

# **ANNUAL REPORT**

## **2016- 2017**

**Sunil Agro Foods Limited**

**An ISO22000 : 2005 Certified**

**SUNIL AGRO FOODS LIMITED**  
**TWENTY NINTH ANNUAL GENERAL MEETING**

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**BOARD OF DIRECTORS:**

Mr. B. Shantilal	Managing Director
Mr. Pramod Kumar S	Executive Director
Mr. AVS Murthy	Director
Mr. Shailesh Siroya	Director
Ms. Pinky Jain	Director
Ms. Gayithri Shankarappa	Chief Financial Officer

**REGISTERED OFFICE & FACTORY**

Plot No: 39/A2  
Hosakote Industrial area,  
Chokkahalli  
Hoskote - 562 114

**CORPORATE OFFICE**

No: 1/104, Ahuja Chambers,  
Kumara Krupa Road,  
Bangalore - 560 001

**AUDITORS**

Messrs MSSV & Co.  
Chartered Accountants  
Bangalore

**COMPANY SECRETARY ADVISOR**

Mr. Vijayakrishna K T  
Practising Company Secretary

**BANKERS**

HDFC Bank Ltd.  
Seshadripuram Branch, Bangalore

**SHARE TRANSFER AGENTS**

Integrated Registry Management Services Private  
Limited (formerly Integrated Enterprises (India)  
Limited), Bangalore

**SUNIL AGRO FOODS LIMITED**

REGD. OFFICE : PLOT NO. 39/A2, HOSAKOTE INDUSTRIAL AREA  
CHOKKAHALLI, BANGALORE - 562 114  
CIN: L01111KA1988PLC008861

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**NOTICE**

Notice is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Shareholders of the Company will be held at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001, at 10.30 A.M. on Thursday, the 21st September, 2017, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Independent Auditor's Report and the Board's Report.
2. To appoint Mr. Pramod Kumar S (DIN: 00719828), Executive Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To declare a Dividend of Re. 0.50 (5%) per Equity Share of Rs.10/- each for the financial year ended 31st March, 2017.
4. To appoint the Statutory Auditors of the Company.

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors, the Company hereby appoints Messrs GRV & PK, Chartered Accountants, having ICAI Firm Registration No. 008099S, as Statutory Auditors of the Company for a period of 5 years from the conclusion of this Annual General Meeting until the conclusion of the 34th Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and re-imbursment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

**SPECIAL BUSINESS:****5. Increase in Borrowing Powers.**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(c)

of the Companies Act, 2013 or any amendment or modifications thereof read with the Companies (Meetings of Board and its Powers) Rules, 2014, approval be and is hereby accorded to borrow and raise such sum or sums of money from time to time as may be required for the purposes of business of the Company, not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) borrowings in excess of aggregate of its paid-up share capital and free reserves of the Company, apart from temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be necessary to give effect to the above resolution.”

**6. Powers to hypothecate etc.**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, approval be and is hereby accorded to the Board of Directors of the Company to hypothecate or mortgage and/or charge all the immovable and movable assets of the Company wheresoever situate, present and future, and the whole or part of the undertaking of the Company to, or in favour of the lender to secure the said borrowings upto an amount in the aggregate not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) together with interest, such other finance charges and all other moneys payable by the Company to the lenders as per the agreements entered into, by the Company with the respective lender.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be necessary to give effect to the above resolution.”

By the Order of the Board  
For Sunil Agro Foods Limited

Place: Bangalore  
Date: 28.07.2017

**Pramod Kumar S**  
Executive Director  
DIN: 00719828

### NOTES:

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate, not more than ten (10) percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member.

The instrument of proxy in order to be effective must be deposited / lodged at the Registered / Corporate office of the Company duly completed and signed not later than 48 hours before the time fixed for holding the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
3. Listing fee has been paid to the BSE Limited, Mumbai up to date.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 16th September, 2017 (Saturday) to 21st September, 2017 (Thursday) (both days inclusive).
5. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
6. The shares of the Company are mandated by the Securities and Exchange Board of India for trading in dematerialized form by all investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Integrated Registry Management Services Private Limited (formerly Integrated Enterprises (India) Limited) for assistance in this regard.
7. Pursuant to SEBI Notification No. MED/DOP/

Circular/05/2009, dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.

8. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through Depository Participants. The Company has entered in to agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN No. INE224D01012. All the Shareholders holding Shares in the physical form are requested to make use of this facility. Members are requested to open Demat Account with any of the Depository Participants to enable transacting in the Stock Exchange.
9. Electronic copy of the Notice of the 29th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting. Only Members/ Proxies will be admitted into the Hall for the Meeting.
11. The Shares of the Company are compulsorily traded in electronic form. Members are requested to inform the Company's Registrars and Share Transfer Agents viz., Integrated Registry Management Services Private Limited (formerly Integrated Enterprises (India) Limited), Unit: Sunil Agro Foods Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleshwaram, Bangalore-560 003, about the changes, if any, in their registered addresses, along with the PIN Code number quoting their folio number. All correspondence relating to transfer of shares may be sent directly to the aforesaid Transfer Agents of the Company.
12. Members may refer to Additional Information on Directors recommended for appointment / re-appointment under the provisions of Listing Regulations.

13. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participants.
14. As regards the re-appointment of Mr. Pramod Kumar S (DIN: 00719828), referred to in item No. 2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Mr. Pramod Kumar S
Date of Birth	15.07.1968
Date of Appointment	20.01.1988
Qualifications	Graduate in Commerce
Expertise in specific functional area	General Management
Directorships held in other Companies (excluding foreign companies)	6
Membership/Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	2
No. of Board Meetings attended during the year	4

15. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 29th Annual General Meeting to be held on Thursday, the 21st September, 2017 at 10.30 am. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The instructions for e-voting are as under:

- (i) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 14th September, 2017 (Thursday) i.e., the date prior to the commencement of Book closure date are entitled to vote on the Resolutions set forth in this Notice. The voting period begins on Monday, 18th September, 2017 (9.00 AM) and ends on Wednesday, 20th September, 2017 (5.00 PM). During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Members desiring to vote through remote e-voting mode may refer to the detailed procedure on e-voting given hereinafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iii) Click on 'Shareholders/Members' tab.

- (iv) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in DEMAT form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.</li> </ul>

	<ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank OR Date of Birth DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Sunil Agro Foods Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote,

click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual

available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- (i) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 14th September, 2017.
  - (ii) If the shareholder exercises his vote both electronically and physically, then the vote cast by him electronically will supercede.
  - (iii) Mr. Parameshwar G. Bhat, Practising Company Secretary (Membership No. FCS - 8860) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (iv) The Scrutinizer shall within a period not exceeding Forty Eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - (v) The Results shall be declared within Forty Eight (48) hours from the conclusion of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sunilagro.in](http://www.sunilagro.in) and on the website of CDSL. The results will also be communicated to the Stock Exchange where the Shares of the Company are listed.
  - (vi) Further, members may note the following:
    - a. Remote e-voting shall not be allowed beyond the said date and time.
    - b. The Company is providing facility to vote on a poll to the members present at the Meeting.
    - c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
    - d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting in the General Meeting.
16. All documents referred to in the accompanying Notice shall be open for inspection at the

Registered Office of the Company i.e. Plot No. 39-A2, Industrial Area, Chokkahalli, Hosakote – 562 114 during normal business hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

By the Order of the Board  
For Sunil Agro Foods Limited

Place: Bangalore  
Date: 28.07.2017

Pramod Kumar S  
Executive Director  
DIN: 00719828

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO.4:**

This Explanatory Statement is being provided voluntarily though strictly not required as per Section 102 of the Companies Act, 2013. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs MSSV & Co, Chartered Accountants, (ICAI Firm Registration Number 0025087), the present Auditors of the Company would be completing their term as Auditors. They hold office upto the conclusion of the 29th Annual General Meeting (AGM) of the Company. Accordingly, based on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on 28th July, 2017 has proposed the appointment of Messrs GRV & PK, Chartered Accountants, having ICAI Firm Registration No. 008099S, as Statutory Auditors, in place of retiring Auditors Messrs MSSV & Co, Chartered Accountants. The term of the office of Messrs GRV & PK, Chartered Accountants will be for 5 (five) years from the conclusion of this AGM until the conclusion of the 34th AGM, subject to ratification of their appointment at every Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the audit.

Messrs GRV & PK, Chartered Accountants, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

## Annual Report 2016 - 2017

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The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for your approval.

### ITEM NOS. 5 AND 6:

The Board considered the fund needs of the Company commensurate with the growth plans and after careful evaluation, it was decided to increase the borrowing powers of the Board of Directors and raise sum or sums of money from time to time as may be required for the purposes of the business of the Company upto Rs. 100 Crores (Rupees One Hundred Crores only) borrowings notwithstanding the fact that such borrowings including the monies already borrowed will be in excess of the aggregate of the paid-up capital and free reserves of the Company, excluding all temporary loans obtained by the Company from its bankers in the ordinary course of its business.

Further, such enhanced borrowing powers will need the Board of Directors to hypothecate or mortgage

and/or charge the immovable and movable assets of the Company.

These require approvals of the Shareholders. Hence, the Resolutions are brought before you for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolutions.

The Board of Directors recommends these Special Resolutions for your approval.

By the Order of the Board  
For SUNIL AGRO FOODS LIMITED

Place: Bangalore  
Date: 28.07.2017

Pramod Kumar S  
Executive Director  
DIN: 00719828



## BOARD'S REPORT

The Board of Directors has pleasure in presenting the Twenty Ninth (29th) Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2017.

### 1. FINANCIAL RESULTS : (Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sales & Service	13365.94	11120.09
Less: Expenditure	12906.36	10823.38
<b>Profit before Interest and Depreciation</b>	459.58	296.71
Less: Interest	241.05	151.05
Less: Depreciation	128.96	116.26
<b>Profit Before Taxation</b>	89.57	29.41
Less: Provision for Taxation	27.69	7.61
<b>Profit After Taxation</b>	61.88	21.80

### 2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

Your Company continued to perform under certain challenges and hurdles. Overall business improved satisfactorily with better resource optimization and more effective controls. It was possible to achieve significantly better profitability. The expansion program undertaken by your Company is expected to be completed soon. Your Company expects to derive the additional benefits of the expansion program in the years to come. The Shareholders may note the increase in the revenues from Sales and Services to Rs.13,365.94 Lakhs in the current year as compared to Rs.11,120.09 Lakhs in the previous year. Profit after taxation was Rs. 61.88 Lakhs in the current year compared to Rs. 21.80 Lakhs in the previous year.

Your Company has been facing competition from other players in the same space. Immense experience of the operating team at the factory helped the Company to achieve better performance. Rationalization of various inputs, expenditures and other resource allocation has been continuously followed.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry outlook and developments

The food processing industry is one of the largest industries in India and ranks fifth in terms of production, consumption and exports. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. The Government of India has been instrumental in the growth and development of the food processing industry. The Government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. This sector is among the few that serves as a vital link between the agriculture and industrial segments of the economy. A thrust to the food processing sector implies significant development of the agriculture sector and ensures value addition to it.

b. Business Overview:

The Company has achieved a turnover of Rs. 13270.03 Lakhs (previous year Rs. 11009.63 Lakhs) for the financial year ended 31.03.2017 with a net profit of Rs. 61.88 Lakhs (previous year Rs. 21.80 Lakhs).

c. Opportunities:

The Company is looking at Product mix addition in new products.

d. No risk is expected during this year.

e. Outlook:

The Company will strive for Better Values.

f. Internal Control System:

The Company has effective control system commensurate with its operations. The Company has internal audit system through outside agency with qualified Chartered Accountant, carries out the audit based on a planned program. The audit also reviews the adequacy and effectiveness of the internal control system and the follow up action taken pursuant to audit observation.

g. Human Resource Development:

The Company conducts regular training programs both internally and externally for Employees at all levels to improve the skills and overall development. Employees' relations at all the levels continue to remain cordial.

### 4. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31st March, 2017 and the date on which this report has been signed.

### 5. CHANGE IN THE NATURE OF BUSINESS:

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014.

### 6. DIVIDEND:

Your Directors are pleased to recommend dividend of Re 0.50 per Equity Share of the face value Rs.10/- (5%) which is provided for in the accounts absorbing a sum of Rs. 15,01,450/- subject to the approval of Shareholders in the ensuing Annual General Meeting.

### 7. RESERVES:

The Board has not proposed to transfer any amount to its reserves.

### 8. SHARE CAPITAL:

The paid up Equity Share capital as on 31st March, 2017 was Rs. 300.29 Lakhs. During the financial year under review, the Company has not issued shares with differential voting rights nor granted Stock Options nor Sweat Equity Shares.

### 9. CAPITAL INVESTMENTS

Capital Investments during the financial year 2016-17 was at Rs. 95.98 Lakhs (Net of capital work-in-progress and capital advances).

### 10. CORPORATE SOCIAL RESPONSIBILITY:

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

### 11. RISK MANAGEMENT:

The Company has formulated a Risk Management Policy and a mechanism to inform the Board about risk assessment and mitigation procedures. Also undertakes periodical review to ensure that executive management controls risks by means of a properly designed framework.

The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

### 12. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy for vigil

mechanism pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which is available on website of the Company at <http://www.sunilagro.in/sunil-agro-foods-whistle-blower-policy> and there were no cases reported during the year under review.

### 13. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV:

The Company does not have any Subsidiary, Joint Venture or Associate Company.

### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pramod Kumar S (holding DIN: 00719828), Executive Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

The Company is yet to appoint Company Secretary and efforts are on towards this direction.

### 15. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the period under review, Four (4) Board Meetings were held on 23rd May, 2016, 1st August, 2016, 12th November, 2016 and on 11th February, 2017.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal. The details of other Committee Meetings during the financial year 2016-17 are given in the Corporate Governance Report.

### 16. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

A separate Report on Corporate Governance in terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing regulations") along with a Certificate from a Practising Company Secretary regarding compliance to the Conditions stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure - I**.

## 17. ANNUAL BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has undertaken an annual performance evaluation of its own performance, its Committee's and the Directors individually. The manner of evaluation has been explained in the Corporate Governance Report.

Further, the Independent Directors, at their exclusive Meeting held during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

## 18. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had 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 and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. INTERNAL FINANCIAL CONTROL:

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across

various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

## 20. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 21. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual return in MGT-9 is annexed as **Annexure – II** as a part of this Annual Report.

## 22. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from the public as defined under the provisions of the Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2017.

## 23. RELATED PARTY TRANSACTIONS:

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 for the Financial Year 2016-17 in the prescribed format, AOC 2 is enclosed as **Annexure – III** as a part of this Annual Report.

## 24. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and it has taken:

Secured Loans:	Rs. 1,05,29,987/-
Unsecured Loans:	Rs. 2,44,89,785/-
Current/Non-Current Investments:	Rs. 7,03,306/-
Guarantees:	Nil

Securities Extended: Secured by certain immovable properties of the Company, hypothecation by way of first charge on company's stock, book debts, plant and machinery and vehicles.

**25. AUDITORS:**

The Auditors, Messrs MSSV & Co, Chartered Accountants registered with the Institute of Chartered Accountants of India under the Registration Number 001987S were appointed as Statutory Auditors till the conclusion of the 29th Annual General Meeting.

In terms of the requirement of the Companies Act, 2013, it is proposed to appoint the Auditors, Messrs GRV & PK, Chartered Accountants, Bangalore, having ICAI Firm Registration No. 008099S, as Statutory Auditors of the Company for a term of five (5) years, to hold office from the conclusion of 29th Annual General Meeting to be held on 21st September, 2017 until the conclusion of 34th Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

**26. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vijayakrishna KT, Bangalore, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed as **Annexure – IV** to this Report.

**Explanations by the Board on the comments of Secretarial Auditor:**

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
1.	Section 203 of the Companies Act, 2013 is not complied with, as the Company being listed company, has not appointed whole time qualified Company Secretary.	The Company has infused efforts to recruit qualified Company Secretary; however, no suitable candidate could be identified.

**27. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Details/Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed as **Annexure – V** to this report.

Further, the statement showing details in respect of employees of the Company are given in the **Annexure – V** forming part of the Report

**28. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the financial year 2017-2018 to BSE Limited where the Company's Shares are listed.

**29. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY:**

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

**30. COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE & STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Following are the composition of various Committees:

**i) Composition of Audit Committee:**

- 1. Mr. AVS Murthy - Chairman
- 2. Mr. Shailesh Siroya - Member
- 3. Mr. Pramodkumar S - Member

**ii) Composition of Nomination and Remuneration Committee:**

- 1. Mr. AVS Murthy - Chairman
- 2. Mr. Shailesh Siroya - Member
- 2. Ms. Pinky Jain - Member

**iii) Composition of Stakeholder's Relationship Committee:**

- 1. Mr. AVS Murthy - Chairman
- 2. Mr. Shailesh Siroya - Member
- 2. Ms. Pinky Jain - Member

**31. CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

**(A) Conservation of Energy:**

**1. Energy Conservation measures taken:**

The Company has a system to monitor consumption of energy and all efforts for conservation of energy wherever possible are made and have installed Solar Energy lights in the plant. Energy efficient electric Tubes have been installed to save energy. The Company has also installed energy efficient meters controlling waste of power.

**2.** Additional investments and proposal being implemented for reduction and consumption of energy and the impact of the same in the cost of production of goods.

**3. Energy Audit done:**

Investment was made in machinery designed for low energy consumption and such machinery was in operation in the period under review.

**(B) Technology Absorption:**

The Company is committed to maintaining its standard and high quality of its production and is constantly engaged in efforts to confer to the guaranteed customer satisfaction.

**(C) Foreign Exchange Earnings and Outgo:**

The Company expended Rs. 4,56,785/- in foreign exchange during the year under review and the Company's earnings in foreign currency is Nil during the year under review.

**32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed-off during the financial year 2016-17.

No of complaints received: NIL

No of complaints disposed: NIL

**33. ACKNOWLEDGEMENTS:**

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from Government of India, Government of Karnataka, Company's Bankers, Customers, Principals, Business Associates and other Acquaintances.

Your Directors recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in the future also.

For and Behalf of the Board of Directors

Place : Bangalore	<b>SHANTILAL BANSILAL</b>	<b>PRAMOD KUMAR S</b>
Date : 28.07.2017	Managing Director	Executive Director
	DIN: 00719808	DIN: 00719828

**ANNEXURE - I**  
**CORPORATE GOVERNANCE REPORT**

**1. Company's Philosophy on Code of Governance :**

The Company's philosophy is sustained profitable growth and increase in stakeholders' value. This will be done through proper transparency and disclosures, adequate internal controls in its business practices and risk management, proper communication and good standards in safety, health, environment management, highest standards in accounting fidelity, product and service quality. The Company complies with the listing requirements of the Stock Exchange, where its Shares are listed and endeavors to meet necessary listing guidelines. The Company has complied with all the provisions of the Companies Act, SEBI guidelines, regulations and also those of the Stock Exchange guidelines and is committed to good Corporate Governance. The Board fully understands and takes responsibility for its commitments to stakeholders, employees, vendors, customers and the communities where it operates. The primary objective of Customer Satisfaction is relentlessly pursued.

**2. Board of Directors :**

**Composition and Size of the Board.**

The Board comprises of five (5) Directors including two (2) Non-Executive Independent Directors, and one (1) Non-Executive non-Independent Director. The Board is primarily responsible for the overall management of the Company's business.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors including a Woman Director and not less than fifty percent (50%) of the Board of Directors comprises Non-Executive Directors and is in conformity with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. The agenda for each Board Meeting along with explanatory notes are distributed in advance to the Directors.

Name of Directors Messrs	DIN	No. of Board Meetings attended	Attendance at last AGM on 7th Sep, 2016	No. of other Directorships in other Companies	No. of Committee Membership of Board Committees in other Companies	Category
B. Shantilal Managing Director	00719808	4	Yes	7	0	Executive
Pramod Kumar S Executive Director	00719828	4	Yes	4	2	Executive
AVS Murthy Director	00085805	4	Yes	4	0	Non-Executive Independent
Shailesh Siroya Director	00048109	4	Yes	6	1	Non-Executive Independent
Pinky Jain Director	03636974	4	Yes	1	2	Non-Executive Non-Independent

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice convening the 29th Annual General Meeting.

Number of Board Meetings held during the period along with the dates of the Meetings:

During the period the Board met four (4) times on the following dates:

23rd May, 2016, 1st August, 2016, 12th November, 2016 and 11th February, 2017.

During the period, separate Meeting of the Independent Directors was held on 11th February, 2017 without the attendance of non-independent Directors and members of the management.

The Board at its Meetings reviewed Compliance reports prepared by the Company on quarterly basis.

### **3. Committees of the Board:**

The Board has constituted the following mandatory Committees to have a more focused attention on business and for better governance and accountability:

- Audit Committee
- Stakeholders' Relationship Committee and
- Nomination and Remuneration Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time.

### **4. Audit Committee:**

The Audit Committee having powers, role and terms of reference as per Listing Regulations and Section 177 of the Companies Act, 2013.

#### **The terms of reference:**

The terms of reference of the Audit Committee as per guidelines set out under Listing Regulations read with Section 177 of the Companies Act, 2013, are set out below:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

The Committee comprises of Mr. AVS Murthy, Mr. Shailesh Siroya and Mr. Pramod Kumar S with Mr. A V S Murthy as Chairman and all of them have financial and accounting knowledge.

The Internal Auditors and Statutory Auditors attend the Meetings of the Audit Committee, by invitation.

Meetings and the attendance during the period:

The Committee met four (4) times during the year on the following dates:

23rd May, 2016, 1st August, 2016, 12th November, 2016 and 11th February, 2017.

The attendance of each member of the Committee is stated below:

Name of Directors	No. of Meetings Attended
Mr. AVS Murthy	4
Mr. Shailesh Siroya	3
Mr. Pramodkumar S	4

**5) Nomination and Remuneration Committee:**

In compliance with the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination and Remuneration Committee.

As per Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Sections of the Companies Act, 2013, role and terms of reference of Nomination and Remuneration Committee are as follows:

- (a) Chairman: Chairman of the Committee shall be an Independent Director as may be elected by the members of the Committee.
- (b) Quorum: Quorum for Meeting of the Committee shall be a minimum of two members provided one of them shall always be an Independent Director.
- (c) Frequency of Meetings: The Committee may meet at such times as may be deemed necessary.
- (d) Role: The Role of the Committee shall include *inter-alia* the following:
  - Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
  - Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
  - Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every Director's performance.
  - Devising a Policy on Board diversity.
  - Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  - Such other matters as may be prescribed under the Companies Act, 2013, Listing Regulations and by the Board of Directors of the Company from time to time.

The Committee comprises of Mr. AVS Murthy, Mr. Shailesh Siroya and Mrs. Pinky Jain with Mr. A V S Murthy as Chairman.

**Meetings and the attendance during the year:**

The Committee met two (2) times on 1st August, 2016 and 11th February, 2017:

Name of Directors	No. of Meetings Attended (includes participation through video conferencing)
Mr. AVS Murthy	2
Mr. Shailesh Siroya	2
Ms. Pinky Jain	2

**Remuneration Policy:**

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary from different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The details of remuneration paid to the Directors during the period are furnished below:



**a) Managing Director:**

Amount in Rs.

Name	Salary	Performance Bonus & incentive	Other Perquisites	PF & Superannuation	Total
Mr. B Shantilal	12,00,000	70,415	-	-	-

**b) Non-Executive Independent Directors:**

Amount in Rs.

Name	Sitting fees	Commission for the period
Mr. AVS Murthy	22,975	-
Mr. Shailesh Siroya	22,975	-
<b>Total</b>	<b>45,950</b>	-

**c) Non-Executive Directors:**

Amount in Rs.

Name	Sitting fees	Commission for the period
Pinky Jain	22,975	-

The Company does not have any Stock Option Scheme.

**6. Stakeholders' Relationship Committee:**

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the Listing Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee comprises of Mr. AVS Murthy, Mr. Shailesh Siroya and Ms. Pinky Jain with Mr. A V S Murthy as Chairman.

The terms of references of the Committee are as follows:

- To consider and approve share transfers, transmissions, transposition of names.
- Issue and split/duplicate certificates.
- Ratify confirmations made to the demat requests received by the Company
- Review the status report on redressal of shareholders' complaints received by the Company/ share transfer agents.

**Meetings and the attendance during the year:**

The Committee met on 11th February, 2017:

Name of Directors	No. of Meetings Attended (includes participation through telephonic/video conferencing)
Mr. AVS Murthy	1
Mr. Shailesh Siroya	1
Ms. Pinky Jain	1

During the year, there were no complaints received from the Shareholders and there was no pending share transfer as on 31st March, 2017.

### **Name, designation & address of Compliance Officer:**

Name: Mr Pramod Kumar S  
Address: No.10, Kamal Nivas, Srikantaiah Layout,  
Crescent Cross Road, Bangalore- 560 001

Designation: Executive Director  
E-Mail: pramodjain@sunilagro.in  
Phone: 080-27971371  
Fax: 080-27971459

### **7. Independent Directors' Meeting and Performance Evaluation:**

During the year under review, the Independent Directors met on 11th February, 2017, *inter alia*, and transacted the following business:

- Evaluation of the performance of the Non-Independent Directors and the Board in general.
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non- Executive Directors.
- Evaluation of the process of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors viz., Mr. AVS Murthy and Mr. Shailesh Siroya were present at the Meeting.

All the Independent Directors of the Company have met the criteria as per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Company's familiarization program for Independent Directors is available on the website of the Company i.e. <http://www.sunilagro.in/familiarisation-program>.

### **8. Risk Management**

As an established practice, at each Meeting of the Board, the Directors are updated on Risks Identification and steps taken to mitigate the same.

Risk Management Policy is hosted on the Company's Website: <http://sunilagro.in/sites/default/files/risk-management-sunilagro.pdf>

### **9. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

### **10. CEO/CFO Certification**

The Managing Director and the CFO of the Company have certified to the Board of Directors, *inter alia*, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017.

## 11. General Body Meetings:

Location and time of the last three Annual General Meetings:

Financial Year	Date	Time	Location
2013-2014	10th September, 2014	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001
2014-2015	15th September, 2015	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001
2015-2016	7th September, 2016	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001

Particulars of Special Resolutions passed in the last three AGMs are given below:

10th September, 2014	<ol style="list-style-type: none"><li>1. Transaction of milling activity with Brindavan Softland Private Limited.</li><li>2. Acquisition of the business of Brindavan Softland Private Limited as a slump sale.</li><li>3. Leasing Company's premises to Markasia Foods Private Limited.</li></ol>
15th September, 2015	Nil
7th September, 2016	<ol style="list-style-type: none"><li>1. Appointment of Mr. B Shantilal as Managing Director of the Company.</li><li>2. Appointment of Mr. Pramod Kumar S as Whole Time Director of the Company.</li></ol>

There were no Extra Ordinary General Meetings held during the period under review.

## 12. Disclosures

### a. Related party transactions:

The Company has formulated a Policy on materiality of related party transactions and also on dealing with Related Party Transactions. There were Related Party Transactions during the year. It has been disclosed in **Annexure III**.

### b. Compliances:

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets except that the Company has received a notice from the Stock Exchange relating to non-submission of Shareholding Pattern for the quarter ended 30.09.2016. The Company has lodged the request with the Stock Exchange to waive off the penalty.

### c. Accounting Treatment:

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

### d. Code of Conduct:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at <http://www.sunilagro.in/code-conduct>. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April, 2016 to 31st March, 2017.

The Certificate by the CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

### Code of Conduct for Directors and Senior Management

#### CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended March 31, 2017.

Place: Bangalore  
Date: 28.07.2017

(B. Shantilal)  
Managing Director  
DIN: 00719808

#### **e. Vigil Mechanism / Whistle Blower Policy:**

The Board of Directors has laid down Whistle Blower Policy for Directors and employees of the Company, to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Further, the Company affirms that no employees have been denied access to Audit Committee on any issue related thereto. The copy of Whistle Blower policy is available on the website of the Company at <http://www.sunilagro.in/sunil-agro-foods-whistle-blower-policy>.

#### **f. Details of compliance with mandatory requirements:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Corporate Governance Report of the Company for the financial year 2016-17 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **g. Adoption of the Non-Mandatory Requirements:**

- i. Nomination and Remuneration Committee has duly been constituted.
- ii. The Company consistently trains its Board members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.
- iii. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy.
  - Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.
  - Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this Report.
  - Matters referred to Audit Committee, as detailed elsewhere in the Report include, *inter alia*, recommendation to Board, on appointment of Statutory Auditors.
  - Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

### **13. Means of Communication:**

- Quarterly results are published in the prominent daily newspapers.
- Necessary disclosures as per the requirement of SEBI/Listing Regulations and Corporate Laws are made within prescribed time as required.
- Management Discussion and Analysis forms part of the Annual Report.

The general information about the Company and the information as required under the Companies Act 2013, and Listing Regulations have been uploaded on the Company's website: <http://www.sunilagro.in/brief-information-about-sunil-agro-foods-limited-safl>

#### 14. General Information to Shareholders:

##### a) Annual General Meeting:

Annual General Meeting will be held at 10.30 a.m. on Thursday, the 21st September, 2017 at Bharatiya Vidya Bhavan, Race Course Road, Bangalore - 560 001.

##### b) Financial Results Calendar (Tentative):

Particulars	Dates
Unaudited Results for the quarter and three months ended 30.06.2017	Last Week of July, 2017
Unaudited Results for the quarter and six months ended 30.09.2017	Last Week of October, 2017/ First Week of November, 2017
Unaudited Results for the quarter and nine months ended 31.12.2017	Last Week of January, 2018/ First Week of February, 2018
Audited Results for the year ended 31.03.2018	Last Week of May, 2018

c) **Date of Book Closure for the year 2016-2017:** 16th September, 2017 to 21st September, 2017

d) **Listing of Equity Shares on Stock Exchange at:** BSE Limited

##### e) Registrar and Share Transfer Agent:

Integrated Registry Management Services Private Limited (formerly known as Integrated Enterprises (India) Limited) No.30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road Malleswaram, Bangalore - 560 003. Phone Nos: 23460815 to 18, Fax: 23460819, Email id: [alfint@vsnl.net.in](mailto:alfint@vsnl.net.in)

##### f) Share Transfer System:

The Company's Shares are traded in the Stock Exchange compulsorily in the demat mode. Shares in physical mode which are lodged for transfer at the Investor Service Center are processed and subject to exercise of option under compulsory transfer cum demat procedures; Share certificates are either dematerialized or returned within the time prescribed by the authorities.

##### g) Distribution of Shareholding as on 31.03.2017:

Range of Shares	No. of Members	% to Total Shareholders	No. of Shares Held	Amount (Rs.)	% to Total
Upto - 5,000	1176	86.22	1613710	16137100	5.37
5,001 - 10,000	73	5.35	578710	5787100	1.93
10,001 - 20,000	54	3.96	834890	8348900	2.78
20,001 - 30,000	14	1.03	360620	3606200	1.20
30,001 - 40,000	10	0.73	354220	3542200	1.18
40,001 - 50,000	11	0.81	532390	5323900	1.77
50,001 - 1,00,000	10	0.73	713610	7136100	2.38
1,00,001 and above	16	1.17	25040850	250408500	83.39
Total	1364	100.00	30029000	300290000	100.00

**h) Categories of Shareholders as on 31.03.2017 :**

Category	No. of Shares held	% of Shareholding
Promoters	2110676	70.29
Persons acting in concert	60500	2.01
Institutional Investors	40000	1.33
Others	791724	26.37
<b>TOTAL</b>	<b>3002900</b>	<b>100.00</b>

Pursuant to SEBI Circular No. Cir/ISD/3/2011 dated 17th June, 2011; the Company has achieved 100% of Promoters' shareholding in dematerialized Form

**i) Dematerialization of shares and liquidity**

**Summary of Shareholding as on 31.03.2017:**

Particulars	No. of Shares	Percentage	No. of Shareholders
Physical mode	169060	5.63	533
Electronic Mode	2833840	94.7	831
<b>TOTAL</b>	<b>3002900</b>	<b>100.00</b>	<b>1364</b>

**J) Stock Market Data:**

The monthly high, low and closing prices of Equity Shares of the Company traded on BSE Limited from 1st April, 2016 to 31st March, 2017 are given below:

Month	Volume	High Price	Low Price	Close Price	Sensex
Apr-16	73836	68.15	32.40	33.60	25606.62
May-16	73553	46.35	30.30	46.35	26667.96
Jun-16	65170	63.00	48.65	63.00	26999.72
Jul-16	50650	79.90	60.15	75.00	28051.86
Aug-16	12709	78.70	58.90	65.00	28452.17
Sep-16	36593	68.00	45.50	45.50	27865.96
Oct-16	78521	50.70	41.10	46.15	27930.21
Nov-16	55040	52.50	34.15	40.40	26652.81
Dec-16	28847	39.00	27.90	29.85	26626.46
Jan-17	26002	38.80	28.60	38.80	27655.96
Feb-17	42646	47.75	38.80	47.75	28743.32
Mar-17	40679	47.75	43.10	47.75	29620.50

**k) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity - NIL**

**l) Plant Locations :**

Plot No; 39-A2, Hosakote Industrial area, Chokkahalli, Hosakote -562 114

**m) Address for correspondence :**

The Company's Registered Office is situated at Plot No. 39-A2, Hosakote Industrial area, Chokkahalli, Hosakote - 562 114.

Shareholders' correspondence should be addressed to Plot No. 39-A2, Hosakote Industrial area, Chokkahalli, Hosakote - 562 114.

Shareholders holding Shares in electronic mode should address all their correspondence to their respective Depositories Participants (DPs).

For and on behalf of the Board of Directors

Place : Bangalore  
Date : 28.07.2017

**B. Shantilal Bansilal**  
Managing Director  
DIN:00719808

**Pramod Kumar S**  
Executive Director  
DIN: 00719828

**CEO & CFO Certification**

We confirm that:

1. We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2017 and certify to the best of our knowledge and belief that:
  - i. the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. the 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.
2. To the best of our knowledge and belief, no transactions entered into, by the Company during the year ended were fraudulent, illegal or against to the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and to the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we had taken or propose to take to rectify those deficiencies.
4.
  - i. There has not been any significant change in internal control during the year;
  - ii. There has not been any significant change in Accounting Policies during the year requiring disclosure in the notes to the financial statements; and
  - iii. We are not aware of any instances during the year of significant fraud with involvement therein, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Bangalore  
Date : 28.07.2017

**B. Shantilal**  
Managing Director  
DIN:00719808

**Pramod Kumar S**  
Executive Director  
DIN: 00719828

**Gayithri Shankarappa**  
Chief Financial Officer



**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE AS REQUIRED UNDER THE SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To

The Members of  
**SUNIL AGRO FOODS LIMITED**  
Bangalore

I have examined all the relevant records of Sunil Agro Foods Limited ('the Company') for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2017 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Place: Bangalore  
Date: 28.07.2017

Vijayakrishna K T  
Practising Company Secretary  
FCS - 1788  
CP - 980

**ANNEXURE - II**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2017  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L01111KA1988PLC008861  
ii) Registration Date: 20/01/1988  
iii) Name of the Company: SUNIL AGRO FOODS LIMITED  
iv) Category/Sub-Category of the Company: Company limited by shares and Indian Non Government Company  
v) Address of the registered office and contact details:

**Registered Office Address**

Plot No.39-A2, Industrial Area, Chokkahalli,  
Hosakote, Bangalore, Karnataka - 562114  
Tel. : 080-40201400/03/04  
Fax. : 080-28391661  
Email : info@sunilagro.in  
Website: www.sunilagro.in

- vi) Whether Listed Company: Yes  
vii) Name, Address and Contact details of Registrar and Transfer

**Registrars**

Integrated Registry Management Services Private Limited (formerly Integrated Enterprises (India) Limited)  
Tel. : 080 - 23460815 to 818  
Fax : 080 – 23460819  
Email : corpserv@integratedindia.in  
Website : www.integratedindia.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the Company
1.	Manufacture of grain mill products	1061	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and address of the	CIN/GLN Company	Holding/ Subsidiary	% of shares held	Applicable
	Nil	-	-	-	-

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	2110376	-	2110376	70.28	2110376	-	2110376	70.28	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	300	-	300	0.01	300	-	300	0.01	-
d) Bank/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Person Acting in Concert	60500	-	60500	2.01	60500	-	60500	2.01	
<b>SUB TOTAL: (A) (1)</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Cenntral govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	40000	-	40000	1.33	40000	-	40000	1.33	-
h) Foreign Venture									

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Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>40000</b>	<b>-</b>	<b>40000</b>	<b>1.33</b>	<b>40000</b>	<b>-</b>	<b>40000</b>	<b>1.33</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporates									
i) Indian	30100	15600	45700	1.52	68122	15600	83722	2.79	1.27
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakhs	264898	152460	417358	13.9	302052	152460	453412	15.10	1.20
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	287792	-	287792	9.58	225933	-	225933	7.52	-2.06
c) Others (specify)									
NRI	35310	2100	37410	1.25	22137	2100	24237	0.81	-0.44
Clearing Member	3464	-	3464	0.12	4420	-	4420	0.15	0.03
Trust	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	<b>621564</b>	<b>170160</b>	<b>791724</b>	<b>26.37</b>	<b>622664</b>	<b>170160</b>	<b>791724</b>	<b>26.37</b>	<b>0.00</b>
<b>Total Public Shareholding</b>									
<b>(B)= (B)(1)+(B)(2)</b>	<b>661564</b>	<b>170160</b>	<b>831724</b>	<b>27.70</b>	<b>662664</b>	<b>170160</b>	<b>831724</b>	<b>27.70</b>	<b>0.00</b>
<b>C. Shares held by Custodian for</b>									
GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2832740</b>	<b>170160</b>	<b>3002900</b>	<b>100.00</b>	<b>2833840</b>	<b>170160</b>	<b>3002900</b>	<b>100.00</b>	<b>0.00</b>

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in share holding during the period
		No. of Shares	%of total Shares of the Company	%of Shares Pledged/ encumbered to total Shares	No. of Shares	%of total Shares of the Company	%of Shares Pledged/ encumbered to total Shares	
	<b>Messrs</b>							
1	B Shantilal	600	0.02	-	600	0.02	-	-
2	Brindavan Roller Flour Mills Private Limited	300	0.01	-	300	0.01	-	-
3	Pramod Kumar S	2099776	69.92	-	2099776	69.92	-	-
4	Pramod Kumar HUF	10000	0.33	-	10000	0.33	-	-
	<b>Persons Acting in Concert (PAC)</b>							
5	Pinky Jain	30300	1.01		30300	1.01	-	-
6	Vidhya Jain	30200	1.01		30200	1.01	-	-
	<b>Total</b>	<b>2171176</b>	<b>72.30</b>		<b>2171176</b>	<b>72.30</b>	-	-

(iii) Change in Promoters' Shareholding (No change):-

Sl. No.	Shareholders Name	Share Holding at the beginning of the Year		Date	Increase/ Decrease in Share Holding	Reason	Share Holding at the end of the year	
		No. of Shares	% of total shares of the company				No of Shares	% of total Shares of the company
	NA	NA	NA	NA	NA	NA	NA	NA

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholders Name Messrs	Share holding at the beginning of the Year 01.04.2016		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year 31.03.2017	
		No. of Shares	% of total shares of the company				No of Shares	% of total Shares of the company
1	ANAND SURANA	50000	1.67	01.04.2016	NO MOVEMENT DURING THE YEAR			
				<b>31.03.2017</b>			50000	1.67
2	MONICA SURANA	50000	1.67	01.04.2016	NO MOVEMENT DURING THE YEAR			
				<b>31.03.2017</b>			50000	1.67
3	DILIP SURANA	45655	1.52	01.04.2016	0		45655	1.52
				14.10.2016	464	BOUGHT	46119	1.54
				21.10.2016	1000	BOUGHT	47119	1.57
				28.10.2016	546	BOUGHT	47665	1.59
				11.11.2016	6000	BOUGHT	53665	1.79
				<b>31.03.2017</b>			<b>53665</b>	<b>1.79</b>
4	SONEX INVESTMENTS LTD	40000	1.33	01.04.2016	NO MOVEMENT DURING THE YEAR			
				<b>31.03.2017</b>			<b>40000</b>	<b>1.33</b>
5	DIPAK KANAYALAL SHAH	31003	1.03	01.04.2016	0		31003	1.03
				08.04.2016	-10000	SOLD	21003	0.70
				16.12.2016	-11003	SOLD	10000	0.33
				23.12.2016	-10000	SOLD	0	0.00
				<b>31.03.2017</b>			<b>0</b>	<b>0.00</b>
6	NILESH JAGETIA	29680	0.99	01.04.2016	0		29680	0.99
				08.04.2016	-616	SOLD	29064	0.97
				22.04.2016	-11654	SOLD	17410	0.58
				29.04.2016	-3988	SOLD	13422	0.45
				06.05.2016	3341	BOUGHT	16763	0.56
				13.05.2016	4350	BOUGHT	21113	0.70
				20.05.2016	-1736	SOLD	19377	0.65
				27.05.2016	-651	SOLD	18726	0.62
				03.06.2016	499	BOUGHT	19225	0.64
				10.06.2016	-1279	SOLD	17946	0.60
				17.06.2016	-60	SOLD	17886	0.60
				24.06.2016	62	BOUGHT	17948	0.60
				30.06.2016	-9300	SOLD	8648	0.29

				01.07.2016	-6348	SOLD	2300	0.08
				08.07.2016	2000	BOUGHT	4300	0.14
				15.07.2016	4250	BOUGHT	8550	0.28
				22.07.2016	1102	BOUGHT	9652	0.32
				29.07.2016	-183	SOLD	9469	0.32
				05.08.2016	-461	SOLD	9008	0.30
				12.08.2016	-3047	SOLD	5961	0.20
				19.08.2016	-597	SOLD	5364	0.18
				26.08.2016	5	BOUGHT	5369	0.18
				02.09.2016	617	BOUGHT	5986	0.20
				09.09.2016	-2134	SOLD	3852	0.13
				16.09.2016	10	BOUGHT	3862	0.13
				23.09.2016	454	BOUGHT	4316	0.14
				07.10.2016	1407	BOUGHT	5723	0.19
				14.10.2016	1	BOUGHT	5724	0.19
				21.10.2016	7045	BOUGHT	12769	0.43
				28.10.2016	4370	BOUGHT	17139	0.57
				04.11.2016	14635	BOUGHT	31774	1.06
				11.11.2016	-27281	SOLD	4493	0.15
				18.11.2016	-785	SOLD	3708	0.12
				09.12.2016	-200	SOLD	3508	0.12
				30.12.2016	10	BOUGHT	3518	0.12
				20.01.2017	-1	SOLD	3517	0.12
				<b>31.03.2017</b>			<b>3517</b>	<b>0.12</b>
7	M SUBRAMANYA BHATT	26400	0.88	01.04.2016	NO MOVEMENT DURING THE YEAR			
				<b>31.03.2017</b>			<b>26400</b>	<b>0.88</b>
8	M SRINIVASA RAO	24000	0.80	01.04.2016	0		24000	0.80
				17.06.2016	-630	SOLD	23370	0.78
				<b>31.03.2017</b>			<b>23370</b>	<b>0.78</b>
9	RAVIPRAKASH KANJIBHAI MENA	20558	0.68	01.04.2016	0		20558	0.68
				16.09.2016	-20558	SOLD	0	0.00
10	GAUTAM CHAND MEHTA	20000	0.67	01.04.2016	NO MOVEMENT DURING THE YEAR			
				<b>31.03.2017</b>			<b>20000</b>	<b>0.67</b>

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP  Messrs	Share holding at the beginning of the Year		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No of Shares	% of total Shares of the company
1.	B Shantilal	600	0.02	-	-	-	600	0.02
2.	Pramod Kumar S	2099776	69.92	-	-	-	2099776	69.92
3.	Pinky Jain	30300	1.01	-	-	-	30300	1.01

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: **(Amount in Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,50,76,736	96,17,376	-	17,46,94,112
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>16,50,76,736</b>	<b>96,17,376</b>	<b>-</b>	<b>17,46,94,112</b>
Change in Indebtedness during the financial year				
• Addition	1,51,44,10,704	6,28,94,975	-	1,57,73,05,679
• Reduction	1,54,93,26,575	7,77,67,384	-	1,62,70,93,959
<b>Net Change</b>	<b>3,49,15,871</b>	<b>1,48,72,409</b>	<b>-</b>	<b>4,97,88,280</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19,99,92,607	2,44,89,785	-	22,44,82,392
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,55,106	-	-	6,55,106
<b>Total (i+ii+iii)</b>	<b>20,06,47,713</b>	<b>2,44,89,785</b>	<b>-</b>	<b>22,51,7,498</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:***A. Remuneration to Managing Director/ Whole-time Directors (WTD) and/or Manager:*

Sl. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole-time Director	Total Amount (In Rupees)
		<b>Mr. B. Shantilal</b>	<b>Mr. Pramod Kumar S</b>	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under Section 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	12,70,415	24,99,925	37,70,340
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others			
5.	Others			
	Total(A)	12,70,415	24,99,925	37,70,340

*B. Remuneration to other Directors: Nil**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: Nil***VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			None		

**For and on behalf of the Board of Directors**Place: Bangalore  
Date: 28.07.2017Shantilal Bansilal  
Managing Director  
DIN: 00719808Pramod Kumar S  
Executive Director  
DIN: 00719828

**ANNEXURE - III  
FORM NO. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to.

**(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014))**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name of the party and nature of relationship	Markasia Foods Private Limited	Brindavan Roller Flour Mills Private Limited
Nature of contracts/arrangements/ transactions	Sale of goods and providing of Services Receipt of Rent	Sale of Goods and Services
Duration of the contracts/ arrangements/transactions	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements
Salient terms of the contracts or arrangements or transactions including the Value:	Value: For 2016-17 - Rs. 33,61,344/- For 2017-18 - Rs.40,00,000/-	Value: For 2016-17 - Rs. 4,80,977/- For 2017-18 - Rs. 5,00,000/-
Date(s) of approval by the Board:	27.05.2017	27.05.2017
Amount paid as advances	-	-

**For and on behalf of the Board of Directors**

Place: Bangalore  
Date: 28.07.2017

Shantilal Bansilal  
Managing Director  
DIN: 00719808

Pramod Kumar S  
Executive Director  
DIN: 00719828

**ANNEXURE - IV**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
SUNIL AGRO FOODS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunil Agro Foods Limited (CIN: L01111KA1988PLC008861) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
- (vii) The other general laws as may be applicable to the Company including the following:
  - (1) Employer/Employee Related laws & Rules:**
    - i. Industries (Development & Regulation) Act, 1951
    - ii. The Factories Act, 1948

- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Karnataka Shops & Establishments Act, 1961
- xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963

- xxvii. The Labour Welfare Fund Act, 1965
- xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxix. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

### (2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Water (Prevention & Control of Pollution) Cess Act, 1977
- iv. The Air (Prevention & Control of Pollution) Act, 1981
- v. The Government Order Under Environment (Protection) Act, 1986
- vi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- vii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

### (3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

### (4) Other Laws:

- i. Explosives Act
- ii. Legal Metrology Act

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned

above. Certain non material findings made during the course of the audit relating to Companies Act and Labour Laws were addressed suitably and the Management has undertaken to ensure full compliances. Following observation has been brought before the shareholders, which is treated as material in nature:

*'Section 203 of the Companies Act, 2013 is not complied with, as the Company being listed company, has not appointed whole time qualified Company Secretary'.*

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bangalore  
Date: July 28, 2017

Vijayakrishna K T  
FCS No.: 1788  
CP No.: 980

## **'Annexure'**

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: July 28, 2017

Vijayakrishna K T  
FCS No.: 1788  
CP No.: 980

(Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report).

**ANNEXURE - V**  
**THE RATIO OF REMUNERATION OF EACH DIRECTOR**

(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director – 127 : Executive Director – 249 : Median Remuneration of Employees - 6.80
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Mrs. Gayithri Shankarappa Chief Financial Officer - 10%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	5.36%
(iv) The number of permanent employees on the rolls of Company;	As on 31.03.2017 - 111 members
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is based on the industrial standard & experience of each employees.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration paid to Key Managerial person is based on remuneration policy of the Company.
(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current Financial Year and previous Financial Year;	There is no material variation in the share price.
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the Companies increment guidelines.
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	This is as per the company's increment guidelines.
(x) The key parameters for any variable component of remuneration availed by the Directors;	Not Applicable
(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	Not Applicable
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

**STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:**

(i) Designation of the employee;	Not Applicable
(ii) remuneration received;	
(iii) nature of employment, whether contractual or otherwise;	
(iv) qualifications and experience of the employee;	
(v) date of commencement of employment;	
(vi) the age of such employee;	
(vii) the last employment held by such employee before joining the company;	
(viii) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	
(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	
The Top ten employees, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two lakhs rupees;	
The Top ten employees, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand rupees per month;	
The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	

**For and on behalf of Board of Directors**

Place: Bangalore  
Date: 28.07.2017

Shantilal Bansilal  
Managing Director  
DIN: 00719808

Pramod Kumar S  
Executive Director  
DIN: 00719828

## MSSV & CO.

Chartered Accountants

No. 63/2, Second Floor, Above Canara Bank,  
Railway Parallel Road, Kumara Park West,  
Bangalore - 560020  
Ph: 23565065, 23565068, 23565073,  
Telefax: 23565076 Email: mssv@vsnl.net

### INDEPENDENT AUDITORS' REPORT

The Members of Sunil Agro Foods Limited,

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Sunil Agro Foods Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditors' Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the financial statements are free from material misstatement.

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A" a statement of the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



- 5.2 As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 30.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For **MSSV & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 001987S**

Place : Bangalore  
 Date : May 27, 2017

D. R. Venkatesh  
 Partner  
 Membership No. 25087

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 5.1 of our report of even date**

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

1. In respect of Fixed Assets:
  - a. The company has maintained records showing full particulars including situation of fixed assets.
  - b. The company has physically verified the fixed assets during the year which in our opinion is reasonable having regard to the size of the company and the nature of its business. We have been informed that no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
2. In respect of its inventories:
 

Physical verification of inventory has been conducted at reasonable intervals by the management. There were no material discrepancies that were noticed on such verification of inventory as compared to the stock records.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under

5. The company has not accepted any deposits from the public. Hence commenting on the compliance of Section 73 to 76 of the Companies Act, 2013 read with the rules framed there under and the directives issued by the Reserve Bank of India does not arise.
6. Maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014 has been prescribed to the Company. We are of the opinion that that prima facie, prescribed cost records are maintained. We have however not made the detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues:
  - a. There are no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, custom duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - b. Except central excise as detailed below there are no dues of sales tax, income tax, custom duty, wealth tax, cess and service tax which have not been deposited on account of any dispute.

Name of the statute	Nature of Dues	Amount (Rs.)	Period	Forum where dispute is pending
Central Excise Act, 1944	Central Excise duty	1,95,51,297/-	05/08/2010 to 31/10/213	Appeal against order is pending before CESTAT
	Central Excise Penalty	1,95,51,297/-		
	Central Excise Interest	Department yet to quantify the interest liability	until payment	

Section 189 of the Companies Act, 2013. Hence commenting on regularity in receipt of principal and interest, steps taken to realize overdue amount, does not arise.

4. The company has not given any loan, investments, guarantees and security under section 185 and 186 of the Companies Act, 2013. Hence commenting on paragraph 3(iv) Companies (Auditor's Report) Order 2016 does not arise.

8. The company has not defaulted in the repayment of dues to any banks / financial institutions. Also, the company has not issued any debentures.
9. During the period covered under our audit, the company has taken term loans and the same were utilized for the purpose for which they were availed. Further company has not raised any money by way of initial public offer or further public offer during the year (including debt instruments).

10. No fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
11. The company has provided managerial remuneration in within the limits prescribed under section 197 read with Schedule V to the Companies Act, 2013.
12. Company is not a Nidhi Company. Hence commenting of the paragraph 3(xii) of Companies (Auditor's Report) Order 2016 does not arise.
13. All the transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by Accounting Standard 18.
14. During the period covered under our audit, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence commenting on the compliance of section 42 of the Companies Act does not arise.
15. During the period covered under our audit, the company has not made any non-cash transactions with directors or persons connected with him. Hence commenting on the compliance of Section 192 read with schedule V of the Companies Act, 2013 does not arise.
16. The company is not require to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For MSSV & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 001987S**

Place : Bangalore  
Date : May 27, 2017

D. R. Venkatesh  
Partner  
Membership No. 25087

BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017

PARTICULARS	Sch. No.	As at 31 <sup>st</sup> March, 2017 In Rupees	As at 31 <sup>st</sup> March, 2016 In Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
Share Capital	3	3,00,29,000	3,00,29,000
Reserves And Surplus	4	9,02,43,184	8,58,62,718
		<u>12,02,72,184</u>	<u>11,58,91,718</u>
<b>2. Non-Current Liabilities</b>			
Long-Term Borrowings	5	3,50,19,772	3,15,95,164
Deferred Tax Liabilities (Net)	6	66,78,658	65,34,825
Long-Term Provisions	7	13,46,817	19,03,961
		<u>4,30,45,247</u>	<u>4,00,33,950</u>
<b>3 Current Liabilities</b>			
Short-Term Borrowings	8	14,61,68,847	11,91,11,720
Trade Payables	9		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,33,46,897	6,72,43,143
Other Current Liabilities	10	5,42,48,771	2,53,73,987
Short-Term Provisions	11	57,79,252	14,35,289
		<u>24,95,43,767</u>	<u>21,31,64,139</u>
<b>TOTAL</b>		<b><u>41,28,61,198</u></b>	<b><u>36,90,89,807</u></b>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>Fixed Assets</b>			
Property, plant and equipment	12	10,44,16,961	10,77,14,827
Intangible Assets		-	-
Capital Work-In-Progress		4,26,39,961	2,50,74,043
Intangible Assets Under Development		-	-
Non-Current Investments	13	7,03,306	33,99,243
Long-Term Loans And Advances	14	1,05,22,806	1,80,53,542
		<u>15,82,83,034</u>	<u>15,42,41,655</u>
<b>2. Current Assets</b>			
Inventories	15	11,47,03,992	9,96,04,970
Trade Receivables	16	9,54,86,251	9,68,46,218
Cash and bank balances	17	1,66,64,928	1,20,01,082
Short-Term Loans And Advances	18	34,12,139	31,34,773
Other Current Assets	19	2,43,10,854	32,61,109
		<u>25,45,78,164</u>	<u>21,48,48,152</u>
<b>TOTAL</b>		<b><u>41,28,61,198</u></b>	<b><u>36,90,89,807</u></b>

The accompanying notes form an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For MSSV & CO,  
Chartered Accountants  
Firm Reg. No. 001987S

For and on Behalf of the Board of Directors

**D.R. Venkatesh**  
Partner  
Membership No. 25087  
Place: Bangalore  
Date : May 27, 2017

**Pramod Kumar S.**  
Executive Director  
DIN: 00719828  
Place: Bangalore  
May 27, 2017

**B. Shantilal**  
Managing Director  
DIN: 00719808  
Place: Bangalore  
May 27, 2017

**Gayithri Shankarappa**  
Chief Finance Officer  
Place: Bangalore  
May 27, 2017

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

PARTICULARS	Sch. No.	For the Year ended 31st March, 2017 In Rupees	For the Year ended 31st March, 2016 In Rupees
<b>Revenue from operations</b>	20	1,32,70,03,013	1,10,09,62,927
Other income	21	95,90,672	1,10,46,076
<b>Total revenue</b>		<b>1,33,65,93,685</b>	<b>1,11,20,09,003</b>
<b>Expenses</b>			
Cost of raw materials consumed	22	1,06,13,54,019	96,10,94,100
Purchases of traded goods		11,97,22,507	2,17,16,482
Changes in inventories of FG, WIP & traded goods	23	(42,71,724)	10,28,145
Other operating expenses	24	5,30,44,587	5,01,29,434
Employee benefits	25	2,21,75,948	2,00,74,477
Other expenses	26	3,86,10,444	2,82,95,401
Finance charges	27	2,41,04,923	1,51,04,930
Depreciation and amortization	12	1,28,96,193	1,16,25,505
<b>Total expenses</b>		<b>1,32,76,36,898</b>	<b>1,10,90,68,474</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		89,56,787	29,40,529
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		89,56,787	29,40,529
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		89,56,787	29,40,529
<b>Tax expense:</b>			
Tax expense relating to current year		<b>30,00,000</b>	<b>10,71,642</b>
Tax expense / (reversal) relating to prior years		<b>(3,74,621)</b>	<b>(18,233)</b>
Net tax expense		26,25,379	10,53,409
Deferred tax		1,43,832	(2,92,467)
<b>Profit / (Loss) from continuing operations</b>		61,87,576	21,79,587
Profit / (Loss) from discontinuing operations (before tax)		-	-
Add / (Less): Tax expense of discontinuing operations		-	-
<b>Profit / (Loss) from discontinuing operations</b>		-	-
<b>Profit / (Loss) for the year</b>		61,87,576	21,79,587
Earnings per share (of Rs. 10/- each):	28		
Basic		2.06	0.73
Diluted		2.06	0.73
The accompanying notes form an integral part of the financial statements			

This is the Statement Profit and Loss Account referred to in our report of even date

For MSSV & CO,  
Chartered Accountants  
Firm Reg. No. 001987S

**For and on Behalf of the Board of Directors**

**D.R. Venkatesh**  
Partner  
Membership No. 25087  
Place: Bangalore  
Date : May 27, 2017

**Pramod Kumar S.**  
Executive Director  
DIN: 00719828  
Place: Bangalore  
May 27, 2017

**B. Shantilal**  
Managing Director  
DIN: 00719808  
Place: Bangalore  
May 27, 2017

**Gayithri Shankarappa**  
Chief Finance Officer  
Place: Bangalore  
May 27, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

PARTICULARS	Sch. No.	For the Year ended 31.03.17 (In Rupees)	For the Year ended 31.03.16 (In Rupees)
<b>A. Cash from Operating Activities</b>			
Net profit before tax		89,56,787	29,40,529
Adjustments for:			
Depreciation	1,28,96,193		11,62,550
Interest Expenses	2,32,33,823		1,48,15,554
Other Borrowing Cost	8,71,101		2,89,376
Provision for fall in value of investment	27,10,437		-
Profit on sale of machinery	(2,25,000)		-
Interest Received	(13,58,960)		(10,97,312)
Dividend Received	(1,875)		(2,050)
		3,81,25,719	2,56,31,073
Operating Profit before Working Capital Changes		4,70,82,506	2,85,71,602
<b>Adjustments for:</b>			
(Increase) / decrease in trade receivables	13,59,967		(2,26,24,349)
(Increase) / decrease in inventory	(1,50,99,022)		4,45,753
(Increase) / decrease in loans and advances	72,53,370		35,00,854
(Increase) / decrease in other current assets	(1,86,09,285)		63,62,694
Increase / (decrease) in trade payables	(2,38,96,246)		49,27,280
Increase / (decrease) in provisions	7,86,819		1,72,37,256
Increase / (decrease) in other current liabilities	2,73,05,212	(2,08,99,185)	(28,62,874)
Cash Flow from Operating Activities		2,61,83,321	3,55,58,216
Tax expenses (TDS and advance tax)	(21,81,060)	(21,81,060)	(13,12,821)
<b>Net cash flow from operationing activities</b>		<b>2,40,02,261</b>	<b>3,42,45,3965</b>
<b>B. Cash Flows from Investing Activities</b>			
Purchase of fixed assets	(95,98,327)		(2,69,66,474)
Change in capital work in progress	(1,75,65,918)		(68,44,685)
Sale proceeds of fixed assets	2,25,000		
Purchase of investments	(14,500)		-
Maturity / (investment) in fixed deposits	(49,55,678)		(54,29,874)
Interest received	14,74,181		7,79,300
Dividend Received	1,875		2,050
Net Cash Flow from Investing Activity		<b>(3,04,33,367)</b>	<b>(3,84,59,683)</b>
<b>C. Cash Flows from Financing Activities</b>			
Interest (Paid)	(2,34,71,361)		(1,45,09,705)
Other Borrowing Cost	(8,71,101)		(2,89,376)
Dividend paid	(3,321)		-
Proceeds / (repayment) from long-term borrowing (net)	2,70,57,128		(25,01,487)
Proceeds / (repayment) from long-term borrowing (net)	34,24,608		2,16,71,496
<b>Net Cash Flow from Financing Activities</b>		<b>61,35,953</b>	<b>43,70,928</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(2,95,153)</b>	<b>(1,56,640)</b>
Cash & Cash equivalents at the beginning of the year		25,04,358	23,47,718
Cash & Cash equivalents at the end of the year		22,09,205	25,04,358

Significant Accounting Policies and Notes form part of the Financial Statements

This is the Cash Flow Statement referred to in our report of even date

For MSSV & CO,  
Chartered Accountants  
Firm Reg. No. 001987S

**For and on Behalf of the Board of Directors**

**D.R. Venkatesh**  
Partner  
Membership No. 25087  
Place: Bangalore  
Date : May 27, 2017

**Pramod Kumar S.**  
Executive Director  
DIN: 00719828  
Place: Bangalore  
May 27, 2017

**B. Shantilal**  
Managing Director  
DIN: 00719808  
Place: Bangalore  
May 27, 2017

**Gaythri Shankarappa**  
Chief Finance Officer  
Place: Bangalore  
May 27, 2017

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b>As at 31st March, 2017</b>		<b>As at 31st March, 2016</b>	
	<b>in numbers</b>	<b>In Rupees</b>	<b>in numbers</b>	<b>In Rupees</b>

**NOTE - 3**

**Note: 3 A. SHARE CAPITAL**

<b>Particulars</b>	<b>No. of shares</b>	<b>In rupees</b>	<b>No. of shares</b>	<b>In rupees</b>
<b>Authorized</b>				
Equity shares of Rs. 10 each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
<b>Issued, Subscribed and Fully paid up</b>				
Equity shares of Rs. 10 each	30,02,900	3,00,29,000	30,02,900	3,00,29,000
<b>Total</b>	<u>30,02,900</u>	<u>3,00,29,000</u>	<u>30,02,900</u>	<u>3,00,29,000</u>

**Note: 3 B. Reconciliation**

<b>Particulars</b>	<b>No. of shares</b>	<b>In rupees</b>	<b>No. of shares</b>	<b>In rupees</b>
Opening balance	30,02,900	3,00,29,000	30,02,900	3,00,29,000
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Closing balance	30,02,900	3,00,29,000	30,02,900	3,00,29,000

**Note: 3 C. Percentage of holding more than 5%**

<b>Particulars</b>	<b>No. of shares</b>	<b>Percentage</b>	<b>No. of shares</b>	<b>Percentage</b>
(a) Pramod Kumar S	20,99,776	69.92%	20,99,776	69.92%

There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date..

In the event of liquidation of the company, the share holders of equity shares will be entitles to receive any of the remaining assests of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

<b>Particulars</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>In rupees</b>		<b>In rupees</b>	

**NOTE - 4**

**Note 4 RESERVES AND SURPLUS**

**a. Securities premium reserve**

Opening balance	2,18,33,200	2,18,33,200
Add : Addition during the year	-	-
Less : Utilized during the year	-	-
Closing balance	<u>2,18,33,200</u>	<u>2,18,33,200</u>

**b. Surplus / (Deficit) in Statement of Profit and Loss**

Opening balance	6,40,29,518	6,18,49,931
Add: Profit for the year	61,87,576	21,79,587
Less: Proposed dividend	15,01,450	-
Less: Tax on proposed dividend	3,05,660	-
Closing balance	<u>6,84,09,984</u>	<u>6,40,29,518</u>
<b>Total</b>	<u><b>9,02,43,184</b></u>	<u><b>8,58,62,718</b></u>

## NOTE - 5

## A. LONG-TERM BORROWINGS

Particulars	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
<b>Secured</b>		
(a) Term loans from banks	1,05,29,987	1,81,16,359
(b) Buyers Credit	-	38,61,428
<b>Total</b>	<b>1,05,29,987</b>	<b>2,19,77,787</b>
<b>Unsecured</b>		
Loans and advances from directors & related parties	2,44,89,785	96,17,377
<b>Total</b>	<b>2,44,89,785</b>	<b>96,17,377</b>
<b>Grand Total</b>	<b>3,50,19,772</b>	<b>3,15,95,164</b>

## B. DEFAULTS IN REPAYMENT OF BORROWINGS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Period of default	In rupees	Period of default	In rupees
(a) Term loans from banks				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil
(b) Loans and advances from related parties				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil
(c) Other loans and advances				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil

## C. TERMS AND CONDITIONS

Particulars	Secured Loans Nature of security & Repayment of loan	Unsecured Loans
(a) Term loans from banks (Secured)	Secured by the certain immovable properties of the company, hypothecation by way of first charge on company's stock, book debts, plant and machinery, vehicles Term loan repayable within 3 to 5 years in equal monthly installments	NA
(b) Buyers Credit (Secured)	Secured by the certain immovable properties of the company, hypothecation by way of first charge on company's stock, book debts, plant and machinery, vehicles	NA
(c) Loans and advances from related parties (unsecured)	NA	Repayable on demand
(d) Loans and advances from Shareholders (unsecured)	NA	Repayable on demand



**NOTE - 6**

Particulars	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
<b>DEFERRED TAX LIABILITY</b>		
Fixed assets	79,87,978	72,21,586
Other timing differences	-	-
Less:		
<i>Deferred tax asset</i>		
Fixed assets	-	-
Other timing differences	13,09,320	6,86,761
<b>Total</b>	<b>66,78,658</b>	<b>65,34,826</b>

**NOTE - 7****LONG TERM PROVISIONS**

(a) Provision for employee benefits		
Gratuity (Funded)	13,46,817	16,56,804
Leave Encashment	-	2,47,157
<b>Total</b>	<b>13,46,817</b>	<b>19,03,961</b>

**NOTE - 8****A. SHORT TERM BORROWINGS****Secured**

(a) Bank overdraft	14,61,68,847	11,91,11,720
<b>Total</b>	<b>14,61,68,847</b>	<b>11,91,11,720</b>

Note: The Company has short term borrowings, including Indian Rupee denominated cash credit facility in foreign currency denominated buyer's credit facility

**B. DEFAULTS IN REPAYMENT OF BORROWINGS**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Period of default	In rupees	Period of default	In rupees
(a) Loans payable on demand from banks				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil
(b) Other loans and advances				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil

**C. TERMS AND CONDITIONS**

Particulars	Secured Loans Nature of security	Unsecured Loans Repayment of loan
(a) Loans payable on demand from banks	Secured by Hypothecation of Wheat & Wheat Products, Packing Material, Book Debts & certain immovable properties of company & also personnel guarantee of some of the directors	Payable on Demand

Particulars	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
<b>TRADE PAYABLES</b>	<b>NOTE - 9</b>	
Payable for purchases		
Due to Micro and Small Enterprises	-	-
Others		
Interstate Purchases	3,07,10,228	5,60,44,653
Others	1,12,23,624	1,08,94,187
Packing Materials	14,13,045	3,04,302
<b>Total</b>	<b>4,33,46,897</b>	<b>6,72,43,143</b>

Note: Based on the information available with the company, there are no suppliers who are registered as micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at march 31, 2017.

**NOTE - 10**

**OTHER CURRENT LIABILITIES**

(a) Current maturities of long term debt (Secured) *		
- Term Loan	92,68,339	93,61,426
- Buyers Credit	3,40,25,434	1,42,08,235
(b) Interest accrued but not due on borrowings	6,55,106	4,17,568
(c) Income received in advance		
Advance from Customers	73,09,347	2,62,172
Rent Advance	95,000	95,000
(d) Unpaid dividends	2,38,448	2,41,769
(e) Other payables		
Statutory Payables	11,90,750	7,87,818
Others	14,66,348	-
<b>Total</b>	<b>5,42,48,771</b>	<b>2,53,73,987</b>

\* Refer note no.3C for securities offered for loan and terms of repayment of loan

**NOTE - 11**

**SHORT TERM PROVISIONS**

(a) Provision for employee benefits		
Gratuity (Funded)	9,72,142	2,77,954
Leave Encashment	-	40,612
(b) Provision for proposed dividend	15,01,450	-
(c) Dividend distribution tax on proposed dividend	3,05,660	45,081
(d) Others		
Provision for Income Tax	30,00,000	10,71,642
<b>Total</b>	<b>57,79,252</b>	<b>14,35,289</b>

**NOTE - 12**

**FIXED ASSETS - Tangible Assets**

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 31.03.2016	Addition	Deletion	Closing Balance for the year	Opening Balance of assets	Depreciation/ Amortisation expense	Eliminated on Disposal	Closing Balance	As On 31.03.2017	As On 31.03.2016
A.	Owned										
(a)	Land (freehold)	70,08,261	-	-	70,08,261	-	-	-	-	70,08,261	70,08,261
(b)	Buildings	5,33,63,831	11,10,138	-	5,44,73,969	1,69,25,838	13,10,194	-	1,82,36,032	3,62,37,937	3,64,37,993
(c)	Plant and equipment	9,83,16,555	83,02,541	3,07,053	10,63,12,043	5,16,10,888	87,51,708	3,07,053	6,00,55,543	4,62,56,500	4,67,05,667
(d)	Furniture and fixtures	29,53,796	26,789	-	29,80,585	16,32,849	2,16,579	-	18,49,428	11,31,157	13,20,947
(e)	Vehicles Transportation	86,74,342	-	-	86,74,342	45,44,362	6,90,225	-	52,34,587	34,39,755	41,29,980
	Others	1,18,60,684	-	-	1,18,60,684	33,53,560	13,67,855	-	47,21,415	71,39,269	85,07,124
(f)	Office equipment	20,36,714	1,08,219	-	21,44,933	13,89,877	2,59,411	-	16,49,287	4,95,646	6,46,837
(g)	Lab Equipments	13,22,840	-	-	13,22,840	4,87,744	1,13,094	-	6,00,838	7,22,002	8,35,096
(h)	Computer	14,25,154	50,640	-	14,75,794	10,79,333	1,87,129	-	12,66,462	2,09,332	3,45,821
(i)	Others										
(j)	Pooja Items	68,767	-	-	68,767	-	-	-	-	68,767	68,767
	Property investment	17,08,334	-	-	17,08,334	-	-	-	-	17,08,334	17,08,334
	<b>Total</b>	<b>18,87,39,278</b>	<b>95,98,327</b>	<b>3,07,053</b>	<b>19,80,30,552</b>	<b>8,10,24,451</b>	<b>1,28,96,193</b>	<b>3,07,053</b>	<b>9,36,13,591</b>	<b>10,44,16,961</b>	<b>10,77,14,827</b>
	Previous year	16,17,72,804	2,69,66,474	-	18,87,39,278	6,93,98,946	1,16,25,505	-	8,10,24,451	10,77,14,827	9,23,73,858

\* Out of total depreciation of Rs.1,32,48,962/-, Rs.34,38,488/- has been adjusted from the free reserves as per the Schedule II to Companies Act, 2013 and balance of Rs.98,10,474/- is debited to Statement of Profit & Loss. Note 9: Capital work-in-progress as at March 31, 2016 is Rs.2,50,74,043/- (P Y : 1,82,29,358/-)

**NOTE - 13**

Particulars	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
-------------	---------------------------------------	---------------------------------------

**NON CURRENT INVESTMENTS**

(a) Quoted investment	4,86,575	21,38,807
(b) Unquoted investment	2,16,731	12,60,436
<b>Total</b>	<b>7,03,306</b>	<b>33,99,243</b>

**A. Quoted Investment**

(a) Investment in equity instruments Mangalore Refinery and Petrochemicals Limited	5,873	5,873
40 (40) equity shares of Rs.10/- each, fully paid		
Mercator Limited	1,62,833	1,62,833
1,000 (1,000) equity shares of Rs.1/- each, fully paid		
Mukunda Industrial Finance Limited	93,863	93,863
12,119 (12,119) equity shares of Rs.10/- each, fully paid		
Pentamedia Graphics Limited	7,85,472	7,85,472
18,650 (18,650) equity shares of Rs.1/- each, fully paid		
Reliance Industries Limited	1,76,377	1,76,377
150 (150) equity shares of Rs.10/- each, fully paid		
Shree Digvijay Cement Company Limited	1,01,325	1,01,325
2,500 (2,500) equity shares of Rs.10/- each, fully paid		
Sphere Global Services Limited	1,19,662	1,19,662
400 (400) equity shares of Rs.10/- each, fully paid		
Surat Textile Mills Limited	1,31,185	1,31,185
10,000 (10,000) equity shares of Rs.1/- each, fully paid		
Valuemart Info Technologies Limited	25,000	25,000
2,500 (2,500) equity shares of Rs.2/- each, fully paid		
Welspun Enterprises Limited	49,629	49,629
345 (345) equity shares of Rs.10/- each, fully paid		
Xchanging Solutions Limited	4,87,588	4,87,588
2,000 (2,000) equity shares of Rs.10/- each, fully paid	21,38,807	21,38,807
Less: Provision for diminution in value of quoted	16,52,232	-

<b>Total quoted investment</b>	<b>4,86,575</b>	<b>21,38,807</b>
Aggregate market value of quoted investments	5,22,578	3,86,806

Particulars	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
<b>B. Unquoted Investment</b>		
(a) Investment in mutual funds		
Kotak Lifestyle	1,00,000	1,00,000
(b) Investment in government or trust securities		
National Savings Certificate	1,400	1,400
(c) Other non-current investments		
Investment in gold	1,00,831	1,00,831
(d) Investment in equity instruments		
Lamina Foundries Limited	2,35,000	2,35,000
10,000 (10,000) equity shares of Rs.10/- each, fully paid		
Datar Switchgear Limited	1,08,123	1,08,123
1,000 (1,000) equity shares of Rs.10/- each, fully paid		
Karnataka Financial Service Limited	91,721	91,721
6,800 (6,800) equity shares of Rs.10/- each, fully paid		
Sanmitra Credit Limited	1,00,000	1,00,000
10,000 (10,000) equity shares of Rs.10/- each, fully paid		
SH Krish pol	28,082	28,082
10,000 (10,000) equity shares of Rs.1/- each, fully paid		
SJ Max Golden Ko Limited	2,40,000	2,40,000
24,000 (24,000) equity shares of Rs.10/- each, fully paid		
Pushpa Packages Limited	1,06,900	1,06,900
10,600 (10,600) equity shares of Rs.10/- each, fully paid		
Tejassvi Aahram Limited	49,000	49,000
4,900 (4,900) equity shares of Rs.10/- each, fully paid		
Mazda Controls Limited	1,11,200	1,11,200
2,000 (2,000) equity shares of Rs.10/- each, fully paid		
Tata Teleservices (Maharashtra) Limited	79,900	79,900
500 (500) equity shares of Rs.10/- each, fully paid		
Vyshali Energy Private Limited	14,500	-
1,450 (Nil) equity shares of Rs.10/- each, fully paid		
	13,66,657	13,52,157
Less: Provision for diminution in value of investments	11,49,926	91,721
<b>Total unquoted investment</b>	<b>2,16,731</b>	<b>12,60,436</b>
Aggregate value of unquoted investments	14,500	-

**NOTE - 14**

**LONG TERM LOANS AND ADVANCES**

**Unsecured, considered good**

(a) Capital advances	28,92,735	98,18,830
(b) Security deposits	71,49,094	66,80,034
(c) Loans and advances to related parties	4,80,977	4,80,977
(d) Other loans and advances	-	10,73,701
<b>Total</b>	<b>1,05,22,806</b>	<b>1,80,53,542</b>
Less: Provision for doubtful loans and advances		
<b>Total</b>	<b>1,05,22,806</b>	<b>1,80,53,542</b>

**NOTE - 15**

	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
<b>INVENTORIES</b>		
(a) Raw materials	7,27,75,912	6,24,43,116
(b) Finished goods (other than those acquired for trading)	2,80,62,919	2,37,91,195
(c) Packing Materials	1,16,57,024	1,11,59,538
(d) Stores, spares and consumables	22,08,137	22,11,121
<b>Total</b>	<b>11,47,03,992</b>	<b>9,96,04,970</b>

**NOTE - 16****TRADE RECEIVABLES**

A. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	47,25,469	29,11,337
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
	47,25,469	29,11,337
B. Other trade receivables		
Secured, considered good	-	-
Unsecured, considered good	9,07,60,782	9,39,34,881
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
	9,07,60,782	9,39,34,881
<b>Total</b>	<b>9,54,86,251</b>	<b>9,68,46,218</b>

**NOTE - 17****CASH AND BANK BALANCES**

(a) Cash on hand*	20,54,068	23,41,347
(b) Balances with banks		
(i) In current accounts*	1,55,137	1,63,011
(ii) In deposit accounts**	1,44,55,723	94,96,725
<b>Total</b>	<b>1,66,64,928</b>	<b>1,20,01,082</b>
** includes unpaid dividend account	2,38,348	2,41,769
Of the above balances that meet the definition of Cash and Cash Equivalents as per AS 3- Cash Flow Statements are items marked “*” above and aggregate to	22,09,205	25,04,358
Deposit amounts with more than 12 months maturity	34,700	34,700

**NOTE - 18**

Particulars	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
<b>SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
(a) Loans and advances to employees	12,31,079	14,45,747
(b) Other loans and advances		
Advance Income Tax	21,81,060	13,12,821
Income Tax Refund Recievable	-	3,76,205
<b>Total</b>	<b>34,12,139</b>	<b>31,34,773</b>
Less: Provision for doubtful loans and advances	-	-
<b>Total</b>	<b>34,12,139</b>	<b>31,34,773</b>

**NOTE - 19**

<b>OTHER CURRENT ASSETS</b>		
(a) Interest accrued but not due	5,58,870	6,74,092
(b) Advance to Suppliers	2,15,09,610	18,48,643
(c) Prepaid Expenses	2,33,688	4,16,371
(d) Others	4,67,338	3,22,003
(e) Payment of statutory dues under protest	15,41,348	-
<b>Total</b>	<b>2,43,10,854</b>	<b>32,61,109</b>

**NOTE - 20**

Particulars	For the Year Ended 31st March, 2017 (In Rupees)	For the Year Ended 31st March, 2016 (In Rupees)
<b>REVENUE FROM OPERATIONS</b>		
a) Sale of products		
Maida	77,21,12,317	67,71,96,012
Sooji	10,21,78,069	9,69,73,522
Atta	5,67,29,383	6,36,70,559
Bran rough	17,35,16,592	15,03,00,645
Bran flakes	6,67,66,149	6,22,02,895
Wheat	11,17,00,441	96,25,000
Gunny bag sales	1,29,51,174	1,41,42,035
Others	31,88,412	13,59,207
	<u>1,29,91,42,536</u>	<u>1,07,54,69,875</u>
b) Sale of services	2,78,60,477	2,54,93,052
Less: Excise duty	-	-
Total sales	1,32,70,03,013	1,10,09,62,927
Add: Other operating revenues	-	-
<b>Total</b>	<b>1,32,70,03,013</b>	<b>1,10,09,62,927</b>

**NOTE - 21**

<b>Particulars</b>	<b>For the Year Ended 31st March, 2017 (In Rupees)</b>	<b>For the Year Ended 31st March, 2016 (In Rupees)</b>
<b>OTHER INCOME</b>		
(a) Interest income (in case of a company other than a finance company)	13,58,960	10,97,312
(b) Dividend income	1,875	2,050
(c) Rental income	11,02,224	11,52,250
(d) Other non-operating income	62,39,614	87,94,465
(e) Profit on foreign exchange	6,62,999	-
(f) Profit on sale of machinery	2,25,000	-
<b>Total</b>	<b>95,90,672</b>	<b>1,10,46,076</b>

**NOTE - 22****COST OF RAW MATERIALS CONSUMED**

Opening stock		
Wheat	6,24,43,116	6,36,96,761
Packing materials	1,11,59,538	1,01,62,519
Total	7,36,02,654	7,38,59,280
Add: Purchases		
Wheat	1,16,75,33,155	95,49,00,301
Packing materials	1,48,52,586	1,53,12,173
Total	1,18,23,85,741	97,02,12,474
Less: Cost of wheat sold	11,02,01,440	93,75,000
Less: Closing stock		
Wheat	7,27,75,912	6,24,43,116
Packing materials	1,16,57,024	1,11,59,538
Total	8,44,32,936	7,36,02,654
<b>Consumption of material</b>	<b>1,06,13,54,019</b>	<b>96,10,94,100</b>

**NOTE - 23**

Particulars	For the Year Ended 31st March, 2017 (In Rupees)	For the Year Ended 31st March, 2016 (In Rupees)
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE</b>		
Opening stock		
Finished Goods		
Maida	1,29,82,678	1,59,51,545
Sooji	69,28,579	41,14,155
Atta	26,71,642	16,02,051
Bran Rough	2,00,040	13,26,840
Bran Flakes	10,08,256	18,24,749
<b>Total</b>	<b>2,37,91,195</b>	<b>2,48,19,340</b>
Closing stock		
Finished Goods		
Maida	1,77,12,687	1,29,82,678
Sooji	63,61,043	69,28,579
Atta	32,55,295	26,71,642
Bran Rough	5,98,480	2,00,040
Bran Flakes	1,35,414	10,08,256
<b>Total</b>	<b>2,80,62,919</b>	<b>2,37,91,195</b>
Changes in inventory	(42,71,724)	10,28,145
<b>Total</b>	<b>(42,71,724)</b>	<b>10,28,145</b>

**NOTE - 24****OTHER OPERATING EXPENSES**

(a) Consumption of stores and spare parts	24,96,516	22,80,989
(b) Freight inward	87,599	56,600
(c) Power and fuel	4,42,98,238	4,24,29,162
(d) Laboratory expenses	3,28,867	4,32,719
(e) Repairs and maintenance		
Building	7,54,044	5,48,439
Machinery	27,29,517	20,76,202
Others	19,63,788	18,86,562
(f) Insurance	3,86,017	4,18,761
<b>Total</b>	<b>5,30,44,587</b>	<b>5,01,29,434</b>



**NOTE - 25**

Particulars	For the Year Ended 31st March, 2017 (In Rupees)	For the Year Ended 31st March, 2016 (In Rupees)
<b>EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and wages	1,63,28,608	1,43,96,970
(b) Contribution to provident fund and other funds	29,26,975	30,55,407
(c) Staff Welfare	29,20,365	26,22,100
<b>Total</b>	<b>2,21,75,948</b>	<b>2,00,74,477</b>

**NOTE - 26**

<b>OTHER EXPENSES</b>		
(a) Rent including lease rentals	2,78,700	2,95,865
(b) Communication	5,81,662	5,47,927
(c) Repairs and maintenance - Others	98,30,220	83,12,500
(d) Printing and stationery	5,67,706	5,96,592
(e) Rates and taxes	11,45,962	4,28,666
(f) Freight and forwarding	97,51,083	93,68,479
(g) Business promotion	1,05,749	2,26,427
(h) Commission	15,23,911	3,35,672
(i) Sales discount	54,09,037	28,22,341
(j) Legal and professional	11,25,340	5,55,887
(k) Payments to auditors *	3,56,149	3,37,899
(l) Provision for fall in value of shares	27,10,437	-
(m) Miscellaneous expenses	11,83,159	14,19,966
(n) Bank charges	1,40,977	2,23,301
(o) Travelling and other expenses	27,14,322	20,91,778
(p) Director sitting fees	68,925	85,404
(q) Water charges	11,17,105	6,46,697
<b>Total</b>	<b>3,86,10,444</b>	<b>2,82,95,401</b>

**\*PAYMENTS TO THE AUDITORS COMPRISES  
(INCLUDING SERVICE TAX)**

(a) For statutory audit	1,15,000	1,14,500
(b) For tax audit	51,750	51,525
(c) For taxation matters	77,050	1,00,188
(d) Limited Review Fee	34,500	34,350
(e) For other services	20,125	32,087
(f) Reimbursement of expenses	26,200	5,250
<b>Total</b>	<b>3,56,149</b>	<b>3,37,899</b>

**NOTE - 27**

Particulars	For the Year Ended 31st March, 2017 (In Rupees)	For the Year Ended 31st March, 2016 (In Rupees)
<b>FINANCE COSTS</b>		
(a) Interest expenses	2,32,33,823	1,48,15,554
(b) Other borrowing costs	8,71,101	2,89,376
<b>Total</b>	<b>2,41,04,923</b>	<b>1,51,04,930</b>

**NOTE - 28**

**EARNING PER SHARE**

Profit for the year	61,87,576	21,79,587
Weighted average number of equity shares outstanding	30,02,900	
Basic Earnings per share (Face value of Rs.10 per share)	2.06	0.73
Weighted average number of equity shares (including dilutive) outstanding	30,02,900	30,02,900
Diluted Earnings per share (Face value of Rs. per share)	2.06	0.73

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### 1. CORPORATE INFORMATION

The Company was incorporated on January 20th, 1988, having its registered office at plot No.39-A2, Industrial Area, Chokkahalli, Hosakote – 562114 and corporate office at – 1/104, Ahuja Chambers, Kumara Krupa Road, Bangalore – 560 001. The company is primarily engaged in the business of Manufacturers of Wheat Products and Dealers in Wheat and Wheat Products.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENT:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”), relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

The financial statements have been prepared under historical cost convention on an accruals basis. The accounting policies have been consistently applied by the company and are consistent with those used during the previous year. The presentation of financial statement in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates.

#### 2.2 INVENTORY VALUATION:

Raw Materials, Finished Products, Packing Materials, Stores and Spares are stated at lower of cost or net realizable value.

#### 2.3 CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby net profit (loss) before tax is adjusted for the effective transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, investing and financing activities of the group are segregated.

#### 2.4 DEPRECIATION:

Depreciation on Tangible Assets is provided on straight-line basis on the useful life of the asset as mentioned in Schedule II to the companies Act, 2013.

#### 2.5 REVENUE RECOGNITION:

- Sales are recognized when the significant risk attached to the goods are passed on to the seller and are recorded net of trade discounts, rebates but includes Sales Tax wherever applicable.
- Dividend income is recognized when the right to receive the dividend is established.
- Interest income is recognized on an accrual basis.
- Rental income on leased property is recognized on accrual basis, based on the terms and conditions agreed with the lessee.

#### 2.6 FIXED ASSETS:

- Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- Interest on term loan taken for acquisition of assets is capitalized upto the date of asset being ready for use.
- Capital work in progress comprises of the cost of Fixed Assets that are not put to use as at the Balance Sheet date and advance paid towards acquisition of Fixed Assets.

#### 2.7 FOREIGN CURRENCY TRANSACTION:

- Initial recognition – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.
- Conversion – Foreign currency monetary items are reported using the closing rate. Non monetary items, which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- Exchange Differences – Exchange differences arising on the settlement or conversion of monetary items are recognized as income or as expenses in the period in which they arise.

#### 2.8 INVESTMENTS:

Long Term Investments are valued at their acquisition cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in the opinion of the management.

## 2.9 EMPLOYEE BENEFITS:

### 2.9.1 Gratuity:

The company has taken Group Gratuity Scheme for its eligible employees from Life Insurance Corporation of India, for the gratuity liability. The same has been accounted on an actuarial basis.

### 2.9.2 Leave Encashment:

Leave Encashment Liability of eligible employees is accounted on actuarial basis.

### 2.9.3 Provident Fund:

Company's contribution to provident fund is charged to Profit & Loss Account and the same is remitted to provident fund Commissioner along with the employee contribution.

## 2.10 BORROWING COST:

Borrowing cost that are specifically attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## 2.11 SEGMENT REPORTING:

The companies operations predominantly relate to trading in wheat and manufacturing & trading in wheat products. The company has business segment as primary segment & geographical segment as secondary segment. Income and direct expenses in relation to segments is categorized bases on item that are individually identifiable to that segment and based on their relationship to the operating activity of that segment. Certain expenses such as depreciation, financial charges which form part of a segment component of total expense, are not specifically allocable to specific segment on a reasonable basis, have been included under unallocated corporate expenses.

Geographical revenues are segregated based on the location of the customer who is invoiced are in relation to which revenue is otherwise recognized.

## 2.12 ACCOUNTING OF LEASE:

Leases where the lessor effectively retains the substantially all risks and benefits of the ownership

over the lease term are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on the straight-line basis over the lease term.

## 2.13 INCOME TAX:

- Tax expenses comprises of current and deferred. Current tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax act, 1961.
- Deferred income taxes reflect the impact of current year timing differences between the taxable income and accounting income for the year and reversal of timing differences of earlier years, based on the tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which such deferred tax assets can be realized. If the company has carry forward of unobserved depreciation and tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax asset can be realized.

## 2.14 PROVISIONS:

Provision is recognized when the company has a present obligation as a result of past events: it is probable that the outflow of resources will be required to settle this obligation, in respect of which reliable estimate can be made. The provision is not discounted at present value and are determined based on the best estimate is required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

## 2.15 CONTINGENT LIABILITIES:

All known liabilities wherever material are provided for. Liabilities that are material, whose future outcome cannot be ascertained with reasonable certainty are contingent and disclosed by way of notes to accounts.

**NOTE - 29****NOTES ON GENERAL INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS****29. Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31st March, 2017 (In Rupees)	As at 31st March, 2016 (In Rupees)
<b>A. Contingent liabilities</b>		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	2,00,000	2,00,000
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	13,27,353

**30.** Company has received an order from the commissioner, commissionerate - 5 central excise department bangalore demanding the central excise duty of Rs. 1,95,51,297/- and interest there on and also penalty of Rs. 1,95,51,297/- for the period 05/08/2010 to 31/10/2013. The company has filed an appeal against above order before the appellate authorities. Further company is of the opinion that it has strong prima facie case and accordingly not made any provision against the above said demand. The company has paid Rs.15,41,348/- under protest.

**31.** Company has filed suit for recovery of money from debtors. Company is confident of obtaining favourable verdict and recovery of money. Hence Company has not made any provision on the debtors.

**32.** Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 are as follows

	Specified Bank Notes	Other Denomination notes	Total
Closing cash in hand as on 8 November, 2016	58,09,000	61,613	58,70,613
Add: Permitted receipts	-	2,01,19,177	2,01,19,177
Add: Withdrawal from bank	-	50,000	50,000
Less: Permitted payments	-	1,09,73,320	1,09,73,320
Less: Amount deposited in bank	58,09,000	69,78,531	1,27,87,531
Closing cash in hand as on 30 December, 2016	-	22,78,939	22,78,939

**33. Related parties**

(i) Names of related parties and description of relationship with the Company

<b>1 Key Managerial Personnel</b>	Sri. B Shanthilal Sri. Pramod Kumar S Sri. AVS Murthy Smt. Pinky Jain Sri. Shailesh Siroy
<b>2 Enterprise with significant influence and fellow subsidiary</b>	Brindavan Roller Flour Mills Private Limited Kithur Channamma Roller Flour Mills Private Limited Markasia Foods Private Limited BRFM India Private Limited Brindavan Softland Private Limited

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(ii) The following transactions were carried with the related parties in the ordinary course of business during the year ended March 31, 2017

Particulars	Enterprise with Significant influence In rupees	Key Managerial Personnel In rupees	Total In rupees
<b>(a) Deposit Received from Directors &amp; Relatives</b>			
Sri. Shanthi Lal	-	200	200
	-	(15,50,000)	(15,50,000)
Smt. Pinky Jain		61,18,000	61,18,000
		(35,00,000)	(35,00,000)
Sri. Pramod Kumar S	-	6,69,69,200	6,69,69,200
		(2,77,00,000)	(2,77,00,000)
<b>(b) Repayment of Deposit</b>			
Sri. Shanthi Lal	-	15,00,000	15,00,000
	-	(5,00,000)	(5,00,000)
Sri. Pramod Kumar S	-	4,26,75,887	4,26,75,887
	-	(2,86,30,000)	(2,86,30,000)
Smt. Pinky Jain	-	24,13,500	24,13,500
	-	(4,80,000)	(4,80,000)
<b>(c) Interest on Deposit</b>			
Sri. Shanthi Lal	-	2,37,282	2,37,282
	-	(2,43,873)	(2,43,873)
Sri. Pramod Kumar S	-	34,44,277	34,44,277
	-	(9,61,989)	(9,61,989)
Smt. Pinky Jain	-	14,32,034	14,32,034
	-	(2,97,464)	(2,97,464)
<b>(d) Sale of Rights of Property</b>			
Sri. Pramod Kumar S	-	1,16,25,605	1,16,25,605
	-	-	-
<b>(e) Purchase of Goods &amp; others</b>			
BRFM (India) Private Limited	2,36,03,219	-	2,36,03,219
	(6,00,000)	-	(6,00,000)
<b>(f) Sale of Goods and Services</b>			
BRFM (India) Private Limited	1,22,35,803	-	1,22,35,803
	-	-	-
Markasia Foods Private Limited	43,15,227	-	43,15,227
	(49,80,580)	-	(49,80,580)
<b>(g) Rent Received</b>			
Markasia Foods Private Limited	6,46,572	-	6,46,572
	(5,45,934)	-	(5,45,934)

## (iii) Balance Outstanding

Particulars	Enterprise with Significant influence In rupees	Key Managerial Personnel In rupees	Total In rupees
<b>(a) Deposit Balance Payable</b>			
Sri. Shanthi Lal	-	11,57,261	11,57,261
	-	(28,57,451)	(28,57,451)
Sri. Pramod Kumar S	-	14,57,011	14,57,011
	-	(14,57,011)	(14,57,011)
Smt. Pinky Jain	-	92,07,805	92,07,805
		(55,03,305)	(55,03,305)
<b>(b) Receivable from</b>			
Markasia Foods Private Limited	33,61,344	-	33,61,344
	(13,33,917)	-	(13,33,917)
Brindavan Roller Flour Mills Private Limited	4,80,977	-	4,80,977
	(4,80,977)	-	(4,80,977)

**Notes:**

- a. Related Party relationships are as identified by the company on the basis of information available with them and relied upon by the auditors.
- b. No amounts is written off/ Written Back during the year in respect of debts due from or to related parties
- d. Reimbursement is not disclosed as related party transaction
- c. Previous year figures have been given in Brackets

**34. Remuneration to Managerial Personnel**

Particulars	Amount ( In Rs)	
	As at 31st March, 2017	As at 31st March, 2016
Mr. Pramod Kumar (Executive Director)	24,99,925	24,99,925
Mr. B. Shantilal (Managing Director)	12,70,415	12,70,415
<b>Total</b>	<b>37,70,340</b>	<b>37,70,340</b>

**Notes:**

- a. The above Remuneration is inclusive of Bonus and Commission
- b. Remuneration does not include the premium paid to LIC, gratuity and leave encashment as the same is provided on actuarial valuation company as whole

**35. Segmented Reporting**

As per Accounting Standard - 17 "Segment Reporting" issued by Institute of Chartered Accountants of India, the company should report information based on Business Segment and Geographical Segment. It is the perception of the management that there is only one segment and it is viewed as a whole. However information is disclosed to the extent possible.

**35a. Business Segment**

Particulars	Trading in Wheat		Manufacturing and Trading in Wheat Products		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Revenue	11,17,00,441	96,25,000	1,21,53,02,571	1,09,13,37,927	1,32,70,03,013	1,10,09,62,927
Segment Results	14,99,001	2,50,000	8,27,58,429	5,51,19,261	8,42,57,431	5,53,69,261
Add: Unallocated Income					95,90,672	1,10,46,076
					9,38,48,103	6,64,15,337
Less: Unallowable Corporate Expenses						
Other Operating Expenditure	-	-	-	-	6,07,86,392	4,83,69,878
Financial Charges	-	-	-	-	2,41,04,923	1,51,04,930
Profit before taxation					89,56,787	29,40,529
Provision for taxation						
Current Tax	-	-	-	-	(30,00,000)	(10,71,642)
Previous Year Tax reversal	-	-	-	-	3,74,621	18,233
Deferred Tax	-	-	-	-	(1,43,832)	2,92,467
Wealth tax	-	-	-	-	#REF	#REF!
Profit after Tax					61,87,576	21,79,587

Particulars	Trading in Wheat		Manufacturing and Trading in Wheat Products		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Assets						
Fixed Assets	-	-	10,60,06,493	9,06,65,523	10,60,06,493	9,06,65,523
Capital Work-in Progress	-	-	4,26,39,961	2,50,74,043	4,26,39,961	2,50,74,043
Inventory	-	-	11,47,03,992	9,96,04,970	11,47,03,992	9,96,04,970
Debtors	11,247	-	9,54,75,004	9,68,46,218	9,54,86,251	9,68,46,218
Cash & Bank Balances	-	-	1,66,64,928	1,20,01,082	1,66,64,928	1,20,01,082
Segment Liabilities						
Short Term Borrowings	-	-	14,61,68,847	11,91,11,720	14,61,68,847	11,91,11,720
Long Term Borrowings	-	-	3,50,19,772	3,15,95,164	3,50,19,772	3,15,95,164
Unallocated Segment Assets						
Investments					7,03,306	33,99,243
Loans and Advances					3,82,45,800	2,44,49,424
Unallocated Segment Liabilities						
Current Liabilities & Provisions					6,00,28,023	2,68,09,276

Note: Income and expenditure not allocable on any business segment directly have been classified as Unallocated. It is perception of the management that unallocated assets and liabilities are those which are not possible to be appropriately identified to any particular business segment, in view of the interchangeability between segments.



### 35b. Geographical Segment (Based on location of customer)

Particulars	Karnataka		Others		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Revenue	1,07,55,60,760	94,05,68,771	25,14,42,254	16,03,94,156	1,32,70,03,013	1,10,09,62,927
Unallocated Revenue					95,90,672	1,10,46,076
<b>Total Revenue</b>	<b>1,07,55,60,760</b>	<b>94,05,68,771</b>	<b>25,14,42,254</b>	<b>16,03,94,156</b>	<b>1,33,65,93,686</b>	<b>1,11,20,09,003</b>
Unallocated Assets					41,28,61,198	36,90,89,807
<b>Total Assets</b>					<b>41,28,61,198</b>	<b>36,90,89,807</b>

### 36a. Employee Benefit Plan

#### Gratuity

In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 31st March 2017 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Particulars	For the year ended 31st March 2017 In Rupees	For the year ended 31st March 2016 In Rupees
<b>Components of employer expense</b>		
Current service cost	4,42,275	3,84,991
Interest cost	2,16,682	1,80,686
Expected return on plan assets	(57,167)	(54,706)
Past service cost - vested / non vested benefit	-	-
Actuarial losses / (gains)	(25,489)	3,58,694
<b>Total expense / (income) recognized in the statement of profit &amp; loss</b>	<b>5,76,301</b>	<b>8,69,665</b>
<b>Change in fair value of assets</b>		
Opening fair value of plan assets	7,34,740	6,32,907
Expected return on plan assets	57,167	54,706
Actuarial gains/(losses)	1,287	(377)
Assets acquired on acquisition/ (distributed on divestiture)	-	-
Contributions by employer	1,92,100	1,37,308
Benefits paid	(1,95,568)	(89,804)
<b>Closing fair value of plan assets</b>	<b>7,89,726</b>	<b>7,34,740</b>
<b>Change in Defined Benefit Obligation (DBO)</b>		
Present value of DBO at the beginning of the year	26,69,498	18,35,308
Current service cost	4,42,275	3,84,991
Interest cost	2,16,682	1,80,686
Actuarial (gains)/losses due to change in assumption		
Actuarial (gains)/losses due to change in experience	(24,202)	3,58,317
Past service cost - vested / non vested benefit		
Benefits paid	(1,95,568)	(89,804)
<b>Present value of DBO at the end of the year</b>	<b>31,08,685</b>	<b>26,69,498</b>
<b>Net asset/(liability) recognized in balance sheet</b>		
Fair value of plan assets	7,89,726	7,34,740
Present value of defined benefit obligation	(31,08,685)	(26,69,498)
<b>Net asset/(liability) recognized in balance sheet</b>	<b>(23,18,959)</b>	<b>(19,34,758)</b>
<b>Actuarial Assumptions</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Discount Rate	7.50%	8.00%
Expected Return on plan assets	7.50%	8.00%
Rate of increase in compensation	6.00%	6.00%
Employee Turnover Rates	Table a	Table a
Mortality rates*	100% of IAL	100% of IAL

\*IAL : Indian Assured lives mortality (1994-96) Modified Ultimate

**Table a Employee Turnover Rates**

31-Mar-17		31-Mar-16	
Age	Rate	Age	Rate
Upto 25 Years	8%	Upto 25 Years	8%
26 - 30	7%	26 - 30	7%
31 - 35	6%	31 - 35	6%
36 - 40	5%	36 - 40	5%
41 - 45	4%	41 - 45	4%
46 - 50	3%	46 - 50	3%
51 - 55	2%	51 - 55	2%
Above 56 Years	1%	Above 56 Years	1%

**36b. Leave Encashment**

In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 31st March 2017 has been carried out in respect of the aforesaid defined benefit plan of leave encashment, the details thereon is given below:

Particulars	For the year ended 31st March 2017 In Rupees	For the year ended 31st March 2016 In Rupees
<b>Net asset/(liability) recognized in balance sheet</b>		
Fair value of plan assets	-	-
Present value of defined benefit obligation	4,95,528	2,87,769
<b>Net asset/(liability) recognized in balance sheet</b>	<b>4,95,528</b>	<b>2,87,769</b>

Actuarial Assumptions	March 31, 2017	March 31, 2016
Discount Rate	0%	8%
Expected Return on plan assets	NA	NA
Salary Escalation Rate	0%	6%
Employee Turnover Rates	Table a	Table a Mortality
Mortality Rates*	100% of IAL	100% of IAL

\*IAL : Indian Assured lives mortality (1994-96) Modified Ultimate

**Table a Employee Turnover Rates**

31-Mar-17		31-Mar-16	
Age	Rate	Age	Rate
Upto 25 Years	0%	Upto 25 Years	8%
26 - 30	0%	26 - 30	7%
31 - 35	0%	31 - 35	6%
36 - 40	0%	36 - 40	5%
41 - 45	0%	41 - 45	4%
46 - 50	0%	46 - 50	3%
51 - 55	0%	51 - 55	2%
Above 56 Years	0%	Above 56 Years	1%

**36c. Defined contribution plans**

The company has recognised, in the statement of profit and loss for the year year ended March 31, 2017 an amount of Rs.18,55,146/- (previous year: Rs. 17,01,007/-) under defined contribution plans

<b>Benefit (Contribution to)</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Provident Fund	13,32,675	12,55,122
Employee State Insurance Corporation	5,22,471	4,45,885
<b>Total</b>	<b>18,55,146</b>	<b>17,01,007</b>

**37 A. Value of raw materials, spare parts and components consumed during the year**

<b>Particulars</b>	<b>For the year ended 31st March, 2017</b>		<b>For the year ended 31st March, 2016</b>	
	<b>Percentage</b>	<b>Value (In rupees)</b>	<b>Percentage</b>	<b>Value (In rupees)</b>
<b>(a) Raw materials</b>				
Imported	9.67%	10,12,18,170	0%	-
Indigenous	90.33%	94,57,80,749	100%	91,21,10,405
<b>(b) Spare parts and components</b>				
Imported	0%	-	0%	-
Indigenous	100%	24,96,516	100%	18,89,912

**37 B. Value of imports on CIF basis (excluding purchases from canalising agencies and imported items purchased locally)**

<b>Particulars</b>	<b>For the year ended 31st March, 2017 In rupees</b>	<b>For the year ended 31st March, 2016 In rupees</b>
Raw materials	12,12,51,758	-
Spare parts and components	-	-
Capital goods	-	47,23,621
<b>Total</b>	<b>12,12,51,758</b>	<b>47,23,621</b>

**37 C. Expenditure in foreign currency(on payment basis, subject to deduction of tax where applicable)**

<b>Particulars</b>	<b>For the year ended 31st March, 2017 In rupees</b>	<b>For the year ended 31st March, 2016 In rupees</b>
Interest	-	10,156
Travelling Expenses	4,56,785	3,67,423
<b>Total</b>	<b>4,56,785</b>	<b>3,77,579</b>

**38. Micro, Small or Medium Enterprises**

- (a) Based on the information available with the company, there is no dues to small scale undertaking in excess of Rs.1,00,000/- and outstanding for more than 30 days..
- (b) Based on the information available with the company, there are no suppliers who are registered as Micro, Small or Medium Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2017.

**39.** The previous years figures have been regrouped/restated wherever necessary to conform to this year's presentation/disclosure.

For MSSV & CO,  
Chartered Accountants  
Firm Reg. No. 001987S

**For and on Behalf of the Board of Directors**

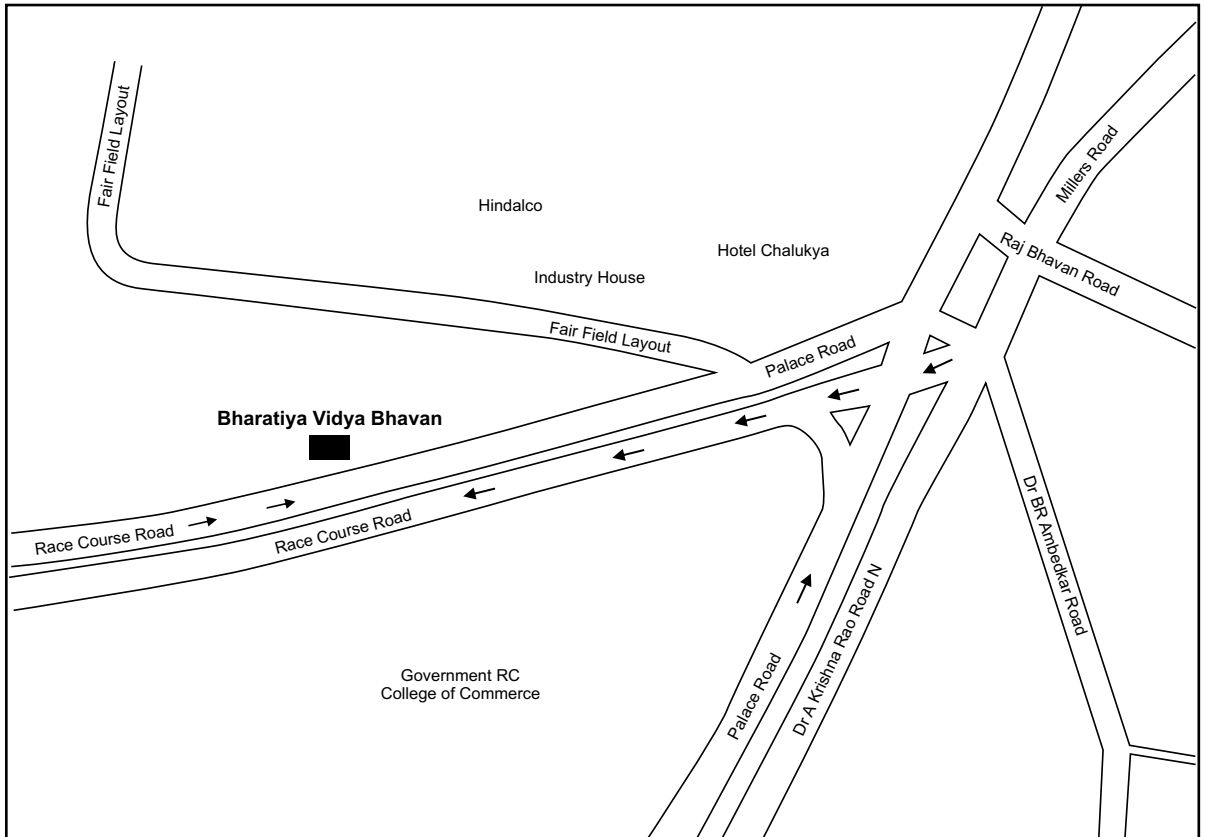
**D.R. Venkatesh**  
Partner  
Membership No. 25087  
Place: Bangalore  
Date : May 27, 2017

**Pramod Kumar S.**  
Executive Director  
DIN: 00719828  
Place: Bangalore  
May 27, 2017

**B. Shantilal**  
Managing Director  
DIN: 00719808  
Place: Bangalore  
May 27, 2017

**Gayithri Shankarappa**  
Chief Finance Officer  
Place: Bangalore  
May 27, 2017

## Route Map of AGM Venue



## **Sunil Agro Foods Limited**

**CIN: L01111KA1988PLC008861**

Registered Office: Plot No.39-A2, Industrial Area, Chokkahalli, Hosakote, Bangalore - 562114

Tel: 080 2797 1371 / 2797 1463 Email: info@sunilagro.in, Web: www.sunilagro.in

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. In terms of the said circular, service of notice/documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, Audited financial statements, Board's Report, Independent Auditors' Report, Poll Papers etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish our e-mail id, quoting your folio number/DPID/Client ID to our Registrar and share Transfer Agent at the following address:

### **Integrated Registry Management Services Private Limited**

**No. 30, Ramana Residency**

**4th Cross, Sampige Road**

**Malleswaram, Bangalore – 560 003**

**Phone: 080-23460815-18, Fax: 080-23460819**

**E-mail: alfint@vsnl.com**

We are sure you would appreciate this welcome initiative taken by the MCA to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For **Sunil Agro Foods Limited**

Pramod Kumar S

Executive Director

DIN: 00719828

# Sunil Agro Foods Limited

CIN: L01111KA1988PLC008861

Registered Office: Plot No.39-A2, Industrial Area, Chokkahalli, Hosakote, Bangalore - 562114

Tel: 080 2797 1371 / 2797 1463 Email: info@sunilagro.in, Web: www.sunilagro.in

## Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN: L01111KA1988PLC008861

Name of the company: Sunil Agro Foods Limited

Registered office: Plot No.39-A2, Industrial Area, Chokkahalli Hosakote, Bangalore – 562 114

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Name of the member (s) : .....

Registered address : .....

E-mail Id: .....

Folio No/ Client Id : .....

DP ID : .....

---

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....

Address : .....

E-mail Id : .....

Signature : ....., or failing him

2. Name : .....

Address : .....

E-mail Id : .....

Signature : ....., or failing him

3. Name : .....

Address : .....

E-mail Id : .....

Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company, to be held on the on Thursday, the 21st September, 2017 at 10.30 a.m. at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

**ORDINARY BUSINESS**

1. Adoption of Financial Statements for the year ended March 31, 2017.
2. Appointment of Mr. Pramod Kumar S who retires by rotation.
3. Declaration of Dividend.
4. Appointment of Statutory Auditors of the Company.

**SPECIAL BUSINESS**

5. Increase in Borrowing Powers.
6. Powers to hypothecate etc.

Signed this ..... day of ..... 2017

Affix One Rupee Revenue Stamp
--

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



# Sunil Agro Foods Limited

CIN: L01111KA1988PLC008861

Registered Office: Plot No.39-A2, Industrial Area, Chokkahalli, Hosakote, Bangalore - 562114

Tel: 080 2797 1371 / 2797 1463 Email: info@sunilagro.in, Web: www.sunilagro.in

## Form No. MGT-12

## POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **SUNIL AGRO FOODS LIMITED**

Registered office: **Plot No. 39/A2, Hosakote Industrial Area, Chokkahalli, Hoskote - 562 114**

### BALLOT PAPER

Sl. No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/Special resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No	Item	No. of shares held by me	I assent to the resolution	I dissent from the resolution
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Annual Accounts for the year ended March 31, 2017.			
2.	Appointment of Mr. Pramod Kumar S, Executive Director who retires by rotation			
3.	Declaration of Dividend of Re.0.50 per Equity Share of Rs. 10/- each			
4.	Appointment of Statutory Auditors of the Company			
<b>SPECIAL BUSINESS</b>				
5.	Increase in Borrowing Powers.			
6.	Powers to hypothecate etc.			

Place:

Date:

(Signature of the shareholder)





