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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **29<sup>th</sup> ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SAGAR SOYA PRODUCTS LIMITED** WILL BE HELD ON **FRIDAY THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2011** AT **1.00 P.M.** AT THE **REGISTERED OFFICE** OF THE COMPANY SITUATED AT C.J. COMPLEX, MAHATAMA GANDHI ROAD, SAGAR – 470002, MADHYA PRADESH, TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March 2011 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Umesh Richharia, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.

By Order Of the Board  
**FOR SAGAR SOYA PRODUCTS LIMITED**

Date : 20<sup>th</sup> August, 2011  
Place : Sagar

Director

**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 such proxy need not be a member of the company.**
2. **The Proxy Form to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.**
3. The Register of Members and Share Transfer Register shall remain closed from Saturday, the **24<sup>th</sup> Day of September, 2011** to Friday, the **30<sup>th</sup> September, 2011** (both days inclusive).
4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
5. Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
6. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.

## SAGAR SOYA PRODUCTS LTD.

### DIRECTORS' REPORT

To,  
The Members  
Sagar Soya Products Limited

Your Directors have great pleasure in presenting **29<sup>TH</sup> ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31<sup>st</sup> March, 2011.

#### 1. **FINANCIAL RESULTS**

The financial Results are briefly indicated below:

PARTICULARS	(Amt in Rs.)	
	YEAR ENDED	
	31.03.2011	31.03.2010
Total Income	1083639	1514153.23
Total Expenditure	1204932	24506296.88
Profit/(Loss) before Taxation	(121,292.10)	(22,992,143.65)
Profit/(Loss) after Taxation	(121,292.10)	(23,182,666.65)
Profit/(Loss) Brought Forward	(124,024,443.08)	(100,841,776.43)
Balance carried to Balance Sheet	(124,145,735.18)	(124,024,443.08)

#### 2. **REVIEW OF OPERATIONS**

The Company has incurred losses of **Rs. 121292.10/-** during the financial year. Your Directors expects to achieve better performance in the future and are taking maximum efforts to control the costs and optimize the results in the coming years.

#### 3. **DIVIDEND**

In view of losses your Directors do not recommend any dividend as such.

#### 4. **DEPOSITS**

The company has not accepted any deposits from the Public therefore provisions of Section 58A and Companies (Acceptance of Deposits) Rules 1975 are not applicable to the Company.

#### 5. **PARTICULARS OF EMPLOYEES**

There were no employees during the whole or part of the year who were in receipt of remuneration in excess of limits as set out in terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended.

#### 6. **DIRECTORS**

There are no changes in Composition of Board of Directors under review.

Mr. Umesh Richharia, Director is retiring by rotation in terms of provisions of Companies Act, 1956 and is eligible for re-appointment. The resolution for appointment of Director is placed before you in the Annual General Meeting.

#### 7. **SUBSIDIARIES:**

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

#### 8. **DIRECTOR'S RESPONSIBILITY STATEMENT**

The Board of Directors hereby confirms:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That 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.

- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

**9. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure and marked as 'Annexure A' forming part of this report.

**10. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

During the year under review, besides the transactions reported elsewhere, there were no other Foreign Exchange transactions.

**11. AUDITORS**

**M/s O. T. Gandhi & Co., Chartered Accountants, Indore**, Statutory Auditors of your company holds office until the conclusion of the forthcoming Annual General Meeting. They have signified their willingness to accept re-appointment as Statutory Auditors of the Company and further have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

**12. AUDITORS REPORT:**

Since notes to account are self explanatory, no further explanation is given by the Board as such.

**13. COMMITTEES OF THE BOARD**

Pursuant to Section 292A of the Companies Act, 1956 and clause 49 of Listing Agreement the Company has formed Audit Committee. Besides this the Company has also formed Shareholder / Investor Grievance Committee to redress investors' complaint, if any.

**14. CORPORATE GOVERNANCE REPORT**

The Company has obtained Corporate Governance Report from **M/s O. T. Gandhi & Co., Statutory Auditors** and is annexed hereto and forming part to this Report. A separate section of Corporate Governance as complied by the Company is annexed hereto marked as Annexure B and forming part of this report.

**15. ACKNOWLEDGEMENTS**

Your Company wishes to sincerely thank all the customers, commercial banks, financial institution, creditors etc. for their continuing support and co-operation.

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company and also sincerely thank the shareholders for the confidence reposed by them in the company and from the continued support and co-operation extended by them. .

By Order Of The Board  
**For SAGAR SOYA PRODUCTS LIMITED**

Date : 20<sup>th</sup> August, 2011  
Place : Sagar

**ARVIND C. PATEL**  
CHAIRMAN

**SAGAR SOYA PRODUCTS LTD.**

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**ANNEXURE-"A" to the Report of Board of Directors**

**A. Conservation of Energy**

- a. Company is using power connection obtained from MPEB. However your company has taken steps like optimization of outputs, controlling idle running of machine etc. to conserve the energy consumption.
- b. Additional investments and proposal, if any being implemented for reduction of consumption of energy are not proposed at this stage, as it is not feasible economically.
- c. Impact of above measures:  
There has been reduction in the cost of production as batches of production could be undertaken in shorter period.
- d. Total energy consumption per unit of production as per Form-A is given hereunder.

B. Form-B regarding Research and development and technology absorption is not enclosed due to the fact that there is at present no scope for R&D and absorbing any new technology in view of type of product which is accepted by the customers. However, your company shall certainly go for it in future if any new development in technology takes place.

**C. Foreign exchange earning and outgo:**

Earnings	Earnings	Outgo	Outgo
C.Y.	P.Y.	C.Y.	P.Y.
-	-	-	-

By Order Of The Board  
**For SAGAR SOYA PRODUCTS LIMITED**

Date : 20<sup>th</sup> August, 2011  
Place : Sagar

**ARVIND C. PATEL**  
CHAIRMAN

**ANNEXURE  
FORM-A (See rule 2)**

Disclosure of particulars with respect to conservation of energy

A. Power & Fuel Consumption

		<u>Current Year</u>	<u>Previous Year</u>
<b><u>Electricity</u></b>			
a	Purchased Units	-	-
	Total Amount	339573	1936651
b	<b><u>Diesel</u></b> :		
	Units	-	-
	Amount	-	-
c	<b><u>Hexagane</u></b> :		
	Units	-	-
	Amount	-	-
d	<b><u>Gas</u></b> :		
	Units	-	-
	Total Amount	-	-
	Rate/Unit	-	-
e	<b><u>Coal</u></b> :		
	Quantity(MT)	-	-
	Total cost	-	-
	Amount	-	-
f	<b><u>Furnace oil</u></b> :		
	Quantity	-	-
	Total cost	-	-
	Average rate	-	-
g	<b><u>Others/internal generation</u></b> :		
	Total cost	-	-
	Cost /unit	-	-

By Order Of The Board  
For SAGAR SOYA PRODUCTS LIMITED

Date : 20<sup>th</sup> August, 2011  
Place : Sagar

**ARVIND C. PATEL**  
CHAIRMAN

## SAGAR SOYA PRODUCTS LTD.

### ANNEXURE B TO THE DIRECTORS REPORT

#### COMPANY'S PHILOSOPHY:

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement is became applicable to the company by December 2005. The same has been implemented by the Company from December 2005.

The Company believes in maximum utilization of resources at minimum cost and attaining maximum long-term shareholders value.

#### BOARD OF DIRECTORS:

The Board of the Company comprises of 5 (Five) Directors, out of which 3 (Three) Directors are Executive Directors and 2 (Two) are Independent Non Executive Directors of the Company. There is no nominee or Institutional Directors in the Company.

None of Directors has pecuniary or Business relationship with the Company other than as mentioned elsewhere in Annual Report. No Director of the Company is either member in more than 10 (Ten) committees and/or Chairman of more than 5 (Five) committees across all Companies in which he is Director. The Board is in process of inducting an Independent Director soon in compliance with Clause 49 of the Listing Agreement.

During the year, there were in total **8 (Eight)** Board Meetings were held. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes. The dates on which the Board Meeting was held are as follows:

**27.04.2010 ; 30.07.2010; 01.09.2010; 28.10.2010; 23.12.2010 28.01.2011 and 24.03.2011**

The following table gives the attendance of the Directors at Board Meetings of the Company and also other Directorship in other Companies and Chairmanship/Membership in Board Committees of public limited companies:

Sr. No.	Name of Director	Category	No. of Board meetings Attended	Attendance at Last AGM	No. Of Other Directorship	No. of Other Committee membership in other Companies
1.	Mr. Arvindbhai C Patel	Chairman	8	Yes	3	Nil
2.	Mrs. Naina Ben Patel	Whole time Director & CFO	8	Yes	1	Nil
3.	Mr. Gaurav D Patel	Director & CEO	8	Yes	Nil	Nil
4.	Mr. Chandrakant Patel	Independent Non Executive Director	8	Yes	Nil	Nil
5.	Mr. Umesh Richharia	Independent Non Executive Director	8	Yes	Nil	Nil

None of the Non-executive Directors are paid any remuneration as defined as per the provisions of Companies Act, 1956.

#### COMMITTEES OF THE BOARD:

##### A. Audit Committee

Pursuant to the provisions of section 292(A) of the Companies Act, 1956 & Clause 49 II of Listing Agreement, an Audit Committee comprising of 3 Directors as members and two – third of whom being Non -Executive Directors has been constituted as under:

Mrs. Naina Ben Patel	Chairman
Mr. Chandrakant Patel	Member
Mr. Umesh Richharia	Member

During the year, there were in total 5 (Five) Audit Committee Meetings were held on **27.04.2010 ; 30.07.2010; 01.09.2010; 28.10.2010; and 28.01.2011**

The following table gives the attendance of the members at Audit Committee Meetings of the Board of Directors of the Company:

Name of the Member	Status	No. of Meeting held	No. of Meetings attended
Mrs. Naina Ben Patel	Chairman	5	5
Mr. Chandrakant Patel	Member	5	5
Mr. Umesh Richharia	Member	5	5

**B. Shareholders/Investors Grievance Committee**

The Shareholders/Investors Grievance Committee comprises of 3 (**Three**) Members, majority of whom are Non Executive Directors. As required by clause 49 of Listing Agreement, the Chairman of the Shareholder/ Committee is Independent, Non Executive Director. The composition of the Shareholders/Investors Grievance Committee as on 31<sup>st</sup> March, 2011 is as follows:

Mr. Chandrakant Patel	Chairman
Mr. Umesh Richharia	Member
Mr. Arvindbhai C Patel	Member

During the year, there were in total 4 (Four) Shareholders/Investors Grievance Committee Meetings were held on **27.04.2010 ; 30.07.2010; 28.10.2010; and 28.01.2011**

The following table gives the attendance of the members at Shareholders/Investors Grievance Committee Meetings of the Board of Directors of the Company:

Name of the Member	Status	No. of Meeting held	No. of Meetings attended
Mr. Chandrakant Patel	Chairman	4	4
Mr. Umesh Richharia	Member	4	4
Mr. Arvindbhai C Patel	Member	4	4

**GENERAL BODY MEETINGS:**

Details of last 3 (**Three**) Annual General Meetings are given below:

FinancialYear	Date	Time	Venue	Special Resolution(s)
2009-2010	30.09.10	1.00 p.m	Registered Office	No
2008-2009	30.09.09	1.00 p.m	Registered Office	No
2007-2008	30.09.08	1.00 p.m	Registered Office	No

**DISCLOSURES:**

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

**MEANS OF COMMUNICATION:**

The yearly/quarterly results were duly approved by the Board of Directors of the Company; however the same has not been submitted to BSE. The Company doesn't have its website and in the process of making its own website.

No presentation was made during the year either to Institutional Investors or to the analysts.

Management Discussion & Analysis Report is attached herewith forming part of the Annul Report.

**GENERAL SHAREHOLDERS INFORMATION:**

- i. The Annual General Meeting is scheduled to be held on Friday, the 30<sup>th</sup> September, 2011 at 1.00 p.m. at the Regd. Office of the Company.

## **SAGAR SOYA PRODUCTS LTD.**

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- ii. The Financial year of the company is from April to March. The financial calendar is as per following.
- |   |                                   |
|---|-----------------------------------|
| First quarter results (30 <sup>th</sup> June)       | End of July                       |
| Mailing of Annual Reports                           | 1 <sup>st</sup> week of September |
| Annual General Meeting                              | 30 <sup>th</sup> September, 2011  |
| Payment of Dividend                                 | N.A.                              |
| Second quarter results (30 <sup>th</sup> September) | End of October                    |
| Third quarter results (31 <sup>st</sup> December)   | End of January                    |
| Fourth quarter / Annual Results                     | End of July                       |
- iii. Book Closure dates are from **Saturday, the 24th Day of September, 2011 to Friday, the 30th September, 2011** (both days inclusive).
- iv. The Board of Directors has not proposed any dividend for the current financial year.
- v. The company's shares are listed at Bombay Stock Exchange, Ahmedabad Stock Exchange and Madhya Pradesh Stock Exchange. The trading of its securities on the said Exchange(s) has been suspended due to non-compliance of the Listing Agreements. The Board is in process of complying with the same and revocation of suspension.
- vi. The Stock Exchange, Mumbai  
Security in Physical Form No. BSE- 507663  
Electronic Form No. Nil  
Scrip Name: SAGRSOY-B
- The Ahmedabad Stock Exchange,  
Security in Physical Form ASE - 51110  
Electronic Form No. Nil  
Scrip Name: SAGAR SOYA PRODUCTS LTD.
- The Madhya Pradesh Stock Exchange  
Security in Physical Form No. 1363  
Electronic Form No. Nil  
Scrip Name: SAGAR SOYA PRODUCTS LTD.
- vii. Market price data:  
Since the Company Shares were suspended for trading the market price data is not available.
- viii. Share Transfer System  
The Company has not yet appointed Registrar and Transfer agent. The Company has currently in-house Share transfer system to register the transfer.  
However it is in process of appointing a Registrar and Transfer agent to carry out the above functions.
- ix. Dematerialization of securities  
The company's shares currently are in physical mode but the Company is in the process of dematerialization of shares.
- x. Company has not issued either ESOP or any GDRs/ADRs/Warrants/Convertible instrument.
- xi. Address for correspondence:  
Shareholders of the company can send correspondence at the Regd. office of the company situated at following address:  
C.J. Complex,  
Mahatama Gandhi Road  
Sagar – 470002  
Madhya Pradesh



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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**A) INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Industry is showing some improvement & your Directors are expecting better Industrial Development in the coming years.

**B) SEGMENTWISE PERFORMANCE:**

The Company is manufacturing Soya and Soya Products and this may be considered as the only segment. Therefore the requirement of segment wise reporting is not applicable.

**C) OPPORTUNITIES / OUTLOOK:**

The company is taking maximum efforts to capitalize on business opportunities & further expect a better outlook in the coming years.

**D) THREATS:**

The major threats for the company are competition from the Govt. Policies.

**E) RISKS AND CONCERNS:**

Your company is taking adequate measures to safeguard against Risks & Concerns.

**F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has been maintaining an adequate internal control system commensurate with the size & nature of its business.

**G) HUMAN RESOURCES POLICIES:**

Your company considers its human resources as its most valuable assets, among all other assets of the Company. It has been the policy of the company to actuate the talent by providing opportunities to develop themselves within the organization. The company continued to have maintained very cordial & harmonious relations with its employees.

**H) CAUTIONARY STATEMENT:**

Due to unfavorable market conditions your company is facing profitability problems however, your management is making optimum efforts to minimize the overheads & cost reduction.

By Order Of The Board  
**For SAGAR SOYA PRODUCTS LIMITED**

DATE : 20<sup>th</sup> August, 2011  
PLACE: Sagar

DIRECTOR

**SAGAR SOYA PRODUCTS LTD.**

**DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

In terms of the requirements of the Clause 49 of the listing Agreement, Code of Conduct as approved by the Board of Directors of the Company, all the members of the Board and the senior management personnel had affirmed compliance with the Code for the period 31<sup>st</sup> March, 2011

By Order of the Board  
**SAGAR SOYA PRODUCTS LIMITED**  
Sd/-  
**GAURAV PATEL**  
DIRECTOR

**DATE** : 20<sup>th</sup> August, 2011  
**PLACE** : Sagar

**CEO/CFO Certificate**

To,  
The Board of Directors,  
**Sagar Soya Products Limited**  
C.J. Complex,  
Mahatama Gandhi Road  
Sagar – 470002  
Madhya Pradesh

We, Mr. Gaurav Patel, CEO and Mrs. Naina Ben Patel, CFO of the Company does hereby certify that:

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

**DATE** : 20<sup>th</sup> August, 2011  
**PLACE** : Sagar

**FOR SAGAR SOYA PRODUCTS LTD**  
Sd/-  
**Mr. Gaurav Patel**  
(CEO)

**FOR SAGAR SOYA PRODUCTS LTD**  
Sd/-  
**Mrs. Naina Ben Patel**  
(CFO)

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**CERTIFICATE ON CORPORATE GOVERNANCE BY  
STATUTORY AUDITORS OF THE COMPANY**

To,  
The Shareholders,  
**SAGAR SOYA PRODUCTS LIMITED**  
C.J. Complex,  
Mahatama Gandhi Road  
Sagar – 470002  
Madhya Pradesh

We have reviewed the implementation of Corporate Governance produced by the company during the year ended on 31st March, 2011 with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion on the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied with Clauses 49 of the Listing Agreement except compliance of Clause 49(I)(A), 49(I)(D)(i) and 49(IV)(C).

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

For **OT GANDHI & CO.,**

**DATE** : 20<sup>th</sup> August, 2011  
**PLACE** : Sagar

**SAMEEP GANDHI**  
Partner

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**AUDITOR'S REPORT**

To  
The Members  
M/s SAGAR SOYA PRODUCTS LTD.  
SAGAR.

1. We have audited the attached Balance Sheet of **M/s SAGAR SOYA PRODUCTS LTD., SAGAR** as at **31st March 2011** and the Profit & 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.
2. 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 presentations. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order 2003 (the order) issued by the Central Government in terms of section 227 (4A) of the companies Act, 1956, we enclose in the annexure a statement on the matters specified in the said order.
4. Further to our comments in the Annexure referred in paragraph 3 above we report that:
  - (a) No manufacturing activity is carried out during this year and there is substantial doubt that it will be able to continue as a going concern. Consequently
  - (b) Adjustments may be required to recorded assets amount and clarification of liabilities. The Financial Statement (and notes thereon) does not disclose this fact;
  - (c) We have obtained all the information & explanation, which to the best of our knowledge & belief were necessary for the purpose of our audit;
  - (d) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examinations of those books;
  - (e) In our opinion, accumulated losses of the company at the end of financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year also.

The Company's the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - (f) We draw reference to
    - a. Note no. 6(a) & (b) of Schedule "I" regarding loans and Advances and Overdue Debts considered good by the management in respect of which we are unable to form an opinion as to the extent of realizable at this stage During the year advance of Rs.NIL is written off.
    - b. In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with the notes thereon and in particular note no. 8 of Schedule "T" regarding non provision of depreciation on the Fixed Assets as required by 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.
    - c. ***The accounts of the company have been prepared on Going Concern basis, However due to suspension of the Manufacturing and Other Activities of the Company we are unable to express our opinion on its ability to continue as a going concern in the event not being held to be a going concern and various Assets & Liabilities being consequently adjusted with respect their realizable value the impact thereof has not been ascertained and therefore, can not be commented upon by us.***
    - d. The Company has not complied with the Accounting Standard 15 in respect of Gratuity liability to the employees (vide note No.1(g) of notes on accounts).

- (g) Save our above observations, in our opinion, the Balance Sheet and Profit and Loss Account complies with the Accounting Standards referred to Section 211 of the Companies Act, 1956;
- (h) On the basis of written representations received from the Directors and taken on records by Board of Directors, we report that none of the directors is disqualified as on March 31,2010, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;and
- (i) 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 there on, 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:
- I. In the case of the Balance Sheet of the state of affairs of the company as at **31<sup>st</sup> March 2011**
  - II. In the case of the Profit & Loss Account of the **Loss** for the year ended on that date.
  - III. In the case of Cash Flow statement of the Cash flow for the year ended on that date.

**For O.T.GANDHI & CO**  
Chartered Accountants

**SAMEEP GANDHI**  
Partner  
**M.NO.411107**

PLACE : INDORE  
DATED : 20.08.11

**ANNEXURE TO THE AUDITORS REPORT**

**Annexure referred to in paragraph 3 of our report of even date**

1. (a) According to information and explanations given to us the Company has lost its Fixed Assets Register and the company is in the process of preparing the new Fixed Assets Register to show full particulars including quantitative details and situation of its Fixed Assets.
- (b) According to information given to us, the major portion of fixed assets has been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) No substantial part of fixed assets has been disposed off during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. (a) The Company has taken loans from Nine persons covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 539.38 lakhs and the year ended Balance Sheet of the loans taken from such persons was Rs. 539.38 lakhs. The Company has not granted any loans to the Companies firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- (b) In our opinion the other terms and conditions on which loan has been taken from the Companies listed in the register maintained u/s 301 of the Companies Act, 1956 are not prima facie, prejudicial to the Interest of the Company.
- (c) The company is regular in repaying the principal amount as stipulated.
- (d) There is no overdue amount in respect of loans taken from a company listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, these transactions have been made at prices, which are reasonable having regard to prevailing market price at the relevant time.

## SAGAR SOYA PRODUCTS LTD.

6. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and rules framed thereunder with regard to the deposits from the public.
7. In our opinion, the Company doesn't have system of internal audit commensurate with its size and nature of its business;
8. According to the information and explanations given to us, we are of the opinion that no cost records maintenance has been prescribed by the Central Govt. under section 209 (1) (b) of the Companies Act, 1956
9. a) According to the information and explanations given to us the undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues which has not been deposited are as under :-  
  
(b) According to the information and explanations given to us and there is no undisputed amount payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty, and cess were in arrears, as at the last day of the financial year concerned for a period of more than six months from the date they become payable except reported in forgoing para.  
  
(c) According to the information and explanations given to us, the disputed amount payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty, and cess, which has not been deposited on account of any dispute are as under:

S. No.	Name of the Statute	Year	Nature of Dues	Forum where dispute is pending	Amount (Rs)
1	Sales-tax Act	2000-01	Sales-tax / Commercial Tax / Entry-tax	M.P. High Court / Additional Commissioner Jabalpur / M.P. Secretary Commercial Tax	5756471/-
2.	Provident Fund	June '90 to Feb ' 2000	Provident Fund	EPF Appellate Tribunal, New Delhi.	795331/-

10. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution and banks.
11. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. As the company is not a Nidhi/Mutual Benefit Fund/Society, the reporting requirements under point no. (xiii) are not applicable to the company.
13. The Company is not dealing or trading in shares, securities, debentures and other investments:
14. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from the banks and financial institutions.
15. In our opinion, the term loans have been applied for the purpose for which they were obtained.
16. According to the information and explanation given to us and on an overall examination of the Books of Accounts and Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long term investment. No long-term funds have been used to finance short-term assets.
17. The company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
18. The company has not issued debentures to raise the funds.
19. The company has not raised any funds by Public Issue during the year.
20. According to the information and explanations given to us, we report that there is no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE : INDORE  
DATED : 20.08.11

**For O.T.GANDHI & CO**  
Chartered Accountants  
**SAMEEP GANDHI**  
Partner  
**M.NO.411107**

**BALANCE SHEET AS AT 31/03/2011**

S.No	PARTICULARS	SCH	31.03.2011	31.03.2010
<b>1.</b>	<b>SOURCES OF FUNDS:</b>			
1.	SHAREHOLDER'S FUND:			
a)	CAPITAL	"A"	60291515.00	60291515.00
b)	RESERVES & SURPLUS	"B"	62741930.00	62741930.00
			123033445.00	123033445.00
2.	LOAN FUND:			
	UNSECURED LOANS	"C"	53938352.50	53938352.50
	<b>TOTAL FUNDS EMPLOYEED (A+B+C)</b>		<b>176971797.50</b>	<b>176971797.50</b>
	<b>APPLICATION OF FUND</b>			
1.	FIXED ASSETS:			
a)	GROSS BLOCK	"D"	85816612.27	85816612.27
b)	LESS: DEPRECIATION		(58068571.00)	(58068571.00)
c)	NET BLOCK		<b>27748041.27</b>	<b>27748041.27</b>
	ADVANCE FOR CAPITAL GOODS		1010000.00	1010000.00
2.	INVESTMENTS	"E"	2989211.76	3027075.86
3.	CURRENT ASSETS LOANS & ADVANCES:			
a)	INVENTORIES	"F"	4765577.00	4765577.00
b)	SUNDRY DEBTORS	"G"	15397517.97	15397517.97
c)	CASH & BANK BALANCES	"H"	2268725.69	1448809.69
d)	LOANS & ADVANCES	"I"	1883628.62	2780735.62
	INCOME TAX T.D.S(FY 10-11)		12794.00	12794.00
	<b>TOTAL CURRENT ASSETS</b>		<b>24328243.28</b>	<b>24405434.28</b>
	LESS:CURRENT LIABILITIES & PROVISIONS	"J"	3249433.99	3243196.99
	<b>NET CURRENT ASSETS</b>		<b>21078809.29</b>	<b>21162237.29</b>
4	PROFIT & LOSS ACCOUNT		-124145735.18	-124024443.08
	<b>TOTAL ASSETS (NET) :</b>		<b>176971797.50</b>	<b>176971797.50</b>
	Notes forming part of accounts	"T"		
	ABSTRACT TO ACCOUNTS :	"U"		

AS PER OUR REPORT OF EVEN DATE ATTACHED  
**FOR O.T. GANDHI & CO.**  
 CHARTERED ACCOUNTANTS  
**FRN: 001120C**

**SAMEEP GANDHI**  
 PARTNER  
**M.NO. 411107**

PLACE : INDORE (M.P.)  
 DATED : 20<sup>th</sup> August, 2011

FOR AND ON BEHALF OF BOARD

**(ARVINDBHAI C. PATEL)** Director

**(GAURAV D. PATEL)** Director

PLACE : INDORE (M.P.)  
 DATED : 20<sup>th</sup> August, 2011

**SAGAR SOYA PRODUCTS LTD.****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

<b>PARTICULARS</b>	<b>SCH</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b><u>INCOME:</u></b>			
SALES	"K"	458,265.00	-
OTHER INCOME	"L"	625,374.90	1,514,153.23
		<u>1,083,639.90</u>	<u>1,514,153.23</u>
<b><u>EXPENDITURE:</u></b>			
MANUFACTURING EXPENSES	"M"	647,744.00	2,352,645.00
PAYMENT & BENEFITS TO EMPLOYEE'S	"N"	179,504.00	28,699.00
SELLING & ADMINISTRATIVE EXPENSES	"O"	374,684.00	22,121,777.88
FINANCIAL EXPENSES	"P"	3,000.00	3,175.00
DEPRECIATION	"D"	-	-
		<u>1,204,932.00</u>	<u>24,506,296.88</u>
PROFIT & LOSS BEFORE TAXATION:		<u>(121,292.10)</u>	<u>(22,992,143.65)</u>
PROFIT AFTER TAXATION		<u>(121,292.10)</u>	<u>(22,992,143.65)</u>
Less: Income Tax of Earlier Year		-	(190,523.00)
Provision for F.B.T.		-	-
		<u>(121,292.10)</u>	<u>(23,182,666.65)</u>
ADD : BROUGHT FORWARD PROFIT/LOSS AS PER LAST YEAR BALANCE SHEET.		(124,024,443.08)	(100,841,776.43)
SURPLUS/(DEFICIT) CARRIED OVER TO APPROPRIATION.		(124,145,735.18)	(124,024,443.08)
NOTES ON ACCOUNTS :	"Q"		
ABSTRACT TO ACCOUNTS :	"R"		

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **O.T. GANDHI & CO.**  
CHARTERED ACCOUNTANTS  
FRN: 001120C

**SAMEEP GANDHI**  
PARTNER  
M.NO. 411107

PLACE : INDORE (M.P.)  
DATED : 20<sup>th</sup> August, 2011

FOR AND ON BEHALF OF BOARD

(**ARVINDBHAI C. PATEL**) *Director*

(**GAURAV D. PATEL**) *Director*

PLACE : INDORE (M.P.)  
DATED : 20<sup>th</sup> August, 2011



**SCHEDULES FORMING PARTS OF THE BALANCE SHEET**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE - "A" : CAPITAL</b>		
AUTHORISED		
1,00,00,000 EQUITY SHARES OF RS. 10 EACH	100,000,000.00	100,000,000.00
ISSUED, SUBSCRIBED, & PAID-UP:		
66,96,719 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP. (Of the above 1161370 equity shares have been issued as bonus shares, by way of capitalisation of part of Share Premium Account.)	66,967,190.00	66,967,190.00
LESS: ALLOTMENT MONEY IN ARREARS	(6,675,675.00)	(6,675,675.00)
<b>TOTAL</b>	<b>60,291,515.00</b>	<b>60,291,515.00</b>

**SCHEDULE - "B" : RESERVE AND SURPLUS:**

SHARE PREMIUM ACCOUNT (SECURITY PREMIUM ACCOUNT)		
BALANCE AS PER LAST YEAR	62,741,930.00	62,741,930.00
	<u>62,741,930.00</u>	<u>62,741,930.00</u>

**SCHEDULE - "C" : UN SECURED LOANS**

Arvind Bhai Patel	4,610,000.00	4,610,000.00
Dakshaben Patel , Sagar	7,002,500.00	7,002,500.00
Dineshbhai T.Patel (H.U.F.), Sagar	4,176,045.00	4,176,045.00
Divya Grain Co., Sagar	6,591,943.00	6,591,943.00
Gainex Products , Sagar	5,000,000.00	5,000,000.00
Gaurav Bhai Patel	2,830,000.00	2,830,000.00
Meghana Patel	2,450,000.00	2,450,000.00
Naina Ben Patel	14,777,864.50	14,777,864.50
Shiv Trading Co., Sagar	6,500,000.00	6,500,000.00
	<u>53,938,352.50</u>	<u>53,938,352.50</u>

**SCHEDULE "D" : DEPRECIATION ON FIXED ASSETS**

S	Name of Asset	GROSS BLOCK			Rate of depreciation	DEPRECIATION				NET BLOCK		
		Balance as on 01/04/10	Addition during the year	Deduction during the year		Balance 31/03/11	Balance as on 01/04/09	Deduction during the year	For the year	Balance As on 31/03/2011	As on 31/03/11	As on 31/03/10
1	Leasehold Land	276,000.00	-	-	276,000.00	0.00%	0	0	0	0.00	276,000.00	276,000.00
2	Building	11,749,257.00	-	-	11,749,257.00	0.00%	6,826,698	0	0	6,826,698.00	4,922,559.00	4,922,559.00
3	Plant & Machinery	70,670,059.27	-	-	70,670,059.27	0.00%	48,502,214	0	0	48,502,214.00	22,167,845.27	22,167,845.27
4	Furniture & Fixtures	335,919.00	-	-	335,919.00	0.00%	333,941	0	0	333,941.00	1,978.00	1,978.00
5	Office Equipment	1,107,498.00	-	-	1,107,498.00	0.00%	729,169	0	0	729,169.00	378,329.00	378,329.00
6	Vehicles	1,474,052.00	-	-	1,474,052.00	0.00%	1,474,052	0	0	1,474,052.00	0.00	0.00
7	Fire Fighting Equip.	15,087.00	-	-	15,087.00	0.00%	15,087	0	0	15,087.00	0.00	0.00
8	Laboratory Equip.	188,025.00	-	-	188,025.00	0.00%	186,695	0	0	186,695.00	1,330.00	1,330.00
9	Cycle	715.00	-	-	715.00	0.00%	715	0	0	715.00	0.00	0.00
	<b>TOTAL Rs.</b>	<b>85,816,612.27</b>	<b>0.00</b>	<b>0.00</b>	<b>85,816,612.27</b>		<b>58,068,571</b>	<b>0</b>	<b>0</b>	<b>58,068,571.00</b>	<b>27,748,041.27</b>	<b>27,748,041.27</b>
	<b>PREVIOUS YEARS</b>	<b>85,787,419.27</b>	<b>0.00</b>	<b>0.00</b>	<b>85,787,419.27</b>		<b>54,236,517</b>	<b>0</b>	<b>3,832,054</b>	<b>58,068,571.00</b>	<b>27,748,041.27</b>	<b>31,580,095.27</b>

**SAGAR SOYA PRODUCTS LTD.**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE - "E" : INVESTMENTS (AT COST):</b>		
1. IN GOVERNMENT SECURITIES UNQUOTED NATIONAL SAVING FOOD DEPTT. AS SECURITY DEPOSITS).	26,500.00	26,500.00
2. EQUITY SHARES		
a) 91200, SHARES OF RS. 10/- EACH OF (M/s Ceejay Finance Ltd.,received on amalgamation with Heritage Packaging Ltd.,Ahemadabad of Ceejay Finance Ltd., )	912,000.00	912,000.00
b) 104400, SHARES OF RS. 10/-EACH M/S CEEJAY FINANCE LTD., NADIAD	1,044,000.00	1,044,000.00
3. RELIANCE LIQUID FUND Note : Market value of the Investments as on 31.03.2007 has not been Provided to us.	1,006,711.76	1,044,575.86
<b>TOTAL</b>	<b><u>2,989,211.76</u></b>	<b><u>3,027,075.86</u></b>
<b>SCHEDULE - "F" : INVENTORY</b>		
AS CERTIFIED BY THE MANAGEMENT		
1. COAL	289,293.00	289,293.00
2. HEXANE	3,142,254.00	3,142,254.00
3. DEASEL	42,196.00	42,196.00
4. SPARE PARTS	1,111,218.00	1,111,218.00
5. CHEMICALS	180,616.00	180,616.00
<b>TOTAL</b>	<b><u>4,765,577.00</u></b>	<b><u>4,765,577.00</u></b>
<b>SCHEDULE - "G" : SUNDRY DEBTORS</b>		
(UNSECURED, CONSIDERED GOOD)		
DUE OVER SIX MONTHS		
Debtors	15,397,517.97	28,732,043.85
Less :- B/D W/OFF	-	13,334,525.88
	<b><u>15,397,517.97</u></b>	<b><u>15,397,517.97</u></b>
<b>SCHEDULE - "H" : CASH &amp; BANK BALANCES</b>		
1. CASH IN HAND	1,152,924.02	1,168,539.02
2. WITH SCHEDULED BANKS		
a) IN CURRENT ACCOUNTS	1,089,926.67	254,395.67
b) IN FIXED DEPOSITS	25,875.00	25,875.00
<b>TOTAL</b>	<b><u>2,268,725.69</u></b>	<b><u>1,448,809.69</u></b>
<b>SCHEDULE - "I" : LOANS &amp; ADVANCES</b>		
1. ADVANCES (RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED)	688,252.62	614,070.62
2. DEPOSITS WITH GOVERNMENT & OTHERS	1,146,398.00	2,165,047.00
3. INCOME TAX T.D.S.	-	-
ASST YEAR 2009-2010	-	1,618.00
ASST YEAR 2010-2011	48,978.00	-
<b>TOTAL</b>	<b><u>1,883,628.62</u></b>	<b><u>2,780,735.62</u></b>

**29TH ANNUAL REPORT 2010-11**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE - "J" : CURRENT LIABILITIES &amp; PROVISIONS</b>		
CURRENT LIABILITIES:		
SUNDRY CREDITORS:		
FOR EXPENSES	3,249,433.99	3,226,961.99
FRINGE BENIFIT TAX AY 2009-10	-	-
INCOME TAX TDS PAYABLE	-	-
ENTRY TAX PAYABLE	-	-
LEASE RENT	-	-
EMPLOYEE PROVIDENT FUND	-	4,826.00
ELECTRY EXP. PAYABLE	-	11,409.00
<b>TOTAL</b>	<b><u>3,249,433.99</u></b>	<b><u>3,243,196.99</u></b>
<b>SCHEDULE - "K" : SALES TRADING</b>		
SALES OF GOODS	-	-
MISC RECEIPTS (ITC LTD.)	458,265.00	-
<b>TOTAL</b>	<b><u>458,265.00</u></b>	<b><u>-</u></b>
<b>SCHEDULE - "L" : OTHER INCOME</b>		
COMPENSATION REC.FROM GOVT.FOR LAND	-	150,287.00
INTEREST RECEIVED	5,814.00	56,457.00
PROCESSING CHARGES	-	-
DIVIDEND INCOME	207,959.90	140,435.23
GODOWN RENT	411,601.00	55,094.00
INCOME TAX REFUND	-	1,111,880.00
<b>TOTAL</b>	<b><u>625,374.90</u></b>	<b><u>1,514,153.23</u></b>
<b>SCHEDULE - "M" : MANUFACTURING EXPENSES</b>		
MATERIAL HANDLING CHARGES	-	800.00
FACTORY EXPENSES	64,410.00	102,001.00
LEASE RENT	8,000.00	-
BUILDING MAINTAINANCE	-	7,241.00
PLANT MAINTAINANCE	15,858.00	60,381.00
FACTORY SALARY & WAGES	219,903.00	208,448.00
FUEL & POWER	339,573.00	1,936,651.00
STORE CONSUME	-	37,123.00
<b>TOTAL</b>	<b><u>647,744.00</u></b>	<b><u>2,352,645.00</u></b>
<b>SCHEDULE - "N" : PAYMENT &amp; BENEFITS TO EMPLOYEE'S</b>		
EMPLOYEE PROVIDENT FUND	29,504.00	28,377.00
STAFF WELFARE	150,000.00	322.00
<b>TOTAL</b>	<b><u>179,504.00</u></b>	<b><u>28,699.00</u></b>

**SAGAR SOYA PRODUCTS LTD.**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE - "O" : SELLING &amp; ADMINISTRATION</b>		
AUDIT FEES	22,472.00	22,472.00
BUILDING REPAIR & MAINTENANCE	24,314.00	-
ELECTRICITY EXPENSES	-	23,814.00
ENTRY TAX	-	372.00
EXICSE DUTY	-	-
FEES & TAXES	55,510.00	69,800.00
FREIGHT & CARTAGE	-	1,500.00
INCOME TAX (F.B.T.)	-	-
LEAGAL EXPENSES	233,730.00	54,035.00
OFFICE EXPENSES	2,749.00	514.00
POSTAGE TELEGRAM & TELEPHONE	2,685.00	17,854.00
PRINTING & STATIONERY	4,017.00	6,616.00
TELEPHONE EXP.	8,155.00	-
TRAVELLING & CONVENANCE	19,519.00	6,422.00
VEHICLE EXPENSES	1,533.00	29,191.00
FRIENGE BENEFIT TAX	-	255.00
SUNDRY ADVANCE & WRITTEN OFF	-	8,554,407.00
SUNDRY DEBTORS WRITTEN OFF	-	13,334,525.88
<b>TOTAL</b>	<b><u>374,684.00</u></b>	<b><u>22,121,777.88</u></b>
<b>SCHEDULE - "P" : FINANCIAL EXPENSES</b>		
BANK CHARGES	3,000.00	3,175.00
<b>TOTAL</b>	<b><u>3,000.00</u></b>	<b><u>3,175.00</u></b>

**SCHEDULE - "T" : NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES:**

The following disclosure of accounting policies is made in pursuance of the Recommendations of the Accounting Standards Boards of the Institute of Chartered Accountants of India on "Disclosures of Accounting Policies".

**GENERAL**

- i. The accounts are prepared on the historical cost basis and on the accounting Principles of going concern.
- ii. Accounting policies not specifically referred to otherwise are consistent in consonance with generally accepted accounting principles.

**REVENUE RECOGNITION:**

Expenses and incomes considerable payable and Receivable respectively are accounted on accrual basis except dividend income and telephone expenses and gratuity, which are accounted for on cash basis.

**INFLATION :**

Assets and Liabilities are recorded at historical cost. These cost are not adjusted to reflect the changes in the purchasing power of money.

**VALUATION OF INVENTORIES**

Raw materials, stores and spares are valued at cost or a net realizable value whichever is lower, cost is arrived at an average price method basis after considering all incidental expenses and provisions for wastages etc.

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**INVESTMENT**

Long Term Investments are stated at Cost. When there is a decline in the value of any investment, which is not considered to be temporary, then the same is provided for by crediting the value of the investment and charging the same to Profit & Loss Account.

**DEPRECIATION:**

Depreciation on fixed assets is provided on straight-line method on prorata basis, in accordance with the provisions of schedule XIV of the Companies Act, 1956. During the year company not charged depreciation.

**RETIREMENT BENEFIT.**

No Gratuity expenses are accounted during the year.

**TREATMENT OF CONTINGENT LIABILITIES**

Contingent Liabilities are not provided and are disclosed in notes on accounts.

**RESEARCH AND DEVELOPMENTS**

No expenses related to research and development taking place during the year.

**FOREIGN EXCHANGE TRANSACTION**

These transactions are accounted for at the rates prevailing at the date of realization of transaction.

**1. AMORTIZATION OF MISCELLANEOUS EXPENDITURE**

Preliminary expenses including Public Issue Expenses and Right Issue expenses will be amortize over a period of ten years.

**2. CONTINGENT LIABILITIES NOT PROVIDED FOR**

- 1) Contingent liabilities on Account of Income tax are not ascertainable.
- 2) Contingent Liabilities on Account of Sales tax if any is not ascertainable by us.
- 3) Contingent Liabilities on Account of capital goods if any is not ascertainable by us.
- 4) Contingent Liabilities on Account of fiscal status if any is not ascertainable by us.

**3. BASED ON THE LEGAL ADVICE :**

No provision for taxation has been provided in view of carried forward losses of the company.

**4. Few Bank Balances are subject to reconciliation and confirmation.**

- a) The Company does not possess information as to which of its suppliers are ancillary industrial undertaking / small scale industrial undertaking holding permanent registration certificate issued by the Directorate of Industries of State or Union Territory, consequently the liability, if any, of interest which would be payable under "The Interest on Delayed payments to small scale and Ancillary industrial Undertaking Act, 1992 can not be ascertained. However, the Company has not received any claims in respect of Interest.
- b) As stated in note (a) above the company does not possess information as to which of suppliers are small-scale industrial undertakings. Accordingly the information regarding total outstanding dues to small scale Industrial Undertakings as at the end of the year and that regarding the names of small scale Industrial to whom the company owes more than Rs. 1.00 lac and outstanding for more than 30 days not been complied and hence not disclosed by the company.

**5. The company has involvement in certain parties as under: -**

- a. Sundry Debtors include Rs. 1,03,68,628.00 Under litigation.
- b. In view of the management there is reasonable certainty that amount of other debts which is capable of recovery, However due to suspension of manufacturing and other activities debts has become long overdue and could not be realized confirm by the respective parties. However efforts for realization of this debts continue.

**6. Depreciation in respect of Fixed Assets has been provided on straight line method at the rates applicable as per Companies Act, 1956. Depreciation in respect of year 2009-10 has not been provided for in the accounts as company suspended the operation of manufacturing and other activities through out the year. .**

## SAGAR SOYA PRODUCTS LTD.

7. In the opinion of Management there are certain Sundry Debtors / Creditors / advances from / to which no amount has been recoverable / payable. Hence they are written off during the year and the net amount is transferred to sundry balances written off account under selling and administrative head.

### CONTINGENT LIABILITY

Demand raised by Sales-tax department of Rs. 1790261/- against Entry-tax Rs. 3156994/- against M.P. Commercial Tax, Provident Fund Demand of Rs. 795231/- is under appeal before the respective authorities and pending for disposal. For which no liability has been created as the management is confident to get the relief for the same hence no provision has been made the profit of the company and general reserve of the company would have been lower by Rs. 65,51,802/- .

8. The Company deals in single business segment i.e. of soyabean. Hence as 17 on Segmental Reporting is not applicable to the Company.
9. In the opinion of the management and to the best of their knowledge and belief the aggregate value of the current assets loans and advances have value on realization in ordinary course of business, at least equal to the value at which they are stated in the balance sheet.
10. Auditors remuneration includes the payment made to the statutory auditors of the company under the following heads: -

	<u>Current Year</u>	<u>Previous Year</u>
Audit Fees	<b>22472.00</b>	<b>22472.00</b>

11. Balance under the main heads, Current Liabilities, Sundry Debtors and "Loans and Advances" (including balance with Government and other authorities), unsecured loans and others are subject to confirmation / reconciliation by the respective parties. Adjustments if any, will be accounted for as and when reconciled / confirmed.
12. Directors remuneration has not been charged in view of losses.
13. The Company has given Rs. 5.5 lacs as advances for purchase of residential house for the staff, for which the title is yet to be transferred in name of the company.
14. Taxes on Income:  
No virtual certainty that sufficient further taxable income in the view of will be available the deferred tax assets (net) accumulated up to period 31.03.2002 for the current year according to AS-22 According to taxes on income issued by the Institute of Chartered Accountants of India have not been recognized.
15. Related party disclosure.  
During the year, the company has not under taken any transaction with related party. Hence AS 18 of related party disclosure is not applicable.
16. The Company does not have any borrowing for purchase of assets; hence As 16 disclosure of borrowing cost is not applicable.
17. Figures for the Previous years have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **O.T. GANDHI & CO.**  
CHARTERED ACCOUNTANTS  
FRN: **001120C**

**SAMEEP GANDHI**  
PARTNER  
M.NO. 411107

PLACE : INDORE (M.P.)  
DATED : 20<sup>th</sup> August, 2011

FOR AND ON BEHALF OF BOARD

(**ARVINDBHAI C. PATEL**) *Director*

(**GAURAV D. PATEL**) *Director*

PLACE : INDORE (M.P.)  
DATED : 20<sup>th</sup> August, 2011

**BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.:	02060	State Code:	10
Balance Sheet Date	31-03-11		

**II CAPITAL RAISED DURING THE YEAR (Amount in Thousands)**

Public Issued	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amounts in Rs. Thousand)**

Total Liabilities	176972	Total Assets	176972
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**Source of Funds**

Paid-up Capital	60292	Reserves & Surplus	62742
Secured Loans	-	Unsecured Loans	53938

**Application of Funds**

Net Fixed Assets	27748	Investments	4765
Net Current Assets	21078	Misc. Expenditure	-
Accumulated Lossess	124157		

**IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSAND)**

Turnover	458	Total Expenditure	746
Loss Before Tax	-121	Loss After Tax	-121
Earning per Share In Rs.	-	Dividend Rate %	NIL

**V. GENERIC NAMES OF OTHERS PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)**

Item Code No. (ITC Code)	150710-00
Product Description	SOLVENY-OIL
Item Code No. (ITC Code)	150790-00
Product Description	DE-OILED-CAKE

AS PER OUR REPORT OF EVEN DATE ATTACHED  
**FOR O.T. GANDHI & CO.**  
 CHARTERED ACCOUNTANTS  
**FRN: 001120C**

**SAMEEP GANDHI**  
 PARTNER  
**M.NO. 411107**

PLACE : INDORE (M.P.)  
 DATED : 20<sup>th</sup> August, 2011

FOR AND ON BEHALF OF BOARD

**(ARVINDBHAI C. PATEL)** *Director*

**(GAURAV D. PATEL)** *Director*

PLACE : INDORE (M.P.)  
 DATED : 20<sup>th</sup> August, 2011

**SAGAR SOYA PRODUCTS LTD.**

**CASH FLOW STATEMENT**

	Current Yr.	Prev Yr.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
1. Net Loss before tax & Extraordinary items	(121,292.10)	(22,992,143.65)
2. Adjustments for:		
i) Depreciation	-	-
ii) Misc.expenses written off	-	-
iii) Extra Ordinary Item	-	-
iv) Dividend	-	-
3. Cash from Operations	<u>(121,292.10)</u>	<u>(22,992,143.65)</u>
4. Adjustments for Working Capital Changes		
i) Inventories (a)	-	(47,085.00)
ii) Sundry Debtors (b)	-	13,334,525.88
iii) Other Current Assets. Loans & Advanecd (c)	1,018,649.00 (125,490.00)	-
iv) Trade payables (d)	10,185.00	(532,882.00)
	<u>782,051.90</u>	<u>21,718,316.88</u>
5. Net Cash generated from Operations after Working Capital Changes	782,051.90	21,718,316.88
6. Direct Taxes paid Net	-	(12,794.00)
7. Net cash from Operating activities (3+5+6) ..... (A)	<u>782,051.90</u>	<u>(1,286,620.77)</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITY</b>		
(i) Sale of Fixed Assets	-	-
(ii) Sale of Investment	-	1,406,084.77
(iii) Purchase of Fixed Assets	37,864.00	-
(iv) Purchase of Investments	-	-
(v) Dividend	-	-
Net Cash used in Investing activities (B)	<u>37,864.00</u>	<u>1,406,084.77</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITY</b>		
(i) Increase in Share Capital	-	-
(ii) Increase/(Decrease) in Share Premium	-	-
(iii) Proceeds from Long terms & Short term borrowings	-	-
(iv) Div.payable Trans.in Gen.Reserve	-	-
(v) Dividend Received. Intt. on I.T. rEFUND Refund of I.Tax	-	-
Increase/(Decrease) by Financing activities .....(C)	<u>-</u>	<u>-</u>
D) Net Increase/(Decrease) in Cash & Cash Equivalents - (A+B+C)	<u>819,915.90</u>	<u>119,464.00</u>
E) Cash & Cash equivalents as at 01-04-2008 (Opening Balance)	1,448,809.69	1,329,345.69
F) Cash & Cash equivalents as at 31-03-2009 (Closing Balance)	2,268,725.59	1,448,809.69

Note:1. Previous year figures have been rearrange/re-gourped where necessary.

For and on behalf of the Board of Directors  
**SAGAR SOYA PRODUCTS LTD.,**  
A.C.Patel      N.A.Patel

Place : Indore  
Dated : 20<sup>th</sup> August, 2011

**AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement with the books and record maintained by Sagar Soya Products Ltd. and certify that, in our opinion and openion and according to the information and explanations given to us,the above statement is in according there with.

PLACE : INDORE  
DATED : 20.08.11

**For O.T.GANDHI & CO**  
Chartered Accountants  
**SAMEEP GANDHI**  
Partner  
**M.NO.411107**



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**SAGAR SOYA PRODUCTS LIMITED**

Regd. Office : C.J. Complex, Mahatama Gandhi Road,  
Sagar – 470002 Madhya Pradesh

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the **29<sup>th</sup> Annual General Meeting** of the Company at the **Regd. Office** of the company on Friday, the **30<sup>th</sup> September, 2011** at **1.00 p.m.**

\_\_\_\_\_  
Name of the Shareholder

\_\_\_\_\_  
Signature

Folio No. \_\_\_\_\_

\_\_\_\_\_  
(Full name of Proxy)

**Note:** No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

\_\_\_\_\_  
(TEAR)

**SAGAR SOYA PRODUCTS LIMITED**

Regd. Office : C.J. Complex, Mahatama Gandhi Road,  
Sagar – 470002 Madhya Pradesh

**PROXY FORM**

I/We.....of.....  
in the district of ..... being a member/members of the above named Company hereby appoint  
..... of ..... in the district  
of..... or failing him ..... of  
..... In the district of ..... as my / our proxy to  
vote for me/us on my our behalf at the **29<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company to be held at **Regd. Office**  
of the company, on Friday, **the 30th September, 2011** and at any adjournment thereof.

Signed this..... day of ....., 2011.

Reg. Folio No.....

No. of Shares .....

Affix  
Signature  
Revenue  
Stamp

**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 meeting.

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Book - Post

To

*If undelivered, please return to*  
**SAGAR SOYA PRODUCTS LIMITED**  
Regd. Office :  
C.J. Complex, Mahatama Gandhi Road,  
Sagar – 470002  
Madhya Pradesh

Pratiksha Printers, A'bad. 9825262512

**29<sup>th</sup>**  
**ANNUAL REPORT**  
**2010-2011**

**SAGAR SOYA PRODUCTS LIMITED**

**SAGAR SOYA PRODUCTS LIMITED**  
**ANNUAL REPORT 2010-2011**

**BOARD OF DIRECTORS** : Mr. Arvindbhai C Patel Chairman  
Mrs. Naina Ben Patel Whole time Director & CFO  
Mr. Gaurav D Patel Director & CEO  
Mr. Chandrakant Patel Independent & Non-Executive Director  
Mr. Umesh Richharia Independent & Non-Executive Director

**REGISTERED OFFICE** : C.J. Complex,  
Mahatama Gandhi Road  
Sagar – 470002  
Madhya Pradesh

**AUDITORS** : O. T. Gandhi & Co.  
Chartered Accountants,

**SHARES LISTED AT** : **The Bombay Stock Exchange Limited,**  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001

**Madhya Pradesh Stock Exchange Limited,**  
201, 'Palika Plaza', Phase-II, M.T.H. Compound,  
Indore - (MP) 452 001

**The Ahmedabad Stock Exchange Limited,**  
Kamdhenu Complex, Opp Shahajanand College,  
Panjara Pole, Ahmedabad – 380 015

<b>29<sup>th</sup> ANNUAL GENERAL MEETING</b>	
<b>Date</b>	: 30 <sup>th</sup> September, 2011
<b>Day</b>	: Friday
<b>Time</b>	: 1.00 p.m.
<b>Place</b>	: C.J. Complex, Mahatama Gandhi Road Sagar – 470002, Madhya Pradesh

<b>Contents</b>	<b>Page No.</b>
Corporate Information	Title-2
Notice	1
Directors' Report	2-5
Corporate Governance Report	6-8
Management Discussion Report	9
Affirmation of Code of Conduct	10
CEO/CFO Certification	10
Statutory Auditors Certificate on Corporate Governance	11
Auditors' Report	12-14
Balance-Sheet	15
Profit & Loss A/c.	16
Schedule Forming Part of Balance Sheet	17-19
Schedule forming part of Profit & Loss Account	19-22
Balance Sheet Abstract and Company's General Business Profile	23
Cash Flow Statement	24
Attendance Slip & Proxy Form	Title-3