

ANNUAL REPORT

2014 - 2015



Sunil Agro Foods Limited

An ISO22000 : 2005 Certified

SUNIL AGRO FOODS LIMITED
TWENTY SEVENTH ANNUAL GENERAL MEETING 2014-15

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BOARD OF DIRECTORS:

Mr. B. Shantilal	Managing Director
Mr. Pramod Kumar S	Executive Director
Mr. AVS Murthy	Independent Director
Mr. Shailesh Siroya	Independent Director
Mrs. 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
CIN: L01111KA1988PL008861

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 Enterprises (India) Limited
Bangalore

SUNIL AGRO FOODS LIMITED

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

NOTICE

NOTICE is hereby given that the Twenty Seventh 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 Tuesday, the 15th day of September, 2015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date, together with the Board's Report and Auditors Report thereon.
2. To declare Dividend.
3. To appoint Mr. B Shantilal, Managing Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs MSSV & Co, Chartered Accountants, having ICAI Firm Registration No. 001987S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial years 2015-16 to 2016-17 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursalment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company”.

SPECIAL BUSINESS:

5. To consider and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shailesh Siroya (holding DIN 00048109), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 26th January, 2020.”

By the Order of the Board
For SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 03.08.2015

Pramod Kumar S
Executive Director

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company at least 48 hours before the Meeting.
2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto, in respect of Special Business.
3. Listing fee has been paid to the BSE Ltd, Mumbai up to date.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 8th September, 2015 to 15th September, 2015 (both days inclusive).
5. Dividend of Re. 0.50 (5%) per Equity Share as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members of the Company/beneficial owners as per the records of depositories as on 7th September, 2015.
6. 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.

7. Members holding shares in physical form are requested to consider converting their holding to dematerialized to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Integrated Enterprises (India) Limited for assistance in this regard.
8. 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.
9. 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 Exchanges.
10. Members are requested to bring copy of the Annual Report along with them to the Annual General 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 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. As regards to re-appointment of Mr. B Shantilal, referred to in item No. 3 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Mr. B Shantilal
Date of Birth	09.11.1942

Date of Appointment	20.01.1988
Qualifications	Graduate
Expertise in specific functional area	General Management, Managing Director
Directorships held in other Companies (excluding foreign companies)	1. BRFM India Private Limited
	2. Brindavan Roller Flour Mills Private Limited
	3. Puskar Investments Private Limited
	4. Roller Flour Millers Federation of India
	5. Federation of Karnataka Chambers of Commerce and Industry
Membership/Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL

13. 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, 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 27th Annual General Meeting to be held on Tuesday, the 15th Day of September, 2015 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 voting period begins on Saturday, 12th September, 2015 (9.00 AM) and ends on Monday, 14th September, 2015 (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 7th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on 'Shareholders'.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 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:

For Members holding shares in Demat Form and Physical Form	
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"> • 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. • 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.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Details	<ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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).

- (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) 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 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.
 - 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 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.
- (xix) 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, under help section or write an email to helpdesk.evoting@cDSLindia.com.

Other Instructions:

- (i) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th September, 2015.
 - (ii) if the share holder 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. ACS- 25127) 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 three (3) working days 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/Designated Director of the Company.
- (v) The Results shall be declared within three (3) days 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 and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and also communicated to BSE.
- (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.
14. All documents referred to in the accompanying Notice and the Explanatory Statement 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 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: 03.08.2015

Pramod Kumar S
Executive Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**Item No. 5**

Mr. Shailesh Siroya (DIN 00048109): As regards appointment of Mr. Shailesh Siroya as an Independent Director referred to, in Item No.5 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Mr. Shailesh Siroya
Date of Birth	10.08.1966
Date of Appointment	28.07.2003
Qualifications	MBA (Finance) - The University of Akron, Ohio, USA
Expertise in specific functional area	General Management Director
Directorships held in other Public Companies (excluding foreign companies)	Bal Pharma Limited
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL

Notwithstanding the experience and knowledge of Mr Siroya, the Board recommends the resolution for approval.

None of the Directors/Key Managerial Personnel except Mr. Shailesh Siroya himself is concerned or interested in this Resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

By the Order of the Board
For SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 03.08.2015

Pramod Kumar S
Executive Director

DIRECTORS' REPORT

The Board of Directors has pleasure in presenting the 27th Annual Report and Audited Statement of Accounts for the period ended 31st March, 2015 together with the Independent Auditors' Report.

FINANCIAL RESULTS :	(Rs. in Lacs)	
Particulars	01.04.2014	01.04.2013
	to	to
	31.03. 2015	31.03.2014
Sales & Service	10548.02	13659.21
Profit before depreciation, tax & financial charges	357.76	376.70
Less: Depreciation	98.10	79.22
Less: Finance Charges	158.95	147.30
Less: Provision for taxation (net of deferred tax)	16.23	42.88
Profit After Taxation	84.47	107.30
Add: Profit & Loss account Balance b/f	586.43	514.27
Less: Depreciation on assets	34.38	-
Profit available for Appropriation	636.52	621.56
Appropriation:		
Amount transferred to General Reserve	-	-
Proposed Dividend & Tax thereon	18.02	35.13
Balance in Profit & Loss Account	618.50	586.43

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

The Company continued to perform under certain challenges and hurdles. Overall revenue dropped to some extent; however profitability was maintained. Higher depreciation as per the requirements of the Companies Act, 2013, was provided for.

The Company has undertaken expansion program which is expected to be completed by this year end and other avenues of business are being explored. The major concern will be on the closure of all noodle factories in India and Nestle (FSSAI) has been one of the major customers of the Company wherein the business has stopped.

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There was no material event reported subsequent to the date of financial statements.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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.

5. DIVIDEND:

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

6. RESERVE:

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

7. SHARE CAPITAL:

The paid up Equity Share capital as on 31st March, 2015 was Rs. 300.29 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

8. PERFORMANCE OF THE COMPANY:

The Company continued to operate with an optimum mix of different resources. Business with General Means continued during the year under review. Timely refurbishing of accessories continued. Emergence of competition in the recent past is a cause of concern to your Company.

9. CORPORATE SOCIAL RESPONSIBILITY:

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

10. 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.

11. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy for vigil mechanism which is available on website of the Company and there were no cases reported during last Period.

<http://www.sunilagro.in/sunil-agro-foods-whistle-blower-policy>

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

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

13. DIRECTORS AND KMP:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. B Shantilal, Managing Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

During the period Ms. Gayithri Shankarappa has been appointed as Chief Financial Officer of the Company w.e.f. 26th May, 2014.

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

The Company has formed Nomination and Remuneration Committee as per the requirements of Companies Act, 2013

14. INDEPENDENT DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. A V S Murthy has been appointed as Independent Director of the Company w. e. f. from 10th September, 2014 to hold office for five consecutive years for a term up to 31st March, 2019.

Mr. Shailesh Siroya has been appointed as Independent Director of the Company w.e.f. from 27th January, 2015 for five consecutive years for a term up to 26th January, 2020 which appointment is placed before the Shareholders at the Annual General Meeting..

More details on terms of appointment of Independent Directors can be viewed on website of the Company at:

<http://www.sunilagro.in>

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the period under review 4 Board Meetings we held on 26th May 2014, 30th July 2014, 14th November 2014 and 27th January 2015.

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.

16. ANNUAL BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has established an annual performance evaluation of its own performance and the Individual Directors performance. The manner of evaluation has been explained in the Corporate Governance Report.

17. 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; and
- (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.

- (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.

18. INTERNAL FINANCIAL CONTROL:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

19. 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 attached as a part of this Annual Report.

20. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from the public as defined under the provisions of Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2015.

21. 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 2014-15 in the prescribed format, AOC 2 has been enclosed with the report.

22. MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments between the end of the Financial Period and the Date of the Report, which affect the financial position of the Company.

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

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

Secured Loans:	Rs. 13,12,44,128/-
Unsecured Loans:	Rs. 65,70,316/-
Current/Non-Current Investments:	Rs. 51,07,577/-
Guarantees:	Nil

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

24. AUDITORS:

The Auditors, Messrs MSSV & Co., Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting. The Company has received a certificate under Section 141 of the Companies Act, 2013 from them that their appointment would be within the limits specified therein.

25. 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 to this Report.

Explanations by the Board on the comments of Secretarial Auditor:

- Regarding non-appointment of Company Secretary – The Company has infused efforts to recruit qualified Company Secretary; however, no suitable candidate could be recruited. One candidate who was given offer did not report for duty.
- Regarding delay in filing returns with Stock Exchange – The delay occurred when the physical copies sent through courier were lost.

26. EXPLANATION BY BOARD ON THE COMMENTS BY AUDITORS:

Auditors' Comment:

As per Accounting Policy number 2.8, the Company has valued the investment at cost. As on March 31, 2015 there is a fall in the value of investments to the extent of Rs.30.07 lacks. The Company has created provision for fall in the value of investment only to the extent of Rs.0.91 lakhs in the earlier years. The impact of non-provision for the fall in the value of investment is

- Profit is overstated to the extent of Rs.29.16 lacks and investment are overstated to the same extent

Board's Response:

The temporary nature of fluctuations in the capital market is the reason for valuing the investments at cost. In view of the adequate reserves and surplus available in the books of the Company, the Board has decided that no provisions are required.

27. RATIO OF REMUNERATION TO EACH DIRECTOR:

Details/Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report.

28. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE Ltd where the Company's Shares are listed.

29. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Statutory Auditors/Practicing Company Secretary of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

30. 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.

31. 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 Stakeholders Relationship Committee:

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

32. 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. 1,80,30,763/- in foreign exchange during the period under review and the Company's earnings in foreign currency is nil during the year under review.

33. 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 in respect of employees of the Company are given in the Annexure forming part of the Report.

34. 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 year 2014-15:

No of complaints received: NIL

No of complaints disposed: NIL

35. ACKNOWLEDGEMENT:

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.

By order of the board
For SUNIL AGRO FOODS LIMITED

Place : Bangalore **SHANTILAL BANSILAL** **PRAMOD KUMAR S**
Date : 03-08-2015 Managing Director Executive Director

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015**

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

- To
- The Members of
SUNIL AGRO FOODS LIMITED
Bangalore
- 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 (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 31.03.2015 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 Sunil Agro Foods Limited for the financial year ended on 31.03.2015 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 there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 1992;
 - (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 (Buy back of Securities) Regulations, 1998;
 - (vi) The Industry specific laws applicable to the Company are as follows:
 - a) Food Safety and Standards Act, 2006
 - b) Export (Quality Control and Inspection) Act, 1963
 - c) Agricultural and Processed Food Products Export Act, 1986
 - d) Agricultural Produce (Grading and Marking) Act, 1937
- I have further reviewed the systems and mechanism established by the Company for ensuring compliance under the other applicable Acts, Rules, Regulations and

Guidelines prescribed under various laws which are applicable to the Company and are categorized under the following major heads/groups:

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution welfare, provident fund, insurance, compensation etc.;
3. Industrial (Development Regulation) Act, 1991;
4. Acts relating to consumer protection including the Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to hazardous substances and chemicals;
8. Acts relating to Electricity, fire, petroleum, drugs, motor vehicles, explosives, Boilers, etc.;
9. Acts relating to protection of IPR;
10. Land revenue laws and
11. Other local laws as applicable to various plants and offices.

I have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (came into effect from 1st July, 2015; hence not applicable for the financial year ended 31.03.2015).
- (ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE).

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance

with applicable labour laws, environmental laws and other applicable laws as mentioned above. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Labour Laws were addressed suitably by the Management. Following observations have been brought before the shareholders which are treated as material in nature:

- a) 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.
- b) There was an instance of delay in filing of quarterly returns with the Stock Exchange.

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

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. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

As per the information received from the Company, 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.

Vijayakrishna K T
Practicing Company Secretary

Place: Bangalore
Date: 03.08.2015

FCS - 1788
CP - 980

CORPORATE GOVERNANCE REPORT

A. Company’s Philosophy on Code of Corporate 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 Exchanges, where its Shares are listed and endeavors to meet necessary listing guidelines. The Company has complied with all the provisions of Companies Act, SEBI guidelines and also those of the Stock Exchanges 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.

B. Board of Directors :

Composition & Size of the Board.

As on 31st March, 2015, the Board comprised of five Directors including 2 Non-Executive Independent Directors, and one Non-Executive non-Independent Director. During the period, Mr. A V S Murthy was appointed as Independent Director w.e.f. from 10th September, 2014 and Mr. Shailesh Siroya was appointed as Independent Director w.e.f. from 27th January, 2015.

Name of Directors Messrs	DIN	No. of Board Meetings attended	Attendance at last AGM on 11th Sep 2014	No. of other Directorships	Memberships of other Board Committees	Category
Shailesh Dheerajmal Siroya	00048109	2	No	10	3	Non-Executive Independent
AVS Murthy	00085805	3	Yes	4	3	Non-Executive Independent
Shantilal Bansilal	00719808	4	Yes	4	0	Executive
Pramod Kumar Shantilal	00719828	4	Yes	5	1	Executive
Pinky Jain	03636974	4	Yes	1	2	Non-Executive Non-Independent

The outside Directorships and Committee memberships are within the limit prescribed in the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Company issued letters of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company i.e. <http://sunilagro.in/sites/default/files/Mr.AVSMurthyAppointmentletter.pdf>
<http://sunilagro.in/sites/default/files/Mr.ShaileshSiroyaappointment.pdf>

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

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice convening the 27th Annual General Meeting.

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

During the period the Board met 4 times on the following dates:

26th May 2014, 30th July 2014, 14th November 2014 and 27th January 2015.

During the period, separate meeting of the Independent Directors was held on 27th January, 2015 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.

Compliance with the Code of Conduct

The Company has adopted Code of Conduct and has framed a Whistle Blower Policy aimed at better Corporate Governance and continued Vigil Mechanism which is available on the website of the Company.

Web link: <http://www.sunilagro.in/code-conduct>, <http://www.sunilagro.in/sunil-agro-foods-whistle-blower-policy>

3. Audit Committee

The Audit Committee having powers, role and terms of reference as per clause 49 of the Listing Agreement and the applicable Sections of the Companies Act, 2013.

The terms of reference:

The terms of reference of the Audit Committee as per guidelines set out under Clause 49(III) of the Listing Agreement with the Stock Exchanges 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.

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 times during the period on the following dates:

26th May 2014, 30th July 2014, 11th November 2014 and 27th January 2015.

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

4) Nomination & Remuneration Committee:

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the Listing Agreement, name of the Committee was changed from 'Remuneration Committee' to 'Nomination and Remuneration Committee.'

As per clause 49 of the Listing Agreement and the applicable Sections of the Companies Act, 2013, role and terms of reference of Nomination & Remuneration Committee are as follows:

- 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 agreement and by the Board of Directors of the Company from time to time.

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

Meetings and the attendance during the year:

The Committee met on 27th January, 2015:

Name of Directors	No. of Meetings Attended (includes participation through video conferencing)
Mr. AVS Murthy	1
Mr. Shailesh Siroya	0
Ms. Pinky Jain	1

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:

					Rs. Lakhs
Name	Salary	Performance Bonus & incentive	Other Perquisites	PF & Superannuation	Total
Mr. B Shantilal	12.70	-	-	-	12.70

b) Non-Executive Independent Directors:

			Rs. Lakhs
Name	Sitting fees	Commission for the period	
Mr. AVS Murthy	0.12	-	
Mr. Shailesh Siroya	0.07	-	
Total	0.19	-	

c) Non-Executive Directors:

Rs. Lakhs

Name	Sitting fees	Commission for the period
Pinky Jain	0.12	

The Company does not have any Stock Option Scheme.

5. Stakeholders' Relationship Committee:

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the Listing Agreement, name of the Committee was changed from Shareholders' Grievance and Investor Relations Committee to Stakeholders' Relationship Committee.

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.

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

Meetings and the attendance during the year:

The Committee met on 30th May, 2015:

Name of Directors	No. of Meetings Attended (includes participation through telephonic/video conferencing)
Mr. AVS Murthy	1
Mr. Shailesh Siroya	0
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, 2015.

Name, designation & address of Compliance Officer:

Name: Mr Pramod kKumar 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

6. 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.

7. 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 clause 49(IX) of the Listing Agreement, for the period ended 31st March, 2015.

8. General Body Meetings

Location and time of the last three Annual General Meetings:

Financial Year	Date	Time	Location
2011-2012	03-09-2012	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001
2012-2013	11-09-2013	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001
2013-2014	10-09-2014	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001

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

9. Disclosures

Transactions with the related parties are disclosed in Notes forming part of the Financial Statements.

The Register of Contracts containing the transactions, in which Directors are interested, is placed before the Board every quarter and approved. These transactions are in the normal course of business entered at arm's length price mechanism.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

10. Means of Communication

- Quarterly results are published in the prominent daily newspapers.
- Necessary disclosures as per the requirement of SEBI/Listing Agreement 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 Agreement have been uploaded on the Company's website: <http://www.sunilagro.in/brief-information-about-sunil-agro-foods-limited-safl>

11. General Information to Shareholders

a) Annual General Meeting:

Annual General Meeting will be held at 10.30 a.m. on Tuesday, the 15th September, 2015 at Bharatiya Vidya Bhavan, Race Course Road, Bangalore - 560 001:

b) Annual General Meeting:

Sl. No.	Particulars	Dates
1.	Annual Results of the previous year	26.05.2014
2.	First Quarter Results	30.07.2014
3.	Annual General Meeting	10.09.2014
4.	Second Quarter Results	14.11.2014
5.	Third Quarter Results	27.01.2015

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- c) Date of Book Closure for the year 2014-2015: 8th September, 2015 to 15th September, 2015
- d) Listing of Equity Shares on Stock Exchanges at: Mumbai (BSE)
- e) Registrar and Share Transfer Agent:
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
- f) Share Transfer System :
The Company's Shares are traded in the Stock Exchanges 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 31.3.2015 :

Range of Shares	No. of Members	% to Total Shareholders	No. of Shares Held	Amount (Rs.)	% to Total
Upto - 5,000	1054	85.41	1,41,824	14,18,240	4.72
5,001 - 10,000	68	5.51	54,503	5,45,030	1.82
10,001 - 20,000	54	4.38	85,076	8,50,760	2.83
20,001 - 30,000	15	1.22	40,137	4,01,370	1.34
30,001 - 40,000	7	0.57	25,689	2,56,890	0.86
40,001 - 50,000	7	0.57	34,678	3,46,780	1.15
50,001 - 1,00,000	10	0.81	72,642	7,26,420	2.42
1,00,001 and above	19	1.54	25,48,351	2,54,83,510	84.86
Total	1234	100	3002900	30029000	100

- h) Categories of Shareholders as on 31.3.2015 :

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
TOTAL	3002900	100.00

- i) Dematerialization of shares and liquidity

Summary of Shareholding as on March 31, 2015:

Particulars	Shares	Percentage	No. of Shareholders
Physical mode	1,70,960	5.69	551
Electronic Mode	28,31,940	94.31	683
TOTAL	30,02,900	100.00	1234

J) Stock Market Data:

The monthly high, low and closing prices of equity shares of the Company traded on BSE Ltd. from April 1, 2014 to March 31, 2015 are given below:

Month	Volume	High Price	Low Price	Close Price	Sensex
Apr-14	6577	17.85	16.70	16.70	22417.80
May-14	7295	17.70	16.00	17.60	24217.34
Jun-14	8561	21.30	16.75	16.75	25413.78
Jul-14	8244	19.05	16.85	18.75	25894.97
Aug-14	2855	20.20	16.85	17.00	26638.11
Sep-14	2784	19.60	16.55	19.60	26630.51
Oct-14	13347	28.65	20.30	25.00	27865.83
Nov-14	14363	26.25	20.75	22.80	28693.99
Dec-14	726	26.10	23.65	26.00	27499.42
Jan-15	3428	24.70	20.60	20.60	29182.95
Feb-15	2038	21.65	17.80	17.80	29361.50
Mar-15	550	17.10	17.00	17.00	27957.49

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: 03.08.2015

Pramod Kumar S
Managing Director

Shantilal Bansilal
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Business Overview:

The Company has achieved a turnover of Rs. 10,548.02 Lakhs (previous year Rs. 13,659.21 Lakhs) for the financial year ended 31.03.2015 with a net profit of Rs. 84.47 Lakhs (previous year Rs. 107.29 Lakhs).

2. **Opportunities:** The Company is looking at rationalising the product mix with the addition of new products.
3. There is no unforeseeable risk expected during this year except the loss of business on account of closure of noodles related business which occurred during the year.
4. **Outlook:** The Company will strive for better values.
5. **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.
6. **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.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 03.08.2015

Shantilal Bansilal
Managing Director

Pramod Kumar S.
Executive Director

CEO & CFO Certification

We confirm that:

We have reviewed the financial statements including the cash flow statement for the year and certify to the best of our knowledge and belief that:

the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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.

To the best of our knowledge and belief, no transactions entered into, by the Company during the year ended 31st March, 2015 were fraudulent, illegal or against to the Company's Code of Conduct.

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.

- i. There has not been any significant change in internal control during the year;

There has not been any significant change in Accounting Policies during the year requiring disclosure in the notes to the financial statements; and

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 : 03.08.2015

Pramod Kumar S
Executive Director

Gayathri Shankarappa
Chief Financial Officer

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

As on the financial year ended on March 31, 2015
[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 Areachokkahalli,
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 Enterprises (India) Ltd ,30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore, Karnataka,560 003
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	
A. Promoters									
(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	
SUB TOTAL: (A) (1)	2171176	-	2171176	72.30	2171176	-	2171176	72.30	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2171176	-	2171176	72.30	2171176	-	2171176	72.30	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
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									

Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	40000	-	40000	1.33	40000	-	40000	1.33	-
(2) Non Institutions									
a) Bodies Corporates									
i) Indian	21661	15600	37261	1.24	21972	15600	37572	1.25	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakhs	261819	154060	415879	13.85	266147	153260	419407	13.97	0.12
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	264896	-	264896	8.82	261667	-	261667	8.71	-0.11
c) Others (specify)									
NRI	69989	2100	72089	2.40	69994	2100	72094	2.40	-
Clearing Member	1599	-	1599	0.05	984	-	984	0.03	-0.02
Trust	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	619964	171760	791724	26.37	620764	170960	791724	26.37	0.00
Total Public Shareholding									
(B)= (B)(1)+(B)(2)	659964	171760	831724	27.70	660764	170960	831724	27.70	0.00
C. Shares held by Custodian for									
GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2831140	171760	3002900	100.00	2831940	170960	3002900	100.00	0.00

i) Category-wise Share Holding:

Sl.	Shareholder's Name No.	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	
1	B Shantilal	99300	3.31	-	600	0.02	-	-3.29
2	Brindavan Roller Flour Mills Private Limited	300	0.01	-	300	0.01	-	-
3	Pramod Kumar S	1453442	48.40	-	2099776	69.92	-	21.52
4	Pramod Kumar HUF	10000	0.33	-	10000	0.33	-	-
5	Kamala Bai	288300	9.60	-	0	0	-	-9.60
6	Sunil S Jain	259334	8.64	-	0	0	-	-8.64
Persons Acting in Concert (PAC)								
5	Pinky Jain	30300	1.01		30300	1.01	-	-
6	Vidhya Jain	30200	1.01		30200	1.01	-	-
Total		2171176	72.30		2171176	72.30	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change):-

Sl. No.	Shareholders Name	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	99300	3.31	23.05.2014 27.03.2015	Increase Decrease	Bought Sold	387600 600	12.89 0.02
2	Kamala Bai	288300	9.60	23.05.2014	Decrease	Sold	0	0.00
3	Pramod Kumar S	1453442	48.40	13.06.2014 27.03.2015	Increase Increase	Bought Bought	1712776 2099776	57.04 69.92
4	Sunil S Jain	259334	8.64	13.06.2014	Decrease	Sold	0	0.00

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

Sl. No.	Shareholders Name	Share holding at the beginning of the Year 01.04.2014		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year 01.04.2015	
		No. of Shares	% of total shares of the company				No of Shares	% of total Shares of the company
1	ANAND SURANA	50000	1.67	01.04.2014	NO MOVEMENT DURING THE YEAR			
				31.03.2015			50000	1.67
2	MONICA SURANA	50000	1.67	01.04.2014	NO MOVEMENT DURING THE YEAR			
				31.03.2015			50000	1.67
3	DILIP SURANA	44095	1.47	01.04.2014	0		44095	1.47
				04.04.2014	815	BOUGHT	44910	1.50
				11.04.2014	99	BOUGHT	45009	1.50
				18.04.2014	44	BOUGHT	45053	1.50
				25.04.2014	30	BOUGHT	45083	1.50
				06.06.2014	1000	BOUGHT	46083	1.53
				13.06.2014	500	BOUGHT	46583	1.55
				20.06.2014	1552	BOUGHT	48135	1.60
				31.03.2015			48135	1.60
4	SONEX INVESTMENTS LTD	40000	1.33	01.04.2014	NO MOVEMENT DURING THE YEAR			
				31.03.2015			40000	1.33
5	DIVYA JAGADISH AHUJA	37475	1.25	01.04.2014	0		37475	1.25
				11.04.2014	-200	SOLD	37275	1.24
				18.04.2014	-5800	SOLD	31475	1.05
				09.05.2014	-2500	SOLD	28975	0.96
				30.05.2014	-1000	SOLD	27975	0.93
				06.06.2014	-510	SOLD	27465	0.91
				13.06.2014	-35	SOLD	27430	0.91
				30.06.2014	-597	SOLD	26833	0.89
				04.07.2014	-2001	SOLD	24832	0.83
				11.07.2014	-2201	SOLD	22631	0.75

			10.10.2014	-3033	SOLD	19598	0.65	
			17.10.2014	-514	SOLD	19084	0.64	
			31.10.2014	-104	SOLD	18980	0.63	
			07.11.2014	-2313	SOLD	16667	0.56	
			14.11.2014	-1667	SOLD	15000	0.50	
			31.03.2015			15000	0.50	
6	M SUBRAMANYA BHATT	26400	0.88	01.04.2014	NO MOVEMENT DURING THE YEAR			
			31.03.2015			26400	0.88	
7	M SRINIVASA RAO	26176	0.87	01.04.2014	0		26176	0.87
			06.06.2014	-1000	SOLD	25176	0.84	
			13.06.2014	-500	SOLD	24676	0.82	
			10.10.2014	-676	SOLD	24000	0.80	
			31.03.2015			24000	0.80	
8	RAKESH KUMAR MITTAL	20064	0.67	01.04.2014	0		20064	0.67
			18.07.2014	2000	BOUGHT	22064	0.73	
			25.07.2014	50	BOUGHT	22114	0.74	
			31.03.2015			22114	0.74	
9	GAUTAM CHAND MEHTA	20000	0.67	01.04.2014	NO MOVEMENT DURING THE YEAR			
			31.03.2015			20000	0.67	
10	AMRITLAL VAGHJI SHAH	20000	0.67	01.04.2014	NO MOVEMENT DURING THE YEAR			
			31.03.2015			20000	0.67	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP	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	99300	3.31	23.05.2014	Increase	Bought	387600	12.89
				27.03.2015	Decrease	Sold	600	0.02
2.	PRAMOD KUMAR S	1453442	48.40	13.06.2014	Increase	Bought	1712776	57.04
				27.03.2015	Increase	Bought	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: In Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,37,91,063	21,34,347	-	13,59,25,410
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,20,273	-	-	1,20,273
Total (i+ii+iii)	13,39,11,336	21,34,347	-	13,60,45,683
Change in Indebtedness during the financial year				
• Addition	2,86,08,350	3,09,87,301	-	5,95,95,651
• Reduction	3,12,67,004	2,65,51,332	-	5,78,18,336
Net Change	(26,58,654)	44,35,969	-	17,77,315
Indebtedness at the end of the financial year				
i) Principal Amount	13,11,32,409	65,70,316	-	13,77,02,725
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,11,719	-	-	1,11,719
Total (i+ii+iii)	13,12,44,128	65,70,316	-	13,78,14,444

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 Lacs)
		Mr. B. Shantilal	Mr. Pramod Kumar	
1.	Gross salary	12,70,415	24,99,925	37,70,340
	(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			
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit			
5.	Others			
	Total(A)			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:

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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Bangalore
Date: 03.08.2015

Shantilal Bansilal
Managing Director

Pramod Kumar S
Director

**ANNEXURE-VII
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	Brindavan Softland Private Limited	BRFM (India) Private Limited
Nature of contracts/ arrangements/transactions	Purchase of assets & Liabilities on slump sale bases and Purchase of goods and receiving of Services	Purchases, Sales 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	Receiving of services Rs.1,03,93,644 Purchase of assets & liabilities of Rs. 1 lakh	Value: Rs. 6,00,000/-
Date(s) of approval by the Board:	26.05.2014	26.05.2014
Amount paid as advances	-	-

For and on behalf of the Board of Directors

Place: Bangalore
Date: 03.08.2015

Shantilal Bansilal
Managing Director

Pramod Kumar S
Director

ANNEXURE - VIII

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

**The Board of Directors
SUNIL AGRO FOODS LIMITED**

Dear Sirs,

We undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with Section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) We declare that up to the date of this certificate, apart from receiving Director's remuneration, we did not have any material pecuniary relationship or transactions with the Company, its Promoters, Senior Management or its associates as named in the Annexure thereto which may affect my independence as Director on the Board of the Company. We further declare that we will not enter into any such relationship/transactions. However, if and when we intend to enter into such relationships/transactions, whether material or non-material we shall take prior approval of the Board. We agree that we shall cease to be an Independent Director from the date of entering into such relationship/transaction.
- (b) We declare that we are not related to Promoters or persons occupying management positions at one level below the Board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) We were not a Partner or an Executive or were also not Partner or Executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) We have not been a material suppliers, service provider or customer or lesser or lessee of the Company, which may affect independence of the Director, and were not a substantial Shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Shailesh Dheerajmal Siroya
DIN: 00048109
Date: 03.08.2015

A V S Murthy
DIN: 00085805
Date: 03.08.2015

ANNEXURE - IX

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 - 6.61
(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;	Mr. B Shantilal - Managing Director - 15.42% Mr S Pramod Kumar -Executive Director - (4.06%) Mrs Gayithri - Chief Executive Officer - 13%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	5.16%
(iv) The number of permanent employees on the rolls of Company;	As on 31.03.2015 79 members
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increased 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 guideline
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	This is as per the companies increment guideline
(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

For and on behalf of the Board of Directors

Place: Bangalore
Date: 03.08.2015

Shantilal Bansilal
Managing Director

Pramod Kumar S
Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To

The Members of
SUNIL AGRO FOODS LIMITED
Bangalore

I have examined the compliance of conditions of Corporate Governance by Sunil Agro Foods Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with BSE Limited, Mumbai in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the 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 the 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 above mentioned Listing Agreements.

I state that in respect of investor grievances received during the year ended 31st March, 2015, no investor grievances are pending against the Company as on 31st March, 2015, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.

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: 03.08.2015

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

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, 2015, 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 Standalone 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 standalone 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 thereunder. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.

4. Basis for Qualified Opinion

4.1 As per Accounting Policy number 2.8, the company has valued the investment at cost. As on March 31, 2015 there is a fall in the value of investments to the extent of Rs.30.07 lacks. The company has created provision for fall in the value of investment only to the extent of Rs.0.91 lacks in the earlier years. The impact of non-provision for the fall in the value of investment is,

- Profit is overstated to the extent of Rs.29.16 lacks and investment are overstated to the same extent

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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, of the state of affairs of the company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

6. 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, 2015;
- 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.

7. Report on Other Legal and Regulatory Requirements

7.1 As required by the Companies (Auditor's Report) Order, 2015 ("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 statement of the matters specified in paragraphs 3 and 4 of the Order.

7.2 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. Except in para 4.1 above.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. 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;

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

Place : Bangalore
Date : May 30, 2015

D. R. Venkatesh
Partner
Membership No. 25087

ANNEXURE TO INDEPENDENT AUDITORS' REPORT**Referred to in paragraph 7.1 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 proper records showing particulars of fixed assets and has been updated.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - c. The company has not disposed off substantial part of fixed assets during the year and therefore do not affect the going concern assumption.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

During the period covered by our audit, company has not granted any loan to any person covered under the register maintained under section 189 of the Companies Act, 2013. Hence, provisions of paragraph 3(iii) of the Order are not applicable.
4. In our opinion and according to the information and

explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

5. During the year covered under our audit, 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 rule framed thereunder and the directives issued by the Reserve Bank of India does not arise.
6. According to the information and explanations given to us, 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, prima facie, the prescribed cost records are maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues:
 - a. Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of Tax deducted at source and Value Added Tax in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, 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. According to the information and explanations given to us, except income tax dues as detailed below there are no dues of sales tax, custom duty, wealth tax, excise duty, and cess which have not been deposited on account of any dispute.

Name of the Act	Financial Year	Amount of Demand (In Rs.)	Amount paid under protest (In Rs.)	Forum where dispute is pending
Income Tax Act, 1962	2010-2011	17,782	17,782	CIT (Appeals) – VI Bangalore

- c. According to the information and explanations given to us, there are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. The company does not have any accumulated losses as at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
9. Based on our audit procedures performed and according to the information and explanations given by the management, the company has not defaulted in the repayment of dues to any banks / financial institutions. Also, the company has not issued any debentures.
10. According to information given to us and based on the records and documents produced to us, the company has not given any security / guarantee for loan taken by others from banks/ financial institutions.
11. During the year covered under our audit, the company has taken a term loan. According to the information and explanations given to us, the term loan was utilized for the purpose for which it was availed.
12. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit

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

Place : Bangalore
Date : May 30, 2015

D. R. Venkatesh
Partner
Membership No. 25087

BALANCE SHEET AS AT 31st MARCH 2015

PARTICULARS	Sch. No.	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share Capital	1	3,00,29,000	3,00,29,000
Reserves And Surplus	2	8,36,83,131	8,04,76,146
2. Share Application Money Pending Allotment			
3. Non-Current Liabilities			
Long-Term Borrowings	3	99,23,667	1,23,91,055
Deferred Tax Liabilities (Net)	4	68,27,293	74,71,612
Long-Term Provisions	5	12,00,978	9,90,921
4 Current Liabilities			
Short-Term Borrowings	6	12,16,13,207	12,00,77,431
Trade Payables	7	6,23,15,862	4,06,82,380
Other Current Liabilities	8	74,80,457	73,97,666
Short-Term Provisions	9	42,98,163	58,99,491
TOTAL		<u>32,73,71,757</u>	<u>30,54,15,702</u>
II ASSETS			
1. Non-Current Assets			
Fixed Assets			
	10		
Tangible Assets		9,06,65,523	8,46,40,713
Intangible Assets		-	-
Capital Work-In-Progress		1,82,29,358	15,39,582
Intangible Assets Under Development		-	-
Non-Current Investments	11	51,07,577	56,28,552
Long-Term Loans And Advances	12	1,87,93,441	2,80,31,784
2. Current Assets			
Inventories	13	10,00,50,723	9,55,11,659
Trade Receivables	14	7,42,21,869	7,62,79,309
Cash And Cash Equivalents	15	64,14,567	31,24,919
Short-Term Loans And Advances	16	58,95,728	74,17,776
Other Current Assets	17	79,92,970	32,41,408
TOTAL		<u>32,73,71,757</u>	<u>30,54,15,702</u>

Significant Accounting Policies and 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

Pramod Kumar S.
Executive Director

B. Shantilal
Managing Director

Place: Bangalore
Date : 30th May, 2015

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015

PARTICULARS	Sch. No.	For the Year ended 31.03.2015 (Rs.)	For the Year ended 31.03.2014 (Rs.)
Revenue from operations	18	1,04,41,64,220	1,35,86,24,918
Other income	19	1,06,37,577	72,96,336
Total revenue		1,05,48,01,797	1,36,59,21,253
Expenses			
Consumption of materials	20	92,64,60,726	1,04,11,97,576
Purchases of stock-in-trade		32,36,906	19,76,57,740
Changes in inventories of finished goods, WIP and stock-in-trade	21	(48,83,028)	(59,48,838)
Other operating expenses	22	4,70,27,182	4,98,56,775
Employee benefits	23	1,64,45,079	1,57,34,719
Other expenses	24	3,07,39,087	2,97,53,277
Finance charges	25	1,58,95,057	1,47,30,175
Depreciation and amortization	10	98,10,474	79,22,145
Total expenses		1,04,47,31,483	1,35,09,03,569
Profit / (Loss) before exceptional and extraordinary items and tax		1,00,70,314	1,50,17,684
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		1,00,70,314	1,50,17,684
Extraordinary items		-	-
Profit / (Loss) before tax		1,00,70,314	1,50,17,684
Tax expense:			
Tax expense relating to current year		23,00,000	41,00,000
Tax expense / (reversal) relating to prior years		(38,601)	-6,82,629
Net tax expense		22,61,399	34,17,371
Deferred tax		(6,44,319)	8,70,789
Wealth Tax		6,059	-
		84,47,175	1,07,29,525
Profit / (Loss) from continuing operations		84,47,175	1,07,29,525
Profit / (Loss) from discontinuing operations (before tax)		-	-
Add / (Less): Tax expense of discontinuing operations		-	-
		-	-
Profit / (Loss) from discontinuing operations		-	-
Profit / (Loss) for the year		84,47,175	1,07,29,525
Earnings per share (of Rs. 10/- each):	26		
Basic		2.81	3.57
Diluted		2.81	3.57

Significant accounting policies and notes form an integral part of the financial statements

This is the 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

Pramod Kumar S.
Executive Director

B. Shantilal
Managing Director

Place: Bangalore
Date : 30th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

PARTICULARS	Sch. No.	For the Year ended 31.03.15		For the Year ended 31.03.14	
A. Cash from Operating Activities					
Net profit before tax			1,00,70,314		(1,50,17,684)
Adjustments for:					
Depreciation		98,10,474		79,22,145	
Interest Expenses		1,53,81,370		1,41,24,524	
(Profit) / Loss on Sale of Investment		-4,24,683		(12,10,559)	
(Profit) / Loss on sale of Vehicle		-7,112		(1,13,750)	
(Profit) / Loss on sale of Immovable Property		-18,49,006		-	
Interest Received on FD/ Other deposits		-16,16,087		(13,96,972)	
Rental Income		-		(1,00,000)	
Dividend Received		-660		(10,483)	
			2,12,94,297		1,92,14,905
			3,13,64,610		3,42,32,589
Operating Profit before Working Capital Changes					
Adjustments for:					
(Increase) / decrease in Sundry Debtors		20,57,440		(1,11,49,017)	
(Increase) / decrease in Inventory		-45,39,064		(2,70,71,758)	
(Increase) / decrease in Loans and advances & Other Current Assets		52,86,092		(1,09,73,850)	
Increase / (decrease) in Current Liabilities, Trade payables & Provisions		2,17,35,400	2,45,39,868	2,57,38,691	(2,34,55,934)
Cash Flow from Operating Activities			5,59,04,478		1,07,76,656
Tax Expenses		-32,60,581	-32,60,581	(37,34,490)	(37,34,490)
Net Cash Flow (used in) Operations			5,26,43,898		70,42,166
B. Cash Flows from Investing Activities					
Purchase of Fixed Assets and Change in Capital Work in Progress		-3,70,13,761		(1,01,11,838)	
Sale Proceeds of Fixed Assets		29,06,330		1,13,750	
Sale / (Purchase) of Investments - net (Non Trade)		9,45,658		30,71,000	
Maturity / (Investment) in Fixed Deposits		-37,00,371		2,61,482	
Interest on Fixed / Other Deposits Received		15,38,007		12,97,121	
Rental Income		-		1,00,000	
Dividend Received		660		10,483	
Net Cash Flow from Investing Activity			-3,53,23,478		(52,58,002)
C. Cash Flows from Financing Activities					
Interest (Paid)		-1,53,89,924		-1,41,24,524	
Dividend payout including tax		-17,18,532		(16,63,048)	
Proceeds /(Repayment) from borrowing		-6,22,686		1,34,25,035	
Net Cash Flow from Financing Activities			-1,77,31,141		-23,62,536
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)			-4,10,722		(5,78,372)
Cash & Cash equivalents at the beginning of the year			27,58,440		33,36,812
Cash & Cash equivalents at the end of the year			23,47,718		27,58,440

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

Pramod Kumar S.
Executive Director

B. Shantilal
Managing Director

Place: Bangalore
Date : 30th May, 2015

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2015		As at 31.03.2014	
	in numbers	Rs	in numbers	Rs
NOTE - 1				
Note: 1A SHARE CAPITAL				
Particulars	No. of shares	In rupees	No. of shares	In rupees
Authorized				
Equity shares of Rs. 10 each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Issued, Subscribed and Fully paid up				
Equity shares of Rs. 10 each	30,02,900	3,00,29,000	30,02,900	3,00,29,000
Total	30,02,900	3,00,29,000	30,02,900	3,00,29,000

Note: 1B Reconciliation				
Particulars	No. of shares	In rupees	No. of shares	In rupees
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: 1C Percentage of Holding				
Particulars	No. of shares	Percentage	No. of shares	Percentage
(a) Kamala Bai	-	-	288300	9.60%
(b) Pramod Kumar S	2099776	69.92%	1463442	48.73%
(c) Sunil S Jain	-	-	2,59,334	8.64%

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.

Particulars	As at March 31, 2015	As at March 31, 2014
	Rs	Rs

NOTE - 2**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	2,18,33,200	2,18,33,200

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

Opening balance	5,86,42,946	5,14,26,663
Add: Profit for the year	84,47,175	1,07,29,525
Less : Depreciation on assets (See note 10)	34,38,488	-
Less: Dividend paid for the F Y 2012 - 2013	-	15,01,450
Dividend Distribution Tax on proposed dividend for F Y 2012 - 2013	-	2,55,171
Less: Dividend paid for the F Y 2013 - 2014	-	15,01,450
Dividend Distribution Tax on proposed dividend for F Y 2013 - 2014	-	2,55,171
Less: Dividend paid for the F Y 2014 - 2015	15,01,450	-
Dividend Distribution Tax on proposed dividend for F Y 2014 - 2015	3,00,252	-
Closing balance	6,18,49,931	5,86,42,946
Total	8,36,83,131	8,04,76,146

NOTE - 3

Particulars	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Secured		
(a) Term loans from banks	33,53,351	77,97,225
(b) Other loans and advances	-	59,483
Total	33,53,351	78,56,708
Unsecured		
Loans and advances from directors	65,70,317	21,34,347
Loans and advances from share holder	-	24,00,000
Total	65,70,317	45,34,347
Grand Total	<u>99,23,667</u>	<u>1,23,91,055</u>

B. DEFAULTS IN REPAYMENT OF BORROWINGS

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	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 years in equal monthly installments	NA
(b) Other loans and advances (Secured)	Secured by Hypothecation of vehicles Term loan repayable within 3 years in equal monthly installments	NA
(c) Loans and advances from related parties(unsecured)		Repayable on demand
(d) Loans and advances from Shareholders (unsecured)		Repayable on demand

NOTE - 4

Particulars	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
DEFERRED TAX LIABILITY		
Fixed assets	72,59,101	78,07,025
Other timing differences	-	
Less:		
Deferred tax asset		
Fixed assets	-	-
Other timing differences	4,31,809	3,35,413
Total	68,27,293	74,71,612

NOTE - 5

LONG TERM PROVISIONS

(a) Provision for employee benefits Gratuity(Funded)	10,34,152	8,43,252
Leave Encashment	1,66,826	1,47,669
Total	12,00,978	9,90,921

NOTE - 6

A. SHORT TERM BORROWINGS

Secured

(a) Bank overdraft	10,83,64,207	12,00,77,431
(b) buyers credit	1,32,49,000	-
Total	12,16,13,207	12,00,77,431

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, 2015		As at 31st March, 2014	
	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	Unsecured Loans
	Nature of security & 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

NOTE - 7

Particulars	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
TRADE PAYABLES		
Payable for purchases		
Interstate Purchases	5,53,29,927	3,35,41,114
Interstate Others	-	10,86,698
Others	65,10,683	56,73,877
Packing Materials	4,75,252	3,80,690
Total	6,23,15,862	4,06,82,380

NOTE - 8

OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt (Secured) *	61,65,852	58,56,926
(b) Interest accrued but not due on borrowings	1,11,719	1,20,273
(c) Income received in advance		
Advance from Customers	40,381	1,56,147
Rent Advance	2,95,000	2,95,000
(d) Unpaid dividends	1,31,663	93,574
(e) Other payables		
Statutory Payables	7,35,842	8,75,748
Total	74,80,457	73,97,666

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

NOTE - 9

SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Gratuity (Funded)	1,68,249	38,053
Leave Encashment	28,212	4,817
(b) Provision for proposed dividend	15,01,450	15,01,450
(c) Dividend distribution tax on proposed dividend	3,00,252	2,55,171
(d) Others		
Provision for Income Tax	23,00,000	41,00,000
Total	42,98,163	58,99,491

NOTE - 10

FIXED ASSETS - Tangible Assets

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 31.03.2014	Addition	Deletion	Closing Balance	Opening Balance	Depreciation/ Amortisation expense for the year	Eliminated on Disposal of assets	Closing Balance	As On 30.03.2015	As On 31.03.2014
1.	Land (freehold)	70,08,261	-	-	70,08,261	-	-	-	-	70,08,261	70,08,261
2.	Buildings - Office	13,75,010	21,53,203	13,75,010	21,53,203	3,90,062	1,30,623	3,93,517	1,27,168	20,26,035	9,84,948
3.	Buildings - Factory	4,45,31,260	22,36,083	-	4,67,67,343	1,43,13,611	11,25,503	-	1,54,39,114	3,13,28,229	3,02,17,649
4.	Plant and equipment	7,02,40,494	1,23,41,222	-	8,25,81,716	3,54,83,807	85,60,061	-	4,40,43,868	3,85,37,848	3,47,56,687
5.	Furniture and fixtures	26,58,646	71,358	-	27,30,004	9,59,867	4,50,546	-	14,10,413	13,19,591	16,98,779
6.	Transportation Vehicles	55,57,811	28,90,355	4,65,544	79,82,622	32,23,895	8,97,151	3,96,824	37,24,222	42,58,400	23,33,916
7.	Others	63,84,564	1,25,670	-	65,10,234	17,32,584	7,52,401	-	24,84,985	40,25,249	46,51,980
8.	Office equipment	18,66,779	-	-	18,66,779	2,24,892	7,50,414	-	9,75,306	8,91,473	16,41,887
9.	Lab Equipments	9,81,166	2,20,727	-	12,01,893	1,93,639	1,84,552	-	3,78,191	8,23,702	7,87,527
10.	Computer	9,26,548	2,85,367	-	12,11,915	4,17,969	3,97,710	-	8,15,679	3,96,236	5,08,579
11.	Pooja Items	50,500	-	-	50,500	-	-	-	-	50,500	50,500
	Total	14,15,81,039	2,03,23,985	18,40,554	16,00,64,470	5,69,40,326	1,32,48,962	7,90,341	6,93,98,946	9,06,65,523	8,46,40,713
	Previous year	13,30,08,783	85,72,256	-	14,15,81,039	4,90,18,181	79,22,145	-	5,69,40,326	8,46,40,713	8,39,90,602

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 9a: Capital work-in-progress as at March 31, 2015 is Rs.1,82,29,358/- (P Y : 15,39,582)

NOTE - 11

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
NON CURRENT INVESTMENTS		
A. Other Investments - Quoted		
(a) Investment in equity instruments	21,38,806	26,59,782
Total	21,38,806	26,59,782
B. Other Investments- Unquoted		
(a) Investment in property	17,08,334	17,08,334
(b) Investment in mutual funds	1,00,000	1,00,000
(c) Investment in government or trust securities	1,400	1,400
(d) Other non-current investments	1,00,831	1,00,831
(e) Investment in equity instruments	11,49,926	11,49,926
Total	30,60,491	30,60,491
Total Investments	51,99,298	57,20,273
Less: Provision for diminution in value of investments	91,721	91,721
Total Investments (net of provisions)	51,07,577	56,28,552
Aggregate market value of quoted investments	2,81,698	4,81,082

NOTE - 12

LONG TERM LOANS AND ADVANCES

Unsecured, considered good

(a) Capital advances	1,09,30,439	1,17,15,840
(b) Security deposits	63,08,324	37,26,764
(c) Loans and advances to related parties	4,80,977	1,00,28,075
(d) Other loans and advances	10,73,701	25,61,105
Total	1,87,93,441	2,80,31,784
Less:		
Provision for doubtful loans and advances	-	-
Total	1,87,93,441	2,80,31,784

NOTE - 13

INVENTORIES

Unsecured, considered good

(a) Raw materials	6,36,96,761	6,38,82,812
(b) Finished goods (other than those acquired for trading)	2,48,19,340	1,99,36,312
(c) Packing Materials	1,01,62,519	1,15,68,798
(d) Stores and spares	13,72,103	1,23,737
Total	10,00,50,723	9,55,11,659

Mode of Valuation: Stated at lower of cost or net realizable value.

NOTE - 14

Particulars	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
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	26,00,729	37,74,958
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
	26,00,729	37,74,958
B. Other trade receivables		
Secured, considered good		
Unsecured, considered good	7,16,21,140	7,25,04,351
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
	7,16,21,140	7,25,04,351
Total	7,42,21,869	7,62,79,309

NOTE - 15

CASH AND BANK BALANCES		
(a) Cash on hand*	22,54,030	17,62,617
(b) Balances with banks		
(i) In current accounts*	93,688	9,95,823
(ii) In deposit accounts**	40,66,850	3,66,479
Total	64,14,567	31,24,919
** includes unpaid dividend account	1,31,663	
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	23,47,718	27,58,440

NOTE - 16

SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Loans and advances to employees	11,37,128	16,55,219
(b) Other loans and advances		
Advance Income Tax	32,11,786	36,15,971
Income Tax Refund Recievable	15,46,814	21,46,586
Total	58,95,728	74,17,776
Less: Provision for doubtful loans and advances	-	-
Total	58,95,728	74,17,776

NOTE - 17

OTHER CURRENT ASSETS		
(a) Interest accrued but not due	3,56,081	2,78,000
(b) Advance to Suppliers	64,94,982	3,39,581
(c) Prepaid Expenses	3,10,651	2,63,465
(d) Others	8,31,256	23,60,362
Total	79,92,970	32,41,408

NOTE - 18

	For the Year Ended 31.03.2015 (Rs.)	For the Year Ended 31.03.2014 (Rs.)
REVENUE FROM OPERATIONS		
a) Sale of products		
Maida	65,35,15,084	71,98,94,974
Sooji	9,72,83,227	11,38,47,462
Atta	5,80,05,942	7,14,19,943
Bran Rough	13,82,73,644	15,01,07,332
Bran Flakes	6,33,47,001	7,02,96,865
Wheat	-	19,95,72,627
Others	1,41,11,047	1,53,47,363
	<u>1,02,45,35,946</u>	<u>1,34,04,86,565</u>
(b) Sale of services	1,96,28,274	1,81,38,353
Less:Excise duty	-	-
Total sales	<u>1,04,41,64,220</u>	<u>1,35,86,24,918</u>
Add:Other operating revenues	-	-
Total	<u>1,04,41,64,220</u>	<u>1,35,86,24,918</u>

NOTE - 19

OTHER INCOME

(a) Interest income (in case of a company other than a finance company)	16,16,087	13,96,972
(b) Dividend income	660	10,484
(c) Profit on sale of investments	4,24,683	12,10,559
(d) Rental Income	13,46,485	13,28,804
(e) Foreign Exchange Gain	-	2,612
(f) Other non-operating income	53,93,544	33,46,905
(g) Profit of sale of vehicles	7,112	-
(h) Profit on Sale of immovable property	18,49,006	-
Total	<u>1,06,37,577</u>	<u>72,96,336</u>

NOTE - 20

	For the Year Ended 31.03.2015 (Rs.)	For the Year Ended 31.03.2014 (Rs.)
CONSUMPTION OF MATERIALS		
Opening stock		
Wheat	6,38,82,812	4,60,78,073
Packing Materials	1,15,68,798	73,26,710
Total	7,54,51,610	5,34,04,783
Add: Purchases		
Wheat	91,19,24,354	1,23,68,85,986
Packing Materials	1,29,44,043	1,68,80,727
Total	92,48,68,396	1,25,37,66,713
Less: Cost of Wheat Sold	-	19,05,22,310
Less: Closing stock		
Wheat	6,36,96,761	6,38,82,812
Packing Materials	1,01,62,519	1,15,68,798
Total	7,38,59,280	7,54,51,610
Consumption of Material	92,64,60,726	1,04,11,97,577

NOTE - 21

**CHANGES IN INVENTORIES OF
FINISHED GOODS, WIP AND STOCK IN TRADE**

Opening stock		
Finished Goods		
Maida	1,23,77,058	49,97,045
Sooji	42,15,689	34,74,320
Atta	15,91,378	14,41,705
Bran Rough	8,23,376	28,26,254
Bran Flakes	9,28,811	12,48,150
Total	1,99,36,312	1,39,87,474
Closing stock		
Finished Goods		
Maida	1,59,51,545	1,23,77,058
Sooji	41,14,155	42,15,689
Atta	16,02,051	15,91,378
Bran Rough	13,26,840	8,23,376
Bran Flakes	18,24,749	9,28,811
Total	2,48,19,340	1,99,36,312
Changes in inventory	(48,83,028)	(59,48,838)
Total	(48,83,028)	(59,48,838)

NOTE - 22

	For the Year Ended 31.03.2015 (Rs.)	For the Year Ended 31.03.2014 (Rs.)
OTHER OPERATING EXPENSES		
(a) Consumption of stores and spare parts	18,89,912	23,08,111
(b) Freight inward	2,53,690	57,346
(c) Custom Milling Charges	1,03,81,609	1,94,40,715
(d) Power and fuel	2,98,25,100	2,31,52,095
(e) Laboratory Expenses	3,32,199	3,57,111
(f) Repairs and maintenance		
Building	3,82,510	5,57,538
Machinery	15,69,085	15,46,093
Others	20,75,307	21,53,128
(g) Insurance	3,17,770	2,84,638
Total	4,70,27,182	4,98,56,775

NOTE - 23

EMPLOYEE BENEFITS		
(a) Salaries and wages	96,22,035	1,11,06,646
(b) Contribution to provident fund and other funds	65,63,386	21,78,455
(c) Staff Welfare	2,59,658	24,49,618
Total	1,64,45,079	1,57,34,719

NOTE - 24

OTHER EXPENSES		
(a) Rent including lease rentals	2,22,145	2,42,340
(b) Communication	4,87,863	4,47,762
(c) Repairs and maintenance - Others	73,40,619	67,69,350
(d) Printing and stationery	3,45,337	4,62,004
(e) Rates and taxes	5,60,415	5,19,954
(f) Freight and forwarding	1,17,07,456	1,02,13,360
(g) Business promotion	1,46,337	2,38,824
(h) Sales commission	3,23,454	4,34,138
(i) Sales discount	36,18,717	33,95,086
(j) Legal and professional	4,57,450	7,09,314
(k) Payments to auditors *	3,14,137	3,27,152
(l) Internal Audit Fees	1,51,697	1,07,574
(m) Bad debts written off	-	1,19,091
(n) Miscellaneous expenses	21,16,887	30,01,604
(p) Bank Charges	1,03,118	34,901
(q) Directors Travelling and other expenses	21,70,065	22,84,163
(r) Director Sitting Fees	31,000	24,000
(s) Foreign Exchange Loss	1,16,060	-
(t) Water Charges	5,26,330	4,22,660
Total	3,07,39,087	2,97,53,276

	For the Year Ended 31.03.2015 (Rs.)	For the Year Ended 31.03.2014 (Rs.)
*PAYMENTS TO THE AUDITORS COMPRISES (INCLUDING SERVICE TAX)		
(a) For statutory audit	1,12,360	1,12,360
(b) For tax audit	50,562	50,562
(c) For taxation matters	98,315	44,944
(d) Limited Review Fee	33,708	33,708
(e) For other services	13,942	67,978
(f) Reimbursement of expenses	5,250	17,600
Total	3,14,137	3,27,152

NOTE - 25

FINANCE CHARGES

(a) Interest expenses	1,53,81,370	1,41,24,524
(b) Other borrowing costs	5,13,687	6,05,651
Total	1,58,95,057	1,47,30,175

NOTE - 26

EARNING PER SHARE

Profit for the year	84,47,175	1,07,29,525
Weighted average number of equity shares outstanding	30,02,900	30,02,900
Basic Earnings per share (Face value of Rs. per share)	2.81	3.57
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)	2.81	3.57

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 premium payable to Life Insurance Corporation of India is provided 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, deferred and fringe benefit tax. Current tax and fringe benefit 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.

NOTES ON GENERAL INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS

27. 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.

28. Change in Accounting Estimate

During the FY 2014 - 15 company has adopted useful life of the asset mentioned in Part C to Schedule II of Companies Act 2013. In the earlier year company was following Schedule VI of Companies Act 1956 for calculation depreciation on tangible asset. Since there is a change in the useful life of the asset during the year compare to previous year, the change is treated as accounting estimate. The effect of change in accounting estimate on statement of profit and loss be there for current financial year as well as future financial year. After applying the principle laid down in Schedule II of Companies Act 2013, Rs.98,10,474 is debited to statement of profit and loss and Rs.34,38,488 being depreciation adjusted in reserves.

29. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2015 (Rs.)	As at 31st March, 2014 (Rs.)
A. Contingent liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	2,00,000	2,00,000
(c) Company has received a show cause notice from central exercise department. As per show cause notice the total demand quantified by the department is Rs. 1,95,51,297/- plus interest and penalty. Company has replied for the above show cause notice. The matter is yet to come from personal hearing. Company has been advised that company has strong prima facie case. Accordingly it has not made any provision for this liability in the financial statements.		
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	70,65,152	1,55,52,938
(b) Uncalled liability on shares and other investments partly paid	-	-

The following are the guarantees given by the banks to the parties on behalf of the company which are in force as on March 31, 2012.

Name of the Bank	Party to whom the guarantee given	Amount (Rs)
State Bank of Bikaner & Jaipur	Collector of Customs	2,00,000

30. 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.

31. Related parties

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

1 Key Managerial Personnel	Sri. B Shanthilal Sri. Pramod Kumar S Sri. AVS Murthy Smt. Pinky Jain Sri. Shailesh Siroy
2 Enterprise with significant influence and	Brindavan Roller Flour Mills Private Limited Sryshti Pharmaceuticals Private Limited Mysore Vegetable Oil Products Limited Mysore Snacks Foods Limited Kithur Channamma Roller Flour Mills Private Limited Alampalli Investments Private Limited Krishna Industries Private Limited Bal Pharma Limited BRFM India Private Limited Brindavan Softland Private Limited Sunil AG

(ii) The following transactions were carried with the related parties in the ordinary course of business during the year ended March 31, 2014

Particulars	Enterprise with Significant influence In rupees	Key Managerial Personnel In rupees	Total In rupees
(a) Deposit Received from Directors & Relatives			
Sri. Shanthi Lal	-	39,46,260	39,46,260
	-	(32,50,000)	(32,50,000)
Kamala Bai	-	-	-
	-	(3,50,000)	(3,50,000)
Smt. Pinky Jain	-	27,20,206	27,20,206
	-	(1,15,000)	(1,15,000)
Sri. Pramod Kumar S	-	2,43,20,685	2,43,20,685
	-	(2,27,08,646)	(2,27,08,646)
(b) Repayment of Deposit			
Sri. Shanthi Lal	-	38,60,734	38,60,734
	-	(21,00,000)	(21,00,000)
Kamala Bai	-	-	-
	-	(9,50,000)	-9,50,000.00
Sri. Pramod Kumar S	-	2,23,92,470	2,23,92,470
	-	(2,25,50,000)	(2,25,50,000)
Smt. Pinky Jain	-	2,50,000	2,50,000
	-	(2,50,000)	(2,50,000)
(c) Interest on Deposit			
Sri. Shanthi Lal	-	2,42,048	2,42,048
	-	(53,141)	(53,141)
Smt. Pinky Jain	-	-	-
	-	-	-

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Sri. Pramod Kumar S	-	12,11,787	12,11,787
	-	-	-
Smt. Pinky Jain	-	2,27,719	2,27,719
	-	-	-
(d) Receiving of Services			
Brindavan Softland Private Limited	1,03,93,644	-	1,03,93,644
	(1,94,40,715)	-	(1,94,40,715)
(e) Purchase of Goods & others			
Brindavan Softland Private Limited	-	-	-
	(1,50,000)	-	(1,50,000)
BRFM (India) Private Limited	6,00,000	-	6,00,000
	-	-	-
Purchase of assets & Liabilities on slump sale bases			
Brindavan Softland Private Limited (Net)	1,00,000	-	1,00,000
	-	-	-
(f) Advance given to Related Party			
Kithur Chanamma Roller Flour Mills Pvt Ltd		-	-
	(7,45,011)	-	(7,45,011)
Advance recovered from related party			
Kithur Chanamma Roller Flour Mills Pvt Ltd	68,33,471	-	68,33,471
	(7,45,011)	-	(7,45,011)
(g) Interest Received on Advance			
Brindavan Softland Private Limited	-	-	-
	(2,97,241)	-	(2,97,241)
Kithur Chanamma Roller Flour Mills Pvt Ltd	8,71,080	-	8,71,080
	(6,59,400)	-	(6,59,400)

(iii) Balance Outstanding

Particulars	Enterprise with Significant influence In rupees	Key Managerial Personnel In rupees	Total In rupees
(a) Deposit received			
Sri. Shanthi Lal	-	20,00,000	20,00,000
	-	(19,62,602)	(19,62,602)
Sri. Pramod Kumar S	-	20,87,011	20,87,011
	-	(1,58,646)	(1,58,646)
Smt. Pinky Jain	-	24,83,305	24,83,305
	-	(13,099)	(13,099)
Kamala Bai	-	-	-
	-	-	-
(b) Payable For Receiving of goods & Services			
Brindavan Softland Private Limited	-	-	-
	0	-	0
BRFM (India) Private Limited	6,00,000	-	6,00,000
	(17,64,000)	-	(17,64,000)

(c) Receivable from

Kittur Chanamma Roller Flour Mills Private Limited	0	-	0
	(68,33,471)	-	(68,33,471)
Brindavan Roller Flour Mills Private Limited	4,80,977	-	4,80,977
	(4,80,977)	-	(4,80,977)
Brindavan Softland Private Limited	0	-	0
	(27,13,627)	-	(27,13,627)

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

32. Remuneration to Managerial Personnel

Amount (In Rs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Mr. Pramod Kumar (Executive Director)	24,99,925	26,05,876
Mr. B. Shantilal (Managing Director)	12,70,415	11,00,663
Total	37,70,340	37,06,539

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

33. Obligation on longterm, non-cancellable operating lease:

As lessor : The company has entered into non-cancelable operating lease for letting the terrace space of the factory building for erecting the mobile tower.

The brief description of the agreement is as follows:

Lease rental charges of Rs.13,960 per months from July 1, 2006 onwards with a condition to increase the rent every year.

Rental income included in the Statement of Profit and Loss is Rs. 3,03,229/- towards operating lease

Future lease rental commitments by the lessee is as follows:

Lease Rentals	As at 31st March, 2015	As at 31st March, 2014
Due within one year from the balance sheet date	3,03,229	3,10,484
Total	3,03,229	3,10,484

34. 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.

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34a. 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	-	19,95,72,626	1,04,41,64,220	1,15,90,52,292	1,04,41,64,220	1,35,86,24,918
Segment Results	-	90,50,316	5,70,95,875	5,38,79,539	5,70,95,875	6,29,29,855
Add: Unallocated Income					1,06,37,577	72,96,336
					6,77,33,452	7,02,26,190
Less: Unallowable Corporate Expenses						
Admin, Selling and Distribution Expense					4,17,68,081	4,04,78,331
Financial Charges					1,58,95,057	1,47,30,175
Profit before taxation					1,00,70,314	1,50,17,684
Provision for taxation						
Current Tax					-23,00,000	-41,00,000
Previous Year Tax					38,601	6,82,629
Deferred Tax					6,44,319	-8,70,789
Wealth tax					-6,059	-
Profit after Tax					84,47,175	1,07,29,525
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	-	-	9,06,65,523	8,46,40,713	9,06,65,523	8,46,40,713
Capital Work-in Progress	-	-	1,82,29,358	15,39,582	1,82,29,358	15,39,582
Inventory	-	-	10,00,50,723	9,55,11,659	10,00,50,723	9,55,11,659
Debtors	-	3,35,33,868	7,42,21,869	4,27,45,441	7,42,21,869	7,62,79,309
Cash & Bank Balances	-	-	64,14,567	31,24,919	64,14,567	31,24,919
Segment Liabilities						
Short Term Borrowings	-	-	12,16,13,207	12,00,77,431	12,16,13,207	12,00,77,431
Long Term Borrowings	-	-	99,23,667	1,23,91,055	99,23,667	1,23,91,055
Unallocated Segment Assets						
Investments					51,07,577	56,28,552
Loans and Advances					3,26,82,138	3,86,90,968
Unallocated Segment Liabilities						
Current Liabilities & Provisions					7,40,94,481	5,39,79,537

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.

34b. 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	90,67,96,275	1,20,09,63,944	13,73,67,945	15,76,60,974	1,04,41,64,220	1,35,86,24,918
Unallocated Revenue					1,06,37,577	72,96,336
Total Revenue	90,67,96,275	1,20,09,63,944	13,73,67,945	15,76,60,974	1,05,48,01,797	1,36,59,21,253
Unallocated Assets					32,73,71,756	30,54,15,702
Total Assets					32,73,71,756	30,54,15,702

35a. Employee Benefit Plan

Gratuity

In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 31st March 2015 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Particulars	31 March, 2015	31 March, 2014
Components of employer expense		
Current Service cost	2,34,109	1,79,157
Interest cost	1,46,269	1,19,976
Expected return on plan assets	(52,503)	(40,014)
Past Service Cost - Vested/Non Vested Benefi	-	-
Actuarial Losses/(Gains)	1,14,946	(1,31,438)
Total expense/(income) recognized in the Statement of Profit & Loss	4,42,821	1,27,681
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	5,33,817	3,55,377
Expected return on plan assets	52,503	40,014
Actuarial gains/(losses)	(6,608)	-3,574
Assets Acquired on Acquisition/ (Distributed on Divestiture)	-	-
Contributions by Employer	1,21,725	1,42,000
Benefits paid	(68,530)	-
Closing Fair Value of Plan Assets	6,32,907	5,33,817
Change in Defined Benefit Obligation (DBO)		
Present Value of DBO at the beginning of the year	14,15,122	12,51,001
Current service cost	2,34,109	1,79,157
Interest cost	1,46,269	1,19,976
Actuarial (gains)/losses due to change in assumption		
Actuarial (gains)/losses due to change in experience	1,08,338	(1,35,012)
Past Service Cost - Vested/Non Vested Benefit		
Benefits paid	(68,530)	-
Present value of DBO at the end of the year	18,35,308	14,15,122
Net asset/(liability) recognized in balance sheet		
Fair value of plan assets	6,32,907	5,33,817
Present Value of Defined Benefit Obligation	(18,35,308)	(14,15,122)
Net asset/(liability) recognized in balance sheet	(12,02,401)	(8,81,305)

Actuarial Assumptions	31-Mar-15	31-Mar-14
Discount Rate	8.00%	8.25%
Expected Return on plan assets	9%	9%
Rate of increase in compensation	5%	5.00%
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-15		31-Mar-14	
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%

Note: During the financial year the company has taken over all the assets and liabilities of M/s Brindavan Softland Pvt Ltd (BSPL). The liabilities of BSPL contains the gratuity liability of Rs.2,52,265 due as on the date of the acquisition. As per the actuarial valuation, total gratuity liability of BSPL as on the date of take over is Rs.2,52,265/-. After adjusting the liability taken over of BSPL Rs.2,52,265, company has debited Rs.1,90,556/- as a gratuity expense in the statement of profit and loss.

35b. Employee Benefit Plan

Leave Encashment

In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 31st March 2015 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 31 March, 2015	For the year ended 31 March, 2014
Components of employer expense		
Current Service cost	1,07,342	90,367
Interest cost	13,901	12,578
Expected return on plan assets	-	-
Past Service Cost - Vested/Non Vested Benefit	-	-
Actuarial Losses/(Gains)	2,72,178	2,60,712
Total expense/(income) recognized in the Statement of Profit & Loss	3,93,421	3,63,657
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	-	-
Expected return on plan assets	-	-
Actuarial gains/(losses)	-	-
Assets Acquired on Acquisition/ (Distributed on Divestiture)	-	-
Contributions by Employer	3,50,869	3,38,198
Benefits paid	(3,50,869)	-3,38,198
Closing Fair Value of Plan Assets	-	-
Change in Defined Benefit Obligation (DBO)		
Present Value of DBO at the beginning of the year	1,52,486	1,27,027
Current service cost	1,07,342	90,367
Interest cost	13,901	12,578
Actuarial (gains)/losses due to change in assumptions	-	-
Actuarial (gains)/losses due to plan experience	2,72,178	2,60,712
Past Service Cost - Vested/Non Vested Benefit	-	-
Benefits paid	(3,50,869)	(3,38,198)
Present value of DBO at the end of the year	1,95,038	1,52,486
Net asset/(liability) recognized in balance sheet		
Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	1,95,038	1,52,486
Net asset/(liability) recognized in balance sheet	1,95,038	1,52,486

Actuarial Assumptions	31-Mar-15	31-Mar-14
Discount Rate	8.00%	8.25%
Expected Return on plan assets	NA	NA
Salary Escalation Rate	5%	5.00%
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-15		31-Mar-14	
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%

35c. Defined contribution plans

The company has recognised, in the Statement of Profit and loss for the year year ended March 31, 2015 an amount of Rs.13,05,186/-

(Previous year:12,34,823/- under defined contribution plans)

Benefit (Contribution to)	For the year ended March 31, 2015	For the year ended March 31, 2014
Provident Fund	9,63,536	9,17,793
Employee State Insurance Corporation	3,41,650	3,17,030
Total	13,05,186	12,34,823

36a. Value of raw materials, spare parts and components consumed during the year

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Percentage	Value (In rupees)	Percentage	Value (In rupees)
(a) Raw materials				
Imported	0%	-		-
Indigenous	100%	91,21,10,405	100%	1,02,85,58,937
(b) Spare parts and components				
Imported	0%	-	9%	1,99,240
Indigenous	100%	18,89,912	91%	21,08,871

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

Particulars	For the year ended 31st March, 2015 In rupees	For the year ended 31st March, 2014 In rupees
Raw materials	-	-
Spare parts and components	-	1,99,240
Capital goods	1,73,27,890	-
Total	1,73,27,890	1,99,240

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

Particulars	For the year ended 31st March, 2015 In rupees	For the year ended 31st March, 2014 In rupees
Consultation fees	-	-
Interest	1,11,719	-
Other Expenses	4,235	24,935
Travelling Expenses	5,86,919	4,66,189
Total	7,02,873	4,91,124

37. Micro, Small or Medium Enterprises

- (a) 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, 2015.

38. The previous years figures have been regrouped/restated wherever necessary to conform to this year's classification.

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

Pramod Kumar S.
Executive Director

B. Shantilal
Managing Director

Place: Bangalore
Date : 30th May, 2015

Sunil Agro Foods Limited

CIN: L01111KA1988PLC008861

Regd. Off: 39/A2, Hosakote Industrial Area, Chokkahalli, Hoskote - 562 114

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

ECS MANDATE FORM

Members Holding Shares in Physical Mode

Please inform:

Integrated Enterprises (India) Limited

No. 30, Ramana Residency

4th Cross, Sampige Road

Malleswaram

Members Holding Shares in Physical Mode

Please inform: Your DPs directly
(if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS). The particulars are:

1. Folio No. /Certificate No.	
2. Name of the 1st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account number	
6. Account Type (Please tick the relevant account)	Savings /Current/Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder as per the
Specimen signature with the Company

Name:

Address:

Date:

Sunil Agro Foods Limited

CIN: L01111KA1988PLC008861

Regd. Off: 39/A2, Hosakote Industrial Area, Chokkahalli, Hoskote - 562 114

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:.....

Name of the company:.....

Registered office:.....

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 Seventh Annual General Meeting of the Company, to be held on the on Tuesday, the 15th September, 2015 at 10.30 a.m. at BharatiyaVidyaBhavan, 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, 2015.
2. Declaration of dividend.
3. Appointment of Mr. B Shantilal who retires by rotation.
4. Appointment of Statutory Auditors of the Company.

SPECIAL BUSINESS

5. Appointment of Mr. ShaileshSiroyaas an Independent Director.

Signed this..... day of..... 2015

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

Regd. Off: 39/A2, Hosakote Industrial Area, Chokkahalli, Hoskote - 562 114

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
ORDINARY BUSINESS				
1.	Adoption of Annual Accounts for the year ended March 31, 2015.			
2.	Declaration of Dividend.			
3.	Appointment of Mr. B Shantilal, Managing Director who retires by rotation.			
4.	Appointment of Statutory Auditors of the Company.			
SPECIAL BUSINESS				
5.	Appointment of Mr. Mr. Shailesh Siroya as an Independent Director.			

Place:

Date:

(Signature of the shareholder)

