUIPMENT	20,000	0.00	20,000	2,782	2,395	5,177	14,823	17,218
VEHICLES	1,25,982	0.00	1,25,982	32,617	24,182	56,798	69,184	93,365
Total	3,47,513	0.00	3,47,513	59,075	45,967	1,05,042	2,42,471	2,88,438

Schedule Forming Part of Account as on 31st March, 2011 (In Rs.)

Particulars	Schedule No	Amount as On March 2011	Amount as On March 2010
Investments	5		
Quoted Investment		41,774	41,774
Allied Computer Asia Ltd.		2,004	2,004
Burnpur Cement Ltd.		5,340	5,340
Mundra Port Ltd.		16,280	16,280
NHPC Ltd.		14,400	14,400
Saamiya Biotech Ltd.		3,750	3,750
Unquoted Investment		2,50,00,000	2,50,00,000
Bharat Equity Services Ltd.			
Total of Schedule -5		2,50,41,774	2,50,41,774
Current Assets, Loan & Advances	6		
Sundry Debtors		4,48,726	5,28,726
Debts more then 6 months			
Loan & Advance		1,37,31,887	1,82,37,020
Staff Loans		20,300	17,400
Bharat Equity Services Ltd.		0	5,80,737
Gulshan R Dhanani		0	2,00,000
Loan & Advance		0	41,612
Others		1,37,11,587	1,73,97,271
Cash & Bank Balance		7,35,144	22,35,631
Cash Balance		31,025	1,26,308
Bank Balance		7,04,119	1,09,323
SBI FDs		0	20,00,000
Other Current Assets		13,27,242	26,89,690
TDS Receivables		13,27,242	23,79,768
TDR with SB Indore		0	5,550
Others		0	3,04,372
Total of Schedule - 6		1,62,42,999	2,36,91,066
Current Liabilities	7		
Sundry Creditors		0	46,52,750
Provision		11,030	10,000
Other Current Liabilities		77,66,338	79,61,883
Total of Schedule - 7		77,77,368	1,26,24,633
Working Capital		84,65,631	1,10,66,433

Schedule Forming Part of Account as on 31st March, 2011 (In Rs.)

Particular	Schedule No	Amounts as On March 2011	Amounts as On March 2010
Miscellaneous Expenses not Written Off (Right Issue Expenses)	8	25,393	28,214
Income	9	1,32,032	9,74,904
Sales		0	0
Debit-Credit Balance W/O		40,347	0
Interest from Fixed Deposits		77,452	9,53,679
Other Miscellaneous Receipt		14,233	0
Provision of FBT		0	11,620
Profit on Sale of Investment		0	9,605
Administrative Expenses	10	7,90,795	10,02,458
Direct Expenses		0	0
Purchase		0	0
Salary & Wages		2,81,575	3,52,730
Audit Fees		12,060	14,340
Bank Charges		12,987	14,210
Brokerage		0	12,000
Consultancy Expense		51,513	65,009
Conveyance Expense		4,696	3,382
Electricity Exp.		24,720	12,529
Misc. & General Exp.		12,570	3,440
Insurance Premium		3,068	3,757
Legal & Professional Exp.		42,240	69,950
Listing Fees		16,545	16,545
Misc. Expenses Written Off		2,821	3,135
Office Expenses		6,390	10,825
VSE, CDSL & NSDL Charges		16,719	17,665
Printing & Stationary		1,171	8,446
Rent, Rate & Taxes		90,067	91,726
ROC Filing Fees		1,000	2,500
Staff Welfare Exp.		12,996	11,913
Telephone & Trunk Call Exp.		31,335	42,601
Travelling Exp.		31,534	1,54,484
Vehicle Exp.-Fuel, Repair & Maint.		19,247	23,092
Postage, Courier & Telegram		3,802	2,497
Interest on Overdraft		65,471	5,206
Deprecation on Assets		45,967	59,075

**SCHEDULE 11: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE
ACCOUNTS FORMING PART OF BALANCE SHEET**

1. SIGNIFICANT ACCOUNTING POLICIES :

a. Basis of Accounting

Financial Statements have been prepared on historical cost convention under accrual method of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) prevalent in India.

b. Fixed Assets

Fixed Assets are valued at cost of acquisition inclusive of freight, duties, taxes, cost of financing during construction period and expenses related to acquisition, installation, erection and commissioning.

c. Inflation

Assets and liabilities are recorded at historical cost to the company. The costs are not adjusted to reflect the changes in the purchasing power of money.

d. Inventories

- Stores and spares, packing materials, raw materials and stock in process are evaluated at cost and on the basis of first-in-first-out.
- Stocks of used bags are evaluated on basis of estimated selling price.
- Finished goods, whether in stock at factory or at other places are evaluated on the basis of cost or selling price, whichever is lower.

e. Depreciation

- Depreciation on Fixed Assets upto 31st December, 1987 is provided on straight line method, at the rates applicable under the income tax rates as in force at the time of acquisition / purchase of assets.

- Depreciation on Fixed assets from 1st January, 1988 has been provided on straight- line method at the rates specified in Schedule - XIV of the Companies Act, 1956 as amended with effect from 16.12.93.
- No depreciation is charged on the Fixed Assets during the financial year as the company has closed its operations during the immediately preceding previous financial year.

f Miscellaneous expenditure

Shares issue expenses has been written off 1/10th every year.

II NOTES TO THE ACCOUNTS:

- Books of Accounts of Baroda corporate office has been merged with the accounts of Bhopal Office.
- Investments in Bharat Equity Services Ltd. of Rs. 250 lacs at rate of Rs. 10 and same are face value of Investment (unquoted Investment). Since it is unlisted Market Value is at par.
- Unsecured Loans includes Rs. 117.12 Lacs to Sister concerns which is subject to confirmation.
- | | | |
|---|-------------|----------------------|
| Contingent Liabilities : | 2011 | 2010 |
| | | (Rs. in lacs) |
| (a) Bank Guarantee issued in favour of
Chhatisgarh Commercial Tax. | 0.05 | 0.05 |
- | | | |
|--|-------------|-------------|
| Legal & Professional charges | | |
| Include payments to auditors for; | | |
| Audit Fees | 0.11 | 0.11 |
| Tax Audit Fees | 0.00 | 0.00 |
| | <u>0.11</u> | <u>0.11</u> |
- Some of the Debtors, Loans & Advances are unconfirmed.
- Managerial remuneration paid during the year Rs. Nil (Previous year Rs Nil) value benefits in cash or kind and commission paid to Managerial personnel Rs. Nil (previous years Rs Nil).
- Term Deposit of Rs. 0.05 with State Bank of Indore is lodged as Security for Margin money against B/G given by bank for Rs. 0.05.

9. No Provision for Income Tax made during the year. No assessment proceedings pending against the Company during the previous year 2010-11.
10. Income tax refund received during the year Rs. 10.52 lacs.
11. Other Liabilities includes Sales tax and other tax disputed as per Notes on Account. Maharashtra Sales tax Rs. 157 lacs & M.P. Commercial tax Rs. 14.91 lacs are outstanding.
12. There is no impairment of assets during the year as confirmed to us.
13. Related party disclosure- During the year company entered in to transactions with related parties those transactions along with related balances as at 31-03-2011 and for the year then ended are presented in the following table.

a. Managerial Personnel: Mr. Abdul Razak Dhanani

Mr. Kantilal R. Patni

Mr. Yunus R. Memon

b. List of related parties with whom Transaction has taken place during the year along with nature and value of transaction

		(Rs. in Lacs)
Nature of Transaction		Promoters/Shareholders
Associates		
1.	Unsecured Loans	
	Bharat Equity Services	2.50
	Davar Agro chemical & Fertilizers Ltd.	9.98
	Green Fertilizers	40.00
	Syaji Hotels, Indore	64.64
2.	Investments	
	Bharat Equity Services Ltd.	250.00
4.	Loans & Advances	
	Sara Sole Pvt. Ltd.	1.16
	Kurger Chemical Ltd.	51.60
	Liberty Constr. & Leasing Ltd.	3.97
	Liberty Fertilizers Ltd.	8.49
	Sayaji Hotels Ltd.	40.94

14.

For the year

For the year

31-03-2011

31-03-2010

Quantity Value

Quantity Value

MT

(Rs. In Lacs)

MT

(Rs. In Lacs)

Capacities, Production and
Stocks of Granulated

NPK Fertilizers.

A. Installed capacity

1. Bhopal (N.P.K.) 60,000 -- 60,000 --

B. Actual Production

1. Bhopal (N.P.K.) -- -- -- --

2. On Job Basis

(At Baroda) -- -- -- --

3. Trading Sale

Purchase NIL NIL

a. Suphtar -- -- -- --

b. Urea -- -- -- --

C. Opening Stock

1. Bhopal (N.P.K) NIL NIL NIL NIL

2. Baroda (N.P.K) -- -- -- --

D. 1. Consumption of -- -- -- --

Stores & spares

(100% indigenous)

2. Raw Material

a. Imported -- -- -- --

Value of imports -- -- -- --

E. Expenditure in Foreign currency -- -- -- --

F. Earning in foreign currency -- -- -- --

15. Figures in respect of the previous year have been regrouped/ rearranged wherever necessary.

As per our report of even
date attached

For S.L. CHHAJED & CO.
Chartered Accountants
Firm Regn. No: 000709C

CA Abhay Chhajed
Partner
M.No: 079662
Bhopal
July 30, 2011

for and on behalf of the Board of
Directors

YUNUS R. MEMON
Director

KANTILAL R. PATNI
Director

Baroda
July 30, 2011

CASH FLOWS STATEMENT FOR YEAR ENDED 31ST MARCH 2011

A. Cash Flows from Operating Activities		2010-2011
Net Profit before Tax and Extra Ordinary Items		(6,58,763)
Adjusted for -		
Interest on Overdraft	65,471	
Deprecation On Assets	45,967	
Interest on Deposit	(77,452)	
Other Receipts	(54,580)	
Mis. Asset Written Off	2,821	
Extra Ordinary Items	1,00,651	
	<u>82,878</u>	
Operating Profit before Working Capital Changes		(5,75,885)
Adjusted for -		
Loan & Advance	21,60,837	
TDS Receivables	10,59,160	
Trade and Other Receivable	3,27,350	
	<u>35,47,347</u>	
Cash Flow before Current Liabilities & Provision		29,71,462
Current Liabilities	(23,88,102)	
Provision	(10,000)	
	<u>(23,98,102)</u>	
Net Cash from Operating Activities		5,73,360
B. Cash Flow from Investing Activities		
Interest Received from Deposit	77,452	
	<u>77,452</u>	
Net Cash from Investing Activities		6,50,812
C. Cash Flow from Financing Activities		
Interest on Overdraft	(65,471)	
Payment to Party	(20,85,828)	
Net Cash used in Financing Activities	<u>(21,51,299)</u>	
Net Decrease in Cash and Cash Equivalents		(15,00,487)
Cash & Cash Equivalents (Opening)		22,35,631
Cash & Cash Equivalents (Closing)		7,35,144

Auditors Certificate

We have checked the above cash flow Statement of M P Agro Industries Limited for year ended 31st March 2011 from the audited accounts of the company and have found it in accordance therewith.

For S L Chhajer & Co.,
Chartered Accountant
CA Abhay Chhajer,
Partner,
M No. 079662

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL
BUSINESS PROFILE:**

1. Registration Details:	
Registration No.	1354
State Code	13
Balance Sheet Date	31st March, 2011
2. Capital raised during the year: (Amount in Thousand)	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
3. Position of Mobilization and deployment of Funds: (Amount in Thousand)	
Total Liabilities	74779
Total Assets	74779
Sources of Fund:	
Paid up capital	58039
Reserves & Surplus	989
Secured Loans	3844
Unsecured Loans	11907
Application of Funds:	
Net Fixed Assets	242
Net Current Assets	8465
Miscellaneous Expenditure	25
Accumulated Losses	41003
4. Performance of Company: (Amount in Thousand)	
Turnover	000
Total Expenditure	790
Profit (Loss) before Tax	-658
Profit (Loss) after Tax	-658
(Tick appropriate box + for profit, - for loss)	
Earning per Share in Rs.	NIL
Dividend Rate %	NIL
5. Generic Names of Three Principal products Services of Company:	
Item Code (ITC Code)	301.30
Product Description	Manufacturing of NPK Fertilizers

M P Agro Industries Limited

MIG - 44, Bharati Nigam,

Nr. Guatam Nagar,

Bhopla - 462 023

(MP)

Phone - (0755) 3253123