

ANNUAL REPORT

2015 - 2016



Sunil Agro Foods Limited

An ISO22000 : 2005 Certified

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

BOARD OF DIRECTORS:

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

REGISTERED OFFICE & FACTORY

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

CORPORATE OFFICE

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

AUDITORS

Messrs MSSV & Co.
Chartered Accountants
Bangalore

COMPANY SECRETARY ADVISOR

Mr. Vijayakrishna K T
Practising Company Secretary

BANKERS

HDFC Bank Ltd.
Seshadripuram Branch, Bangalore

SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited
Bangalore

CONTENTS :

NOTICE.....	01
BOARD'S REPORT.....	09
REPORT ON CORPORATE GOVERNANCE.....	14
DECLARATION FROM INDEPENDENT DIRECTORS.....	24
EXTRACT OF ANNUAL RETURN – FORM MGT-9.....	25
FORM AOC-2-RELATED PARTY TRANSACTIONS.....	32
SECRETARIAL AUDIT REPORT.....	33
RATIO OF REMUNERATION TO EACH DIRECTOR.....	36
AUDITORS' REPORT.....	38
BALANCE SHEET.....	42
STATEMENT OF PROFIT & LOSS.....	43
CASH FLOW STATEMENT.....	44
NOTES FORMING PART OF FINANCIAL STATEMENTS.....	58
PROXY FORM.....	67
POLLING PAPER.....	69
NOTES	71

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

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Shareholders of the Company will be held at Bharatiya Vidya Bhavan, Race Course Road, Bangalore Ð 560 001, at 10.30 a.m. on Wednesday, the 7th day of September, 2016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow for the year ended on that date, together with Independent Auditors Report and the Board's Report including Secretarial Audit Report thereon.
2. To appoint Mrs. Pinky Jain (DIN: 03636974), Non-Executive Director, who retires by rotation and being eligible, offers herself for reappointment.
3. To ratify the appointment of Statutory Auditors of the Company.

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

RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of Messrs MSSV & Co, Chartered Accountants, having ICAI Firm Registration No. 0025087, as Statutory Auditors of the Company for the Company's financial year ended 31.03.2017, who were appointed as Auditors of the Company in the 27th Annual General Meeting (AGM) held on 15th September, 2015 to hold office until the conclusion of the 29th AGM, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

SPECIAL BUSINESS:

4. Appointment of Mr. B Shantilal as Managing Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 2(54), 196, 197, 198, 203 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 V to the Companies Act, 2013, approval of the members be and is hereby accorded for the re-appointment of, and remuneration payable to, Mr. B Shantilal (DIN: 00719808), Managing Director of the Company for a period of three (3) years with effect from 01.10.2016 to 30.09.2019 on the following terms and conditions as mentioned below:

1. Salary:

Sl. No.	Tenure	Salary per month
i.	01.10.2016 - 30.09.2019	Rs. 1,00,000/-

2. Commission: At 1% of the net profits of the Company computed in the manner laid down in the Companies Act, 2013, but subject to a ceiling of Rs. 1,20,000 (Rupees One Lakh Twenty Thousand only).
3. Perquisites: As detailed hereinafter restricted to an amount equal to the annual salary or Rs. 3,60,000/- (Rupees Three Lakhs Sixty Thousand only) per annum, whichever is less. Unless the context otherwise requires, the perquisites are classified into three categories A, B and C as follows:

CATEGORY "A"

i. Housing:

The expenditure incurred by the Company on providing furnished residential accommodation for the appointee shall be subject to a ceiling of 60% (sixty percent) of the appointee's salary over and above 10% (ten percent) payable by the appointee himself;

Alternatively:

In case the accommodation is provided by the Company, 10% (ten percent) of the salary of the appointee shall be deducted by the Company;

Alternatively:

In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance, subject to a ceiling of 60% (sixty percent) of salary payable to the appointee.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962, as amended from time to time; however, such expenditure shall be subject to a ceiling of 10% (ten percent) of appointee's salary.

ii. Medical Reimbursement:

Expenses incurred for the appointee and his family, subject to, a ceiling of one month's salary over a period of three years.

iii. Leave Travel Concession:

For appointee and his family once in a year, while on leave, in accordance with the rules and regulations applicable to Senior Managers of the Company from time to time.

iv. Personal Accident Insurance:

Premium not to exceed Rs. 4,000/- (Rupees four thousand only) per annum.

Explanation: For the purpose of Category "A"; "Family" means spouse, dependent children and dependent parents of the appointee.

CATEGORY "B"

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund: these will be in accordance with the schemes applicable to senior Managers of the Company from time to time and will not be included in the computation of the ceiling of perquisites mentioned above to the extent they, either singly or put together are not taxable under the Income Tax Act, 1961 and as amended from time to time.
2. Gratuity In accordance with the Rules and Regulations applicable to Senior Managers of the Company from time to time not exceeding half month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure-in accordance with the Rules and Regulations applicable to the Senior Managers of the Company from time to time; the monetary equivalent of such encashed leave shall not be included in the computation of the ceiling on perquisites referred to in paragraph(c).

CATEGORY "C"

Provision of car for use on Company's business and telephone at residence. Both these facilities will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the appointee.

OTHER BENEFITS

'Keyman Insurance' shall be taken in the name of the Managing Director and all premium(s) in this respect to be paid by the Company.

Apart from aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

Managing Director shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Managing Director may be paid the substantive remuneration as stated above as the Minimum Remuneration; the amount of salary, commission, perquisites and other allowances payable to the Managing Director shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013, as may be in force for the time being.

Further, in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mr. B Shantilal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting."

5. Appointment of Mr. Pramod Kumar S as Whole time Director of the Company.

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

ØRESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 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 V to the Companies Act, 2013, approval of the members be and is hereby accorded to the re-appointment of, and remuneration payable to, Mr. Pramod Kumar S (DIN: 00719828), Whole time Director designated as Executive Director of the Company for a period of three (3) years with effect from 1.11.2015 to 31.10.2018 on the following terms and conditions as mentioned below:

1. Salary:

Sl. No.	Tenure	Salary per month
i.	01.11.2015 - 31.10.2018	Rs.1,25,000/-

2. Commission:

At 1% of the net profits of the Company computed in the manner laid down in the Companies Act, 2013, but subject to a ceiling of Rs. 1,20,000 (Rupees One Lakh Twenty Thousand only).

3. Perquisites:

As detailed hereinafter restricted to an amount equal to the annual salary or Rs.3,60,000/- (Rupees Three Lakhs Sixty Thousand only) per annum, whichever is less. Unless the context otherwise requires, the perquisites are classified into three categories ÔAÕ, ÔBÕ and ÔCÕ as follows:

CATEGORY ÔAÕ

i. Housing:

The expenditure incurred by the Company on providing furnished residential accommodation for the appointee shall be subject to a ceiling of 60% (sixty percent) of the appointee's salary over and above 10% (ten percent) payable by the appointee himself;

Alternatively:

In case the accommodation is provided by the Company, 10% (ten percent) of the salary of the appointee shall be deducted by the Company;

Alternatively:

In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance, subject to a ceiling of 60% (sixty percent) of salary payable to the appointee.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962, as amended from time to time; however, such expenditure shall be subject to a ceiling of 10% (ten percent) of appointee's salary.

ii. Medical Reimbursement:

Expenses incurred for the appointee and his family, subject to, a ceiling of one month's salary over a period of three years.

iii. Leave Travel Concession:

For appointee and his family once in a year, while on leave, in accordance with the rules and regulations applicable to Senior Managers of the Company from time to time.

iv. Personal Accident Insurance:

Premium not to exceed Rs. 4,000/- (Rupees four Thousand only) per annum,

Explanation: For the purpose of Category "A" 'Family' means spouse, dependent children and dependent parents of the appointee.

CATEGORY "B"

4. Contribution to Provident Fund, Superannuation Fund or Annuity Fund-These will be in accordance with the schemes applicable to senior Managers of the Company from time to time and will not be included in the computation of the ceiling of perquisites mentioned above to the extent they, either singly or put together are not taxable under the Income Tax Act, 1961 and as amended from time to time.
5. Gratuity ð In accordance with the Rules and Regulations applicable to Senior Managers of the Company from time to time not exceeding half month's salary for each completed year of service.
6. Encashment of leave at the end of the tenure-in accordance with the Rules and Regulations applicable to Senior Managers of the Company from time to time, the monetary equivalent of such encashed leave shall not be included in the computation of the ceiling on perquisites referred to in paragraph(c).

CATEGORY ÔCÕ

Provision of car for use on Company's business and telephone at residence. Both these facilities will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the appointee.

OTHER BENEEFITS

'Keyman Insurance' shall be taken in the name of the Executive Director and all premium(s) in this respect to be paid by the Company.

Apart from aforesaid remuneration, the Executive Director shall be entitled to reimbursement of expenses incurred in connection with the business of the company.

The Executive Director shall not be paid any sitting fees for attending the Meetings of the Board of Directors or committees thereof.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Whole time Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of

salary, commission, perquisites and other allowances payable to the Whole time Director shall be subject to the limits prescribed under Schedule V of the Companies Act, as may be in force for the time being.

Further in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mr. Pramod Kumar S be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.”

By the Order of the Board

For SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 1st August, 2016

Pramod Kumar S
Executive Director
DIN: 00719828

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote instead of himself / herself and such proxy / proxies need not be a member of the company. Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate, not more than ten (10) percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

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

2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
3. Listing fee has been paid to the BSE Ltd, Mumbai up to date.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 1st September, 2016 to 7th September, 2016 (both days inclusive).
5. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
6. 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.
7. 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. Members may contact the Company or Integrated Enterprise (India) Limited for assistance in this regard.
8. Electronic copy of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting. Only Members/ Proxies will be admitted into the Hall for the Meeting.
10. 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.
11. Members may refer Additional Information on Directors recommended for appointment / re-appointment, under the provisions of Listing Regulations.
12. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
13. With regard to re-appointment of Mrs. Pinky Jain (DIN: 03636974), referred to in item No. 2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Ms. Pinky Jain
Date of Birth	12.01.1971
Date of Appointment	30.07.2011
Qualifications	Graduate in Arts
Expertise in specific functional area	General Management
Directorships held in other Companies (excluding foreign companies)	Nil
Membership/Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL
No. of Board Meetings attended during the year	4

14. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 28th Annual General Meeting to be held on Wednesday, the 7th day of September, 2016 at 10.30 am. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The instructions for e-voting are as under:

- (i) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 31st August, 2016 (Wednesday) i.e., the date prior to the commencement of Book closure date are entitled to vote on the Resolution set forth in this Notice. The voting period begins on Sunday, 4th September, 2016 (9.00 AM) and

ends on Tuesday, 6th September, 2016 (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 31st August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Members desiring to vote through remote e-voting mode may refer to the detailed procedure on e-voting given hereinafter.

INSTRUCTIONS FOR REMOTE E-VOTING

- (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* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department
Applicable for both demat shareholders as well as physical shareholders) <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 | ¥ 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 31st August, 2016.
- (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 Forty Eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (v) The Results shall be declared within Forty Eight (48) hours from the conclusion of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sunilagro.in and on the website of CDSL and also be 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.
16. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company i.e. Plot No.39-A2, Industrial Area, Chokkahalli, Hosakote D 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 Pramod Kumar S
Date: 1st August, 2016 Executive Director
DIN: 00719828

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

ITEM NO.4:

Mr. B Shantilal has been associated with the Company as a Promoter since inception. He was instrumental in the significant growth of the Company and has good amount of experience in the line of the business.

The tenure of Mr. B Shantilal expires on 30th September, 2016, as per the terms approved by the Shareholders of the Company.

It is proposed to re-appoint Mr. B Shantilal as Managing Director of the Company with such terms and conditions as mentioned in the aforesaid resolution.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel other than Mr. B Shantilal and Mr. Pramod Kumar S and Ms Pinky Jain, his relatives, is concerned or interested in the said resolution.

This may be deemed as abstract under Section 190 of the Companies Act, 2013, of the terms and conditions of appointment of Mr. B Shantilal as Managing Director.

ITEM NO.5:

Mr. Pramod Kumar S is a Commerce Graduate. He has been associated with the Company as a Promoter for very long time. He was instrumental in the significant growth of the Company and has good amount of experience in the line of the business.

It is proposed to re appoint Mr. Pramod Kumar S as Whole time Director of the Company with such terms and conditions as mentioned in the aforesaid resolution.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel other than Mr. Pramod Kumar S and Mr. B Shanthilal and Ms Pinky Jain, his relatives, is concerned or interestd in the said resolution.

This may be deemed as abstract under Section 190 of the Companies Act, 2013 of the terms and conditions of appointment of Mr. Pramod Kumar S as Whole time Director.

By the Order of the Board
For SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 1st August, 2016

Pramod Kumar S
Executive Director
DIN: 00719828

Annexure to Notice

Information pertaining to Directors seeking appointment or reappointment at the 28th Annual General Meeting as required by Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Particulars	Mr. B Shantilal	Mr. Pramod Kumar S
Date of Birth	09.11.1942	15.07.1968
Date of Appointment	20.01.1988	20.01.1988
Qualifications	Graduate Graduate in Commerce	
Expertise in specific functional area	General Management, Managing Director	General Management
Directorships held in other Public Companies (excluding foreign companies)	Roller Flour Millers	
Federation of India Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL	NIL

BOARD'S REPORT

The Board of Directors has pleasure in presenting the 28th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2016 together with the Independent Auditors' Report..

1. FINANCIAL RESULTS : (Rs. in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sales & Service	11120.09	10548.02
Less: Expenditure	10823.38	10190.26
Profit before Interest and Depreciation	296.71	357.76
Less: Interest	151.05	158.95
Less: Depreciation	116.26	98.10
Profit Before Taxation	29.41	100.70
Less: Provision for Taxation	7.61	16.23
Profit After Taxation	21.80	84.47

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

The Company continued to perform under certain challenges and hurdles. Although overall revenue marginally increased, cheaper raw materials including grains were damaged due to unseasonal rain. Higher depreciation as per the requirements of the Companies Act, 2013, was provided for. This led to reduction in the profit as compared to the Previous Year.

The Company has undertaken expansion program which is expected to be completed by this year end and other avenues of business are being explored. Low demand because of poor monsoon in the last 2 years affected the Sales and Revenue.

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

3. MANAGEMENT DISCUSSION AND ANALYSIS:

- a. Industry outlook and developments

The food processing industry in India is a sunrise sector that has gained prominence in recent years. Availability of raw materials, changing lifestyles and relaxation in policies has given a considerable push to the industry's growth. This sector is among the few that serves as a vital link between the agriculture and industrial segments of the economy. A thrust to the food processing sector implies significant development of the agriculture sector and ensures value addition to it.

b. Business Overview:

The Company has achieved a turnover of Rs. 11120.09 Lakhs (previous year Rs. 10548.02 Lakhs) for the financial year ended 31.03.2016 with a net profit of Rs. 21.80 Lakhs (previous year Rs. 84.47 Lakhs).

c. Opportunities:

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

d. There is no risk expected during this year.

e. Outlook:

The Company will strive for Better Values.

f. Internal Control System:

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

g. Human Resource Development:

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

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material events reported subsequent to the date of financial statements.

5. CHANGE IN THE NATURE OF BUSINESS:

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

6. DIVIDEND:

In view of the depleted profitability, the Directors do not recommend any dividend.

7. RESERVES:

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

8. SHARE CAPITAL:

The paid up Equity Share capital as on 31st March, 2016 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.

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

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 KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Pinky Jain, Non-Executive Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Based on the recommendations of the Nomination and Remuneration Committee, Mr. Pramod Kumar S was re-appointed as Executive Director of the Company during the year. This appointment along with Mr. B. Shantilal as Managing Director may be considered by the Shareholders at the ensuing Annual General Meeting.

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

14. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the period under review Four (4) Board Meetings were held on 30th May 2015, 3rd August 2015, 7th November 2015 and 12th February 2016.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal. The details of other Committee Meetings during the year 2015-16 are given in the Corporate Governance Report

15. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

16. ANNUAL BOARD EVALUATION:

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

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

17. DIRECTORS'S 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. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

20. EXTRACT OF ANNUAL RETURN:

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

21. 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, 2016.

22. 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 2015-16 in the prescribed format, AOC 2 is enclosed as Annexure D IV as a part of this Annual Report.

23. 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:

24. 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. 2,19,77,787/-

Unsecured Loans: Rs. 96,17,376/-

Current/Non-Current Investments: Rs. 51,07,577/-

Guarantees: Nil

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

25. AUDITORS:

The Auditors, Messrs MSSV & Co., Chartered Accountants, Bangalore, were appointed Statutory Auditors of the Company for a term of 3 years, to hold office from the conclusion of 27th Annual General Meeting held on 15th September, 2015 until the conclusion of 29th Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

26. SECRETARIAL AUDIT:

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

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
1.	Section 203 of the Companies Act, 2013 is not complied with, as the Company being listed company, has not appointed whole time qualified Company Secretary.	The Company has infused efforts to recruit qualified Company Secretary; however, no suitable candidate could be identified.
2.	Compliance on Secretarial Standards needs Secretarial Standards the Institute of India.	The Company has noted and has taken to be strengthened. care to adhere with SS-1 and SS-2 issued by Company Secretaries of
3	Certain policies and information are pending to be uploaded in the official website of the Company.	The Company has adopted all the required Policies and the Company will take due care to comply with this in future.
4	Certain returns/registers are required to be maintained the same in future. Commercial Establishments Act, Factories Act and other HR related Acts and Environmental Acts.	The Company will ensure to comply with under the General Laws like Karnataka Shops &
5	Certain web links were not made available in the Annual Report of previous year.	The Company has adopted all the required Policies and the Company will take due care to comply with this in future. Further, the Company has provided details of the same in the current year Annual Report.

27. 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, 2016, there is a fall in the value of investments to the extent of Rs.28.10 Lakhs. The Company has created provision for fall in the value of investment only to the extent of Rs.0.92 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.27.18 Lakhs and investment are overstated to the same extent.

Board's Response:

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.

28. PARTICULARS OF EMPLOYEES:

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

Further, the statement showing details in respect of employees of the Company are given in the Annexure D VI forming part of the Report.

29. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to BSE Limited where the Company's Shares are listed.

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

33. 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. 51,01,200/- in foreign exchange during the year under review and the Company's earnings in foreign currency is nil during the year under review.

33. 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 2015-16.

No of complaints received: NIL

No of complaints disposed: NIL

34. ACKNOWLEDGEMENTS:

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

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

By order of the board
For SUNIL AGRO FOODS LIMITED

Place : Bangalore **SHANTILAL BANSILAL** **PRAMOD KUMAR S**
Date : 01.08.2016 Managing Director Executive Director
 DIN: 00719808 DIN: 00719828

BOARD'S REPORT

The Board of Directors has pleasure in presenting the 28th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2016 together with the Independent Auditors' Report..

1. FINANCIAL RESULTS : (Rs. in Lakhs)

Particulars	For the year	For the year
	ended	ended
	March 31, 2016	March 31, 2015
Sales & Service	11120.09	10548.02
Less: Expenditure	10823.38	10190.26

Profit before Interest and Depreciation	296.71	357.76
Less: Interest	151.05	158.95
Less: Depreciation	116.26	98.10
Profit Before Taxation	29.41	100.70
Less: Provision for Taxation	7.61	16.23
Profit After Taxation	21.80	84.47

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

The Company continued to perform under certain challenges and hurdles. Although overall revenue marginally increased, cheaper raw materials including grains were damaged due to unseasonal rain. Higher depreciation as per the requirements of the Companies Act, 2013, was provided for. This led to reduction in the profit as compared to the Previous Year.

The Company has undertaken expansion program which is expected to be completed by this year end and other avenues of business are being explored. Low demand because of poor monsoon in the last 2 years affected the Sales and Revenue.

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

3. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry outlook and developments

The food processing industry in India is a sunrise sector that has gained prominence in recent years. Availability of raw materials, changing lifestyles and relaxation in policies has given a considerable push to the industry's growth. This sector is among the few that serves as a vital link between the agriculture and industrial segments of the economy. A thrust to the food processing sector implies significant development of the agriculture sector and ensures value addition to it.

b. Business Overview:

The Company has achieved a turnover of Rs. 11120.09 Lakhs (previous year Rs. 10548.02 Lakhs) for the financial year ended 31.03.2016 with a net profit of Rs. 21.80 Lakhs (previous year Rs. 84.47 Lakhs).

c. Opportunities:

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

d. There is no risk expected during this year.

e. Outlook:

The Company will strive for Better Values.

f. Internal Control System:

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

g. Human Resource Development:

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

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material events reported subsequent to the date of financial statements.

5. CHANGE IN THE NATURE OF BUSINESS:

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

6. DIVIDEND:

In view of the depleted profitability, the Directors do not recommend any dividend.

7. RESERVES:

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

8. SHARE CAPITAL:

The paid up Equity Share capital as on 31st March, 2016 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.

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

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 KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Pinky Jain, Non-Executive Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Based on the recommendations of the Nomination and Remuneration Committee, Mr. Pramod Kumar S was re-appointed as Executive Director of the Company during the year. This appointment along with Mr. B. Shantilal as Managing Director may be considered by the Shareholders at the ensuing Annual General Meeting.

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

14. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the period under review Four (4) Board Meetings were held on 30th May 2015, 3rd August 2015, 7th November 2015 and 12th February 2016.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal. The details of other Committee Meetings during the year 2015-16 are given in the Corporate Governance Report

15. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

16. ANNUAL BOARD EVALUATION:

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

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

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. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

20. EXTRACT OF ANNUAL RETURN:

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

21. 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, 2016.

22. 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 2015-16 in the prescribed format, AOC 2 is enclosed as Annexure D IV as a part of this Annual Report.

23. 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:

24. 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. 2,19,77,787/-

Unsecured Loans: Rs. 96,17,376/-

Current/Non-Current Investments: Rs. 51,07,577/-

Guarantees: Nil

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

25. AUDITORS:

The Auditors, Messrs MSSV & Co., Chartered Accountants, Bangalore, were appointed Statutory Auditors of the Company for a term of 3 years, to hold office from the conclusion of 27th Annual General Meeting held on 15th September, 2015 until the conclusion of 29th Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

26. SECRETARIAL AUDIT:

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

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
1.	Section 203 of the Companies Act, 2013 is not complied with, as the Company being listed company, has not appointed whole time qualified Company Secretary.	The Company has infused efforts to recruit qualified Company Secretary; however, no suitable candidate could be identified.
2.	Compliance on Secretarial Standards needs	The Company has noted and has taken to be strengthened.
	Secretarial Standards the Institute of India.	care to adhere with SS-1 and SS-2 issued by Company Secretaries of
3	Certain policies and information are pending to be uploaded in the official website of the Company.	The Company has adopted all the required Policies and the Company will take due care to comply with this in future.

- | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | Certain returns/registers are required to be maintained the same in future.
Commercial Establishments Act, Factories Act and other HR related Acts and Environmental Acts. | The Company will ensure to comply with under the General Laws like Karnataka Shops & |
| 5 | Certain web links were not made available in the Annual Report of previous year. | The Company has adopted all the required Policies and the Company will take due care to comply with this in future. Further, the Company has provided details of the same in the current year Annual Report. |

27. 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, 2016, there is a fall in the value of investments to the extent of Rs.28.10 Lakhs. The Company has created provision for fall in the value of investment only to the extent of Rs.0.92 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.27.18 Lakhs and investment are overstated to the same extent.

Board's Response:

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.

28. PARTICULARS OF EMPLOYEES:

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

Further, the statement showing details in respect of employees of the Company are given in the Annexure D VI forming part of the Report.

29. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to BSE Limited where the Company's Shares are listed.

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

33. 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. 51,01,200/- in foreign exchange during the year under review and the Company's earnings in foreign currency is nil during the year under review.

33. 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 2015-16.

No of complaints received: NIL

No of complaints disposed: NIL

34. ACKNOWLEDGEMENTS:

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

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

Place : Bangalore **SHANTILAL BANSILAL** **PRAMOD KUMAR S**
Date : 01.08.2016 Managing Director Executive Director
 DIN: 00719808 DIN: 00719828

ANNEXURE - I 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, regulations 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.

The Board comprises of five Directors including 2 Non-Executive Independent Directors, and one Non-Executive non-Independent Director.

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

Name of Directors Messrs	DIN	No. of Board Meetings attended	Attendance at last AGM on 15th Sep 2015	No. of other Directorships	Memberships of other Board Committees	Category
Shailesh Siroya	00048109	3	Yes	8	3	Non-Executive Independent
AVS Murthy	00085805	4	Yes	4	3	Non-Executive Independent
B. Shantilal	00719808	4	Yes	4	0	Executive
Pramod Kumar S	00719828	4	Yes	5	1	Executive
Pinky Jain	03636974	4	Yes	1	2	Non-Executive Non-Independent

The Company's familiarization program for Independent Directors is available on the website of the Company i.e. <http://www.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 28th 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:

30th May 2015, 3rd July 2015, 7th November 2015 and 12th February 2016.

During the period, separate meeting of the Independent Directors was held on 12th February, 2016 without the attendance of non-independent Directors and members of the management

The Board at its meetings reviewed compliance reports prepared by the Company on quarterly basis.

3. Audit Committee

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

The terms of reference:

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

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

The Committee comprises of Mr. AVS Murthy, Mr. Shailesh Siroya and Mr. Pramod Kumar S with Mr. A V S Murthy as Chairman.

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:

30th May 2015, 3rd August 2015, 7th November 2015 and 12th February 2016.

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 Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination and Remuneration Committee.

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

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

Meetings and the attendance during the year:

The Committee met two times on 30th May, 2015 and 30th October, 2015:

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

Remuneration Policy:

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

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

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

a) Managing Director:

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

b) Non-Executive Independent Directors:

Name	Sitting fees	Commission for the period	Amount in Rs.

Mr. AVS Murthy	22,743	-
Mr. Shailesh Siroya	22,743	-
Total	45,486	-

c) Non-Executive Directors:

Amount in Rs.		
Name	Sitting fees	Commission for the period
Pinky Jain	22,743	-

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

The terms of references of the Committee are as follows:

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

Meetings and the attendance during the year:

The Committee met on 30th May, 2015:

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

During the year there were no complaints received from the Shareholders and there was no pending share transfer as on 31st March, 2016.

Name, designation & address of Compliance Officer:

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

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

6. Independent Directors' Meeting & Performance Evaluation:

During the year under review, the Independent Directors met on 12th February, 2016, inter alia, and transacted the following business:

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

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

7. Risk Management

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

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

8. Board Evaluation

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

9. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the year ended 31st March, 2016

10. General Body Meetings

Location and time of the last three Annual General Meetings:

Financial Year	Date	Time	Location
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
2014-2015	15-09-2015	10.30 am	Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560001

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

11. Disclosures

a. Related party transactions:

The Company has formulated a Policy on materiality of related party transactions and also on dealing with Related Party Transactions. However, there are no Related Party Transactions during the year.

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.

b. Accounting Treatment:

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

c. Code of Conduct:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at <http://www.sunilagro.in/code-conduct>. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period April 01, 2015 to March 31, 2016.

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

Code of Conduct for Directors and Senior Management

CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended March 31, 2016.

Place: Bangalore

Date: 01.08.2016

(B. Shantilal)
Managing Director
DIN:

00719808

d. Vigil Mechanism / Whistle Blower Policy:

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

12. 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>

13. General Information to Shareholders:

a) Annual General Meeting:

Annual General Meeting will be held at 10.30 a.m. on Wednesday, the 7th September, 2016 at Bharatiya Vidya Bhavan, Race Course Road, Bangalore - 560 001.

b) Financial Results Calendar (Tentative):

Particulars

Dates

Unaudited Results for the quarter and three months ended 30.06.2016	First Week of August, 2016
Unaudited Results for the quarter and six months ended 30.09.2016	Last Week of October, 2016/ First Week of November, 2016
Unaudited Results for the quarter and nine months ended 31.12.2016	Last Week of January, 2017/ First Week of February, 2017
Audited Results for the year ended 31.03.2017	Last Week of May, 2017

c) Date of Book Closure for the year 2015-2016: 1st September, 2016 to 7th September, 2016

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 31.3.2016 :

Range of Shares	No. of Members	% to Total Shareholders	No. of Shares Held	Amount (Rs.)	% to Total
Upto - 5,000	1115	86.64	152090	15,20,900	5.06
5,001 - 10,000	68	5.28	54247	5,42,470	1.81
10,001 - 20,000	48	3.73	74731	7,47,310	2.49
20,001 - 30,000	10	0.78	26980	2,69,800	0.90
30,001 - 40,000	8	0.62	28003	2,80,030	0.93
40,001 - 50,000	8	0.62	40000	4,00,000	1.33
50,001 - 1,00,000	12	0.93	79596	7,95,960	2.65
1,00,001 and above	18	1.40	2547253	2,54,72,530	84.83
Total	1287	100.00	3002900	3,00,29,000	100.00

h) Categories of Shareholders as on 31.3.2016 :

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, 2016:

Particulars	No. of Shares	Percentage	No. of Shareholders
Physical mode	170160	5.67	543
Electronic Mode	2832740	94.33	744
TOTAL	3002900	100.00	1287

J) Stock Market Data:

The monthly high, low and closing prices of equity shares of the Company traded on BSE Ltd. from April 1, 2015 to March 31, 2016 are given below:

Month	Volume	High Price	Low Price	Close Price	Sensex
Apr-15	3709	17.50	15.00	15.00	27011.31
May-15	102	14.75	14.30	14.65	27828.44
Jun-15	707	14.30	13.07	13.50	27780.83
Jul-15	14630	20.85	14.17	20.85	28114.56
Aug-15	29851	27.40	21.85	25.85	28283.09
Sep-15	1751	27.50	20.35	20.35	26154.83
Oct-15	15804	22.70	17.00	18.75	26656.83
Nov-15	90592	24.35	18.65	23.25	26145.67
Dec-15	145881	30.20	21.50	30.20	26117.54
Jan-16	49988	40.15	31.00	37.65	24870.69
Feb-16	135081	48.90	35.80	43.40	23002.00
Mar-16	109293	58.85	40.95	52.80	25341.86

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 : 01.08.2016

B. Shantilal
Managing Director
DIN:00719808

Pramod Kumar S
Executive Director
DIN: 00719828

CEO & CFO Certification

We confirm that:

1. We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2016 and certify to the best of our knowledge and belief that:
 - i. the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. the statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into, by the Company during the year ended were fraudulent, illegal or against to the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and to the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we had taken or propose to take to rectify those deficiencies.
4.
 - i. There has not been any significant change in internal control during the year;
 - ii. There has not been any significant change in Accounting Policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instances during the year of significant fraud with involvement therein, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Bangalore
Date : 01.08.2016

B. Shantilal
Managing Director
DIN:00719808

Pramod Kumar S
Executive Director
DIN: 00719828

Gayithri
Chief Financial Officer

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS
AND THE SEBI (LODR) REGULATIONS, 2015.**

To
The Members of

SUNIL AGRO FOODS LIMITED
Bangalore

I have examined the compliance of the conditions of Corporate Governance by Sunil Agro Foods Limited for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with Stock Exchanges.

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.

Vijayakrishna K T
Practising Company Secretary
Place: Bangalore FCS - 1788
Date: 01.08.2016CP - 980

ANNEXURE - II

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 under Section 149 and Schedule IV of the Companies Act, 2013 read with the provisions of Listing Regulations in relation to conditions of independence and in particular:

- a) Apart from receiving Director's remuneration, we do not have any material pecuniary relationship or transactions with the Company, its Promoters, Senior Management or its associates which may affect my independence as Director on the Board of the Company.
- b) We declare that we are not related to Promoters or persons occupying management positions at the Board level and one level below the Board.
- c) We have not been executive of the Company in the immediately preceding three financial years.
- d) We are 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
- e) We are not a material supplier, service provider or customer or lesser or lessee of the Company, which may affect independence of the Director.
- f) We are not a substantial Shareholder of the Company i.e., owning two percent or more of the block of voting shares.

A V S Murthy
DIN: 00085805
Date: 01.04.2016

Shailesh Dheerajmal Siroya
DIN: 00048109
Date: 01.04.2016

ANNEXURE - III
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

Registered Office Address

Plot No.39-A2, Industrial Area, Chokkahalli,
Hosakote, Bangalore, Karnataka - 562114

Tel. : 080-40201400/03/04

Fax. : 080-28391661,

Email : info@sunilagro.in

Website: www.sunilagro.in

- vi) Whether Listed Company: Yes

- vii) Name, Address and Contact details of Registrar and Transfer

Registrars

Integrated Enterprises (India) Ltd ,30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore,
Karnataka,560 003

Tel. : 080 - 23460815 to 818

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/FI	-	-	-	-	-	-	-	-	-	-
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	21972	15600	37572	1.25	30100	15600	45700	1.52	0.27	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs.1 lakhs										
	266147	153260	419407	13.97	264898	152460	417358	13.9	0.07	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
	261667	-	261667	8.71	287792	-	287792	9.58	0.87	-
c) Others (specify)										
NRI	69994	2100	72094	2.40	35310	2100	37410	1.25	1.15	-
Clearing Member	984	-	984	0.03	3464	-	3464	0.12	0.09	-
Trust	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	620764	170960	791724	26.37	621564	170160	791724	26.37	0.00	-
Total Public Shareholding										
)B)= (B)(1)+(B)(2)	660764	170960	831724	27.70	661564	170160	831724	27.70	0.00	-

C. Shares held by
Custodian for

GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2831940	170960	3002900	100.00	2832740	170160	3002900	100.00	0.00

ii/ Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the period			Shareholding at the end of the period			
		No. of Shares	%of total Shares	%of Shares of the Company	No. of Shares	%of total Shares	%of Shares of the Company	% of Shares in share holding during the period
	change							
1	B Shantilal	600	0.02	-	600	0.02	-	-
2	Brindavan Roller Flour Mills Private Limited	300	0.01	-	300	0.01	-	-
3	Pramod Kumar S	2099776	69.92	-	2099776	69.92	-	-
4	Pramod Kumar HUF	10000	0.33	-	10000	0.33	-	-
	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 (No change--:(

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

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

Share holding at the beginning of the Year 01.04.2015	Cumulative Share holding during the year 01.04.2016
----------------------------------------------------------	--------------------------------------------------------

Sl.	Shareholders No.	No. of Name	%of total Shares	Date shares of	Increase/	Reason	No of Decrease in	%of total Shares
Shares of			the company		Share Holding			the company
1	ANAND SURANA	50000	1.67	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			50000	1.67
2	MONICA SURANA	50000	1.67	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			50000	1.67
3	DILIP SURANA	48135	1.60	01.04.2015	0		48135	1.60
				03.04.2015	2480-	SOLD	45655	1.52
				31.03.2016			45655	1.52
4	SONEX INVESTMENTS LTD	40000	1.33	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			40000	1.33
5	DIVYA JAGADISH AHUJA	15000	0.50	01.04.2015	0		15000	0.50
				31.12.2015	5000-	SOLD	10000	0.33
				31.03.2016				0.33
6	M SUBRAMANYA BHATT	26400	0.88	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			26400	0.88
7	M SRINIVASA RAO	24000	0.80	01.04.2015	NO MOVEMENT DURING THE YEAR			
				06.06.2016			24000	0.80
8	RAKESH KUMAR MITTAL	22114	0.74	01.04.2015	0		22114	0.74
				11.12.2015	10000-	SOLD	12114	0.40
				18.12.2015	12114-	SOLD	0	0
				31.03.2016			0	0
9	GAUTAM CHAND MEHTA	20000	0.67	01.04.2015	NO MOVEMENT DURING THE YEAR			
				31.03.2016			20000	0.67
10	AMRITLAL VAGHJI SHAH	20000	0.67	01.04.2015	0	0	20000	0.67
				12.02.2016	1000-	SOLD	19000	0.63
				26.02.2016	2500-	SOLD	16500	0.55
				04.03.2016	2200-	SOLD	14300	0.48
				25.03.2016	1774-	SOLD	12526	0.42
				31.03.2016			12526	0.42

)v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Shares of	Share holding at the beginning of the Year		Date Shares	Increase/ shares of	Reason	Cumulative Share holding during the year	
		No. of Directors & KMP	%of total the company				No of Decrease in	%of total the company
.1	B SHANTILAL	600	0.21	-	-	-	600	0.21
.2	PRAMOD KUMAR S	2099776	69.92	-	-	-	2099776	69.92
.3	PINKY JAIN	30300	1.01	-	-	-	30300	1.01

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,11,32,410	65,70,316	-	13,77,02,726
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,11,719	-	-	1,11,719
Total (i+ii+iii)	13,12,44,129	65,70,316	-	13,78,14,445
Change in Indebtedness during the financial year				
•Addition	1,20,92,46,558	3,54,71,926	-	1,24,47,18,484
•Reduction	1,18,11,24,789	3,24,24,866	-	1,21,35,49,655
Net Change	2,81,21,769	30,47,060	-	3,11,68,829
Indebtedness at the end of the financial year				
i) Principal Amount	16,46,59,168	96,17,376	-	17,42,76,544
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,17,568	-	-	4,17,568
Total (i+ii+iii)	16,50,76,736	96,17,376	-	17,46,94,112

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 Mr. B. Shantilal	Name of Whole-time Director Mr. Pramod Kumar S	Total Amount (In Lakhs)
.1	Gross salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b) Value of perquisites under Section 17(2) (Income-Tax Act, 1961 c) Profits in lieu of salary under Section 17(3) Income - Tax Act, 1961	12,00,000	24,00,000	36,00,000
.2	Stock Option	-	-	-
.3	Sweat Equity	-	-	-
.4	Commission -as % of profit -others			
.5	Others			
	Total(A)	12,00,000	24,00,000	36,00,000

*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 RD / NCLT/	Section of the if any (give	Brief Companies Act	Details of Penalty/ Compounding	Authority Description COURT fees imposed	Appeal made, Punishment/ 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: 01.08.2016

Shantilal Bansilal
Managing Director
DIN: 00719808

Pramod Kumar S
Executive Director
DIN: 00719828

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

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

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

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

NIL

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

Name of the party and nature of relationship	Markasia Foods Private Limited
Nature of contracts/ arrangements/transactions	Sale of goods and providing of Services Receipt of Rent
Duration of the contracts/ arrangements/transactions	Ongoing - based on periodical requirements
Salient terms of the contracts or arrangements or transactions including the value	Value: Rs. 55,26,514/-
Date(s) of approval by the Board:	30.05.2015
Amount paid as advances	-

For and on behalf of the Board of Directors

Place: Bangalore
Date: 01.08.2016

Shantilal Bansilal
Managing Director
DIN: 00719808

Pramod Kumar S
Executive Director
DIN: 00719828

**ANNEXURE - V
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To

The Members 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 (CIN: L01111KA1988PLC008861) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 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 31.03.2016 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) 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

(vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/Employee Related laws & Rules:

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948 (in case of manufacturing companies, where applicable)
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xx. Dangerous Machines (Regulation) Act, 1983
- xxi. Indian Boilers Act, 1923
- xxii. The Karnataka Shops & Establishments Act, 1961
- xxiii. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxiv. The Labour Welfare Fund Act, 1965
- xxv. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxvi. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986

- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

(3) Economic/Commercial Laws & Rules:

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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS 2 (applicable from 1st July, 2015).
- (ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the SEBI (LODR) Regulations, 2015, wherever applicable.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain non material findings made during the course of the audit relating to 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) Compliance on Secretarial Standards needs to be strengthened.
- c) Certain policies and information are pending to be uploaded in the official website of the Company.
- d) Certain returns/registers are required to be maintained under the General Laws like Karnataka Shops & Commercial Establishments Act, Factories Act and other HR related Acts and Environmental Acts.
- e) Certain web links were not disclosed in the Annual Report of previous year.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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
Practising Company Secretary
Place: Bangalore FCS - 1788
Date: 01.08.2016 CP - 980

'Annexure'

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

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

Vijayakrishna K T
Practising Company Secretary

Place: Bangalore
Date: 01.08.2016

FCS - 1788
CP - 980

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

ANNEXURE - VI

THE RATIO OF REMUNERATION OF EACH DIRECTOR

The ratio of the remuneration of each Director to the median remuneration of the Employees of the	Managing Director ₹ 127 : Executive Director ₹ 249 : Median Remuneration of Employees - 6.80
---------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------

Company for the Financial Year;	
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Mrs. Gayithri - Chief Financial Officer 10%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	5.35%
(iv) The number of permanent employees on the rolls of Company;	As on 31.03.2016 - 97 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	Not Applicable

Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

i) Designation of the employee;	
ii) remuneration received;	
iii) nature of employment, whether contractual or otherwise;	

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

For and on behalf of Board of Directors

Place: Bangalore
Date: 01.08.2016

Shantilal Bansilal
Managing Director
DIN: 00719808

Pramod Kumar S
Executive Director
DIN: 00719828

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, 2016, 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 there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

4. Basis for Qualified Opinion

4.1 As per Accounting Policy number 2.8 of the company, has valued the investment at cost. As on March 31, 2016 there is a fall in the value of investments to the extent of Rs.28,10,206/-. The company has created provision for fall in the value of investment only to the extent of Rs.91,721/- 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. 27,18,485 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, 2016 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, 2016;

₹ 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, 2016 ('the order'), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the 'Annexure 'A' a statement of the matters specified in paragraphs 3 and 4 of the Order.

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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure 'B'
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 29.
 - 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 23, 2016

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

Physical verification of inventory has been conducted at reasonable intervals by the management. There were no material discrepancies that were noticed on such verification of inventory as compared to the stock records.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence commenting on regularity in receipt of principal and interest, steps taken to realize overdue amount, does not arise.
4. The company has not given any loan, investments, guarantees and security under section 185 and 186 of the Companies Act, 2013. Hence commenting on paragraph 3(iv) Companies (Auditor's Report) Order 2016 does not arise.
5. The company has not accepted any deposits from the public. Hence commenting on the compliance of Section 73 to 76 of the Companies Act, 2013 read with the rules framed there under and the directives issued by the Reserve Bank of India does not arise.
6. Maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014 has been prescribed to the Company. We are of the opinion that that prima facie, prescribed cost records are maintained. We have however not made the detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues:
 - a. Except dividend distribution tax as detailed below there are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Custom Duty, Excise Duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of	Nature of Dues the statute	Amount	Amount Payable	Amount (Rs.)	Due date of Short Paid payment
Income Tax Act, 1961	Divident Distribution Tax	3,00,252	2,55,171	45,081	29/09/2015

- b. Except central excise as detailed below there are no dues of sales tax, income tax, custom duty, wealth tax, cess and service tax which have not been deposited on account of any dispute.
8. The company has not defaulted in the repayment of dues to any banks / financial institutions. Also, the company has not issued any debentures.
9. During the period covered under our audit, the company has taken term loans and the same were utilized for the purpose for which they were availed. Further company has not raised any money by way of initial public offer or further public offer during the year, (including debt instruments).

10. No fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
11. The company has provided managerial remuneration in within the limits prescribed under section 197 read with Schedule V to the Companies Act, 2013.

Name of the statue	Nature of Dues	Amount (Rs.)	Period	Forum where dispute is pending
	Central Excise duty	1,95,51,297/-	05/08/2010 to 31/10/2013	
Central Excise Act, 1944	Central Excise - Penalty	1,95,51,297/-	05/08/2010 to 31/10/2013	
	Central Excise - Interest liability	Department yet to quantify the interest	Until payment	

Company proposes to file the appeal before the appellate authorities against the order passed by Commissioner, Bangalore D V Commissionerate, Bangalore as the time for filing the appeal is not elapsed as on the date of audit report

12. Company is not a Nidhi Company. Hence commenting of the paragraph 3(xii) of Companies (Auditor's Report) Order 2016 does not arise.
13. All the transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by Accounting Standard 18.
14. During the period covered under our audit, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence commenting on the compliance of section 42 of the Companies Act does not arise.
15. During the period covered under our audit, the company has not made any non-cash transactions with directors or persons connected with him. Hence commenting on the compliance of Section 192 read with schedule V of the Companies Act, 2013 does not arise.
16. The company is not require to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

Place : Bangalore D. R. Venkatesh
Date : May 23, 2016 Partner

Membership No. 25087

BALANCE SHEET AS AT 31st MARCH 2016

PARTICULARS	Sch. No.	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share Capital	1	3,00,29,000	3,00,29,000

Reserves And Surplus	2	8,58,62,718	8,36,83,131
2. Share Application Money Pending Allotment			
3. Non-Current Liabilities			
Long-Term Borrowings	3	3,15,95,164	99,23,667
Deferred Tax Liabilities (Net)	4	65,34,826	68,27,293
Long-Term Provisions	5	19,03,961	12,00,978
4 Current Liabilities			
Short-Term Borrowings	6	11,91,11,720	12,16,13,207
Trade Payables	7	6,72,43,142	6,23,15,862
Other Current Liabilities	8	2,53,73,987	74,80,457
Short-Term Provisions	9	14,35,289	42,98,163
TOTAL		36,90,89,807	32,73,71,757
II ASSETS			
1. Non-Current Assets			
Fixed Assets	10		
Tangible Assets		10,60,06,493	9,06,65,523
Intangible Assets		-	-
Capital Work-In-Progress		2,50,74,043	1,82,29,358
Intangible Assets Under Development		-	-
Non-Current Investments	11	51,07,577	51,07,577
Long-Term Loans And Advances	12	1,80,53,542	1,87,93,441
2. Current Assets			
Inventories	13	9,96,04,970	10,00,50,723
Trade Receivables	14	9,68,46,218	7,42,21,869
Cash and bank balances	15	1,20,01,082	64,14,567
Short-Term Loans And Advances	16	31,34,773	58,95,728
Other Current Assets	17	32,61,109	79,92,970
TOTAL		36,90,89,807	32,73,71,757

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
DIN: 00719828

B. Shantilal
Managing Director
DIN: 00719808

Gayithri
Chief Financial Officer

Place: Bangalore
Date : May 23, 2016

Place: Bangalore
May 23, 2016

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	Sch. No.	For the Year ended	For the Year ended
		31.03.2016	31.03.2015
		(Rs.)	(Rs.)

Revenue from operations	18	1,10,09,62,927	1,04,41,64,220
Other income	19	1,10,46,076	1,06,37,577
Total revenue		1,11,20,09,003	1,05,48,01,797
Expenses			
Consumption of materials	20	96,10,94,100	92,64,60,726
Purchases of stock-in-trade		2,17,16,482	32,36,906
Changes in inventories of finished goods, WIP and stock-in-trade	21	10,28,145	(48,83,028)
Other operating expenses	22	5,01,29,434	4,70,27,182
Employee benefits	23	2,00,74,477	1,64,45,079
Other expenses	24	2,82,95,401	3,07,39,087
Finance charges	25	1,51,04,930	1,58,95,057
Depreciation and amortization	10	1,16,25,505	98,10,474
Total expenses		1,10,90,68,474	1,04,47,31,483
Profit / (Loss) before exceptional and extraordinary items and tax		29,40,529	1,00,70,314
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		29,40,529	1,00,70,314
Extraordinary items		-	-
Profit / (Loss) before tax		29,40,529	1,00,70,314
Tax expense:			
Tax expense relating to current year		10,71,642	23,00,000
Tax expense / (reversal) relating to prior years		(18,233)	(38,601)
Net tax expense		10,53,409	22,61,399
Deferred tax		(2,92,467)	(6,44,319)
Wealth Tax		-	6,059
		21,79,587	84,47,175
Profit / (Loss) from continuing operations		21,79,587	84,47,175
Profit / (Loss) from discontinuing operations (before tax)		-	-
Add / (Less): Tax expense of discontinuing operations		-	-
		-	-
Profit / (Loss) from discontinuing operations		-	-
		Profit / (Loss) for the year	21,79,587
		84,47,175	
Earnings per share (of Rs. 10/- each):	26		
Basic		0.73	2.81
Diluted		0.73	2.81

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
DIN: 00719828

B. Shantilal
Managing Director
DIN: 00719808

Gayithri
Chief Financial Officer

Place: Bangalore
Date : May 23, 2016

Place: Bangalore
May 23, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	Sch. No.	For the Year ended 31.03.16	For the Year ended 31.03.15
A. Cash from Operating Activities			
Net profit before tax		29,40,529	1,00,70,314
Adjustments for:			
Depreciation	1,16,25,505		98,10,474
Interest Expenses	1,48,15,554		1,53,81,370
Other Borrowing Cost	2,89,376		5,13,687
(Profit) / Loss on Sale of Investment	-		-4,24,683
(Profit) / Loss on sale of Vehicle	-		-7,112
(Profit) / Loss on sale of Immovable Property	-		-18,49,006
Interest Received on FD/ Other deposits	-10,97,312		-16,16,087
Dividend Received	-2,050		-660
		2,56,31,074	2,18,07,984
		2,85,71,603	3,18,78,297
Operating Profit before Working Capital Changes			
Adjustments for:			
(Increase) / decrease in Sundry Debtors	(2,26,24,349)		20,57,440
(Increase) / decrease in Inventory	4,45,753		(45,39,064)
(Increase) / decrease in Loans and advances & Other Current Assets	98,63,548		52,86,092
Increase / (decrease) in Current Liabilities, Trade payables & Provisions	1,93,01,662	69,86,614	2,17,35,400
Cash Flow from Operating Activities		3,55,58,217	5,64,18,165
Tax Expenses	(13,12,821)	(13,12,821)	(32,60,581)
Net Cash Flow (used in) Operations		3,42,45,395	5,31,57,585
B. Cash Flows from Investing Activities			
Purchase of Fixed Assets and Change in Capital Work in Progress	(3,38,11,159)		(3,70,13,761)
Sale Proceeds of Fixed Assets	-		29,06,330
Sale / (Purchase) of Investments - net (Non Trade)		-	9,45,658
Maturity / (Investment) in Fixed Deposits	(54,71,549)		(37,00,371)
Interest on Fixed / Other Deposits Received	7,79,300		15,38,007
Dividend Received	2,050		660
Net Cash Flow from Investing Activity		-3,85,01,358	(3,53,23,478)
C. Cash Flows from Financing Activities			
Interest (Paid)	-1,45,09,705		-1,53,89,924
Other Borrowing Cost	-2,89,376		-5,13,687
Dividend payout including tax	-		(17,18,532)
Proceeds /(Repayment) from borrowing	1,91,70,009		(6,22,686)
Net Cash Flow from Financing Activities		43,70,928	-1,82,44,828
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		-1,14,965	(4,10,722)
year		Cash & Cash equivalents at the beginning of the	23,47,718
		Cash & Cash equivalents at the end of the year	

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
DIN: 00719828

B. Shantilal
Managing Director
DIN: 00719808

Gayithri
Chief Financial Officer

Place: Bangalore
Date : May 23, 2016

24,62,683
23,47,718

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2016		As at 31.03.2015	
	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 more than 5%

Particulars	No. of shares	Percentage	No. of shares	Percentage
(a) Kamala Bai	-	-	-	-
(b) Pramod Kumar S	2099776	69.92%	2099776	69.92%
(c) Sunil S Jain	-	-	-	-

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

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

Particulars	As at March 31, 2016	As at March 31, 2015
	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	6,18,49,931	5,86,42,946
Add: Profit for the year	21,79,587	84,47,175
Less : Depreciation on assets (See note 10)	-	34,38,488
Less: Dividend paid for the F Y 2014 - 2015	-	15,01,450
Dividend Distribution Tax on proposed dividend	-	3,00,252
Closing balance	6,40,29,518	6,18,49,931
	Total	
8,58,62,718		8,36,83,131

NOTE - 3

A. LONG-TERM BORROWINGS

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Secured		
(a) Term loans from banks	1,81,16,359	33,53,351
(b) Buyers Credit	38,61,428	-
Total	2,19,77,787	33,53,351
Unsecured		
Loans and advances from directors	96,17,377	65,70,317
Total	96,17,377	65,70,317
Grand Total	3,15,95,164	99,23,667

B. DEFAULTS IN REPAYMENT OF BORROWINGS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Period of default	In rupees	Period of default	In rupees
(a) Term loans from banks				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil
(b) Loans and advances from related parties				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil
(c) Other loans and advances				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil

C. TERMS AND CONDITIONS

Particulars	Secured Loans Nature of security & Repayment of loan	Unsecured Loans
-------------	---------------------------------------------------------	-----------------

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

NOTE - 4

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
DEFERRED TAX LIABILITY		
Fixed assets	72,21,586	72,59,101
Other timing differences	-	
Less:		
Deferred tax asset		
Fixed assets	-	-
Other timing differences	6,86,761	4,31,809
Total	65,34,826	68,27,293

NOTE - 5

LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Gratuity (Funded)	16,56,804	10,34,152
Leave Encashment	2,47,157	1,66,826
Total	19,03,961	12,00,978

NOTE - 6

A. SHORT TERM BORROWINGS

Secured

(a) Bank overdraft	11,91,11,720	10,83,64,207
(b) buyers credit	-	1,32,49,000
Total	11,911,11,720	12,16,13,207

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, 2016		As at 31st March, 2015	
	Period of default	In rupees	Period of default	In rupees
(a) Loans payable on demand from banks				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil
(b) Other loans and advances				
Principal	None	Nil	None	Nil
Interest	None	Nil	None	Nil

C. TERMS AND CONDITIONS

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

NOTE - 7

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
TRADE PAYABLES		
Payable for purchases		
Due to Micro and Small Enterprises	-	-
Others		
Interstate Purchases	5,60,44,653	5,53,29,927
Others	1,08,94,187	65,10,683
Packing Materials	3,04,302	4,75,252
Total	6,72,43,142	6,23,15,862

Note: Based on the information available with the company, there are no suppliers who are registered as Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2016.

OTHER CURRENT LIABILITIES

(a) Current maturities of long term debt (Secured) *		
- Term Loan	93,61,426	61,65,852
- Buyers Credit	1,42,08,235	-
(b) Interest accrued but not due on borrowings	4,17,568	1,11,719
(c) Income received in advance		
Advance from Customers	2,62,172	40,381
Rent Advance	95,000	2,95,000
(d) Unpaid dividends	2,41,769	1,31,663
(e) Other payables		

Statutory Payables	7,87,818	7,35,842
Total	2,53,73,987	74,80,457

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

SHORT TERM PROVISIONS

(a) Provision for employee benefits		
Gratuity (Funded)	2,77,954	1,68,249
Leave Encashment	40,612	28,212
(b) Provision for proposed dividend	-	15,01,450
(c) Dividend distribution tax on proposed dividend	45,081	3,00,252
(d) Others		
Provision for Income Tax	10,71,642	23,00,000
Total	14,35,289	42,98,163

NOTE - 10

FIXED ASSETS - Tangible Assets

SL No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 31.03.2015	Addition	Deletion	Closing Balance	Opening Balance	Depreciation/ Amortisation expense	Eliminated on Disposal	Closing Balance for the year	As On 31.03.2016 of assets	As On 31.03.2015
1.	Land (freehold)	70,08,261	-	-	70,08,261	-	-	-	-	70,08,261	70,08,261
2.	Buildings - Office	21,53,203	44,43,285	-	65,96,488	1,27,168	4,503	-	1,31,671	64,64,817	20,26,035
3.	Buildings - Factory	4,67,67,343	-	-	4,67,67,343	1,54,39,114	13,55,054	-	1,67,94,168	2,99,73,175	3,13,28,229
4.	Plant and equipment	8,25,81,716	1,57,34,839	-	9,83,16,555	4,40,43,868	75,67,021	-	5,16,10,888	4,67,05,667	3,85,37,848
5.	Furniture and fixtures	27,30,004	2,23,792	-	29,53,796	14,10,413	2,22,435	-	16,32,849	13,20,947	13,19,591
6.	Transportation Vehicles	79,82,622	6,91,720	-	86,74,342	37,24,222	8,20,140	-	45,44,362	41,29,980	42,58,400
7.	Others	65,10,234	53,50,450	-	1,18,60,684	24,84,985	8,68,575	-	33,53,560	85,07,124	40,25,249
8.	Office equipment	18,66,779	1,69,935	-	20,36,714	9,75,306	4,14,570	-	13,89,877	6,46,837	8,91,473
9.	Lab Equipments	12,01,893	1,20,947	-	13,22,840	3,78,191	1,09,553	-	4,87,744	8,35,096	8,23,702
10.	Computer	12,11,915	2,13,239	-	14,25,154	8,15,679	2,63,654	-	10,79,333	3,45,821	3,96,236
11.	Pooja Items	50,500	18,267	-	68,767	-	-	-	-	68,767	50,500
	Total	16,00,64,470	2,69,66,474	-	18,70,30,944	6,93,98,946	1,16,25,505	-	8,10,24,451	10,60,06,493	9,06,65,524
	Previous year	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

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

NOTE - 11

	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
NON CURRENT INVESTMENTS		
A. Other Investments - Quoted		
(a) Investment in equity instruments	21,38,806	21,38,806
Total	21,38,806	21,38,806
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	51,99,298
Less: Provision for diminution in value of investments	91,721	91,721
Total Investments (net of provisions)	51,07,577	51,07,577
Aggregate market value of quoted investments	3,86,806	2,81,698
Aggregate value of unquoted investments		

LONG TERM LOANS AND ADVANCES

Unsecured, considered good

(a) Capital advances	98,18,830	1,09,30,439
(b) Security deposits	66,80,034	63,08,324
(c) Loans and advances to related parties	4,80,977	4,80,977
(d) Other loans and advances	10,73,701	10,73,701
Total	1,80,53,542	1,87,93,441
Less:		
Provision for doubtful loans and advances	-	-
Total	1,80,53,542	1,87,93,441

NOTE - 13

	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
INVENTORIES		
Unsecured, considered good		
(a) Raw materials	6,24,43,116	6,36,96,761
(b) Finished goods (other than those acquired for trading)	2,37,91,195	2,48,19,340
(c) Packing Materials	1,11,59,538	1,01,62,519
(d) Stores and spares	22,11,121	13,72,103
Total	9,96,04,970	10,00,50,723

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

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	29,11,337	26,00,729
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
	29,11,337	26,00,729
B. Other trade receivables		
Secured, considered good		

Unsecured, considered good	9,39,34,881	7,16,21,140
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
	9,39,34,881	7,16,21,140
Total	9,68,46,218	7,42,21,869

CASH AND BANK BALANCES

(a) Cash on hand*	23,41,347	22,54,030
(b) Balances with banks		
(i)	In current accounts*	1,21,337
93,688		
(ii) In deposit accounts**	95,38,399	40,66,850
Total	1,20,01,082	64,14,567

** includes unpaid dividend account

2,41,769 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 24,62,683 23,47,718

Deposit amounts with more than 12 months maturity 34,700 34,700

NOTE – 16

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
-------------	---------------------------	---------------------------

SHORT TERM LOANS AND ADVANCES

Unsecured, considered good		
(a) Loans and advances to employees	14,45,747	11,37,128
(b) Other loans and advances		
Advance Income Tax	13,12,821	32,11,786
Income Tax Refund Recievable	3,76,205	15,46,814
Total	31,34,773	58,95,728
Less: Provision for doubtful loans and advances	-	-
Total	31,34,773	58,95,728

OTHER CURRENT ASSETS

(a) Interest accrued but not due	6,74,092	3,56,081
(b) Advance to Suppliers	18,48,643	64,94,982
(c) Prepaid Expenses	4,16,371	3,10,651
(d) Others	3,22,003	8,31,256

Total	32,61,109	79,92,970
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Particulars	For the Year Ended 31.03.2016 (Rs.)	For the Year Ended 31.03.2015 (Rs.)
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REVENUE FROM OPERATIONS

a) Sale of products		
Maida		67,71,96,012
65,35,15,084		
Sooji	9,69,73,522	9,72,83,227
Atta	6,36,70,559	5,80,05,942
Bran Rough	15,03,00,645	13,82,73,644
Bran Flakes	6,22,02,895	6,33,47,001
Wheat	96,25,000	-
Others	1,55,01,242	1,41,11,047
	1,07,54,69,875	1,02,45,35,946
(b) Sale of services	2,54,93,052	1,96,28,274
Less:Excise duty	-	-
Total sales	1,10,09,62,927	1,04,41,64,220
Add:Other operating revenues	-	-
Total	1,10,09,62,927	1,04,41,64,220

NOTE - 19

	For the Year Ended 31.03.2016 (Rs.)	For the Year Ended 31.03.2015 (Rs.)
OTHER INCOME		
(a) Interest income (in case of a company other than a finance company)	10,97,312	16,16,087
(b) Dividend income	2,050	660
(c) Profit on sale of investments	-	4,24,683
(d) Rental Income	11,52,250	13,46,485
(e) Other non-operating income	87,94,465	53,93,544
(f) Profit of sale of vehicles	-	7,112
(g) Profit on Sale of immovable property	-	18,49,006
Total	1,10,46,076	1,06,37,577

CONSUMPTION OF MATERIALS

Opening 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
Add: Purchases		
Wheat	95,49,00,301	91,19,24,354
Packing Materials	1,53,12,173	1,29,44,043
Total	97,02,12,474	92,48,68,396
Less: Cost of Wheat Sold	93,75,000	-
Less: Closing stock		
Wheat	6,24,43,116	6,36,96,761
Packing Materials	1,11,59,538	1,01,62,519
Total	7,36,02,654	7,38,59,280
Consumption of Material	96,10,94,100	92,64,60,726

NOTE - 21

	For the Year Ended	For the Year Ended
	31.03.2016	31.03.2015
	(Rs.)	(Rs.)

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

Opening 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
Closing stock		
Finished Goods		
Maida	1,29,82,678	1,59,51,545
Sooji	69,28,579	41,14,155
Atta	26,71,642	16,02,051
Bran Rough	2,00,040	13,26,840
Bran Flakes	10,08,256	18,24,749
Total	2,37,91,195	2,48,19,340
Changes in inventory	10,28,145	(48,83,028)
Total	10,28,145	(48,83,028)

OTHER OPERATING EXPENSES

(a) Consumption of stores and spare parts	22,80,989	18,89,912
(b) Freight inward	56,600	2,53,690
(c) Custom Milling Charges	-	1,03,81,609
(d) Power and fuel	4,24,29,162	2,98,25,100
(e) Laboratory Expenses	4,32,719	3,32,199

(f) Repairs and maintenance		
Building	5,48,439	3,82,510
Machinery	20,76,202	15,69,085
Others	18,86,562	20,75,307
(g) Insurance	4,18,761	3,17,770
Total	5,01,29,434	4,70,27,182

NOTE - 23

	For the Year Ended 31.03.2016 (Rs.)	For the Year Ended 31.03.2015 (Rs.)
EMPLOYEE BENEFITS		
(a) Salaries and wages	1,43,96,970	1,19,66,942
(b) Contribution to provident fund and other funds	30,55,407	18,89,163
(c) Staff Welfare	26,22,100	25,88,974
Total	2,00,74,477	1,57,34,719

OTHER EXPENSES

(a) Rent including lease rentals	2,95,865	2,22,145
(b) Communication	5,47,927	4,87,863
(c) Repairs and maintenance - Others	83,12,500	73,40,619
(d) Printing and stationery	5,96,592	3,45,337
(e) Rates and taxes	4,28,666	5,60,415
(f) Freight and forwarding	93,68,479	1,17,07,456
(g) Business promotion	2,26,427	1,46,337
(h) Sales commission	3,35,672	3,23,454
(i) Sales discount	28,22,341	36,18,717
(j) Legal and professional	4,13,347	4,57,450
(k) Payments to auditors *	3,37,899	3,14,137
(l) Internal Audit Fees	1,42,540	1,51,697
(n) Miscellaneous expenses	14,19,966	21,16,887
(p) Bank Charges	2,23,301	1,03,118
(q) Directors Travelling and other expenses	20,91,778	21,70,065
(r) Director Sitting Fees	85,404	31,000
(s) Foreign Exchange Loss	-	1,16,060
(t) Water Charges	6,46,697	5,26,330
Total	2,82,95,401	3,07,39,087

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

(a) For statutory audit	1,14,500	1,12,360
(b) For tax audit	51,525	50,562
(c) For taxation matters	1,00,188	98,315
(d) Limited Review Fee	34,350	33,708
(e) For other services	32,087	13,942
(f) Reimbursement of expenses	5,250	5,250

Total		3,37,899	3,14,137
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NOTE - 25

		For the Year Ended 31.03.2016 (Rs.)	For the Year Ended 31.03.2015 (Rs.)
FINANCE CHARGES			
(a) Interest expenses		1,48,15,554	1,53,81,370
(b) Other borrowing costs		2,89,376	5,13,687
(c) LC on Buyer Credit	11,62,604		-
(d) foreign exchange loss	12,08,651		
	23,71,255		
Less: Capitalised	23,71,255	-	-
Total		1,51,04,930	1,58,95,057

EARNING PER SHARE

Profit for the year		21,79,587	84,47,175
Weighted average number of equity shares outstanding		30,02,900	30,02,900
Basic Earnings per share (Face value of Rs. per share)		0.73	2.81
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)		0.73	2.81

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENT:

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

The financial statements have been prepared under historical cost convention on an accruals basis. The accounting policies have been consistently applied by the company and are consistent with those used during the previous year. The presentation of financial statement in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although

these estimates are based on management best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates.

2.2 INVENTORY VALUATION:

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

2.3 CASH FLOW STATEMENT:

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

2.4 DEPRECIATION:

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

2.5 REVENUE RECOGNITION:

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

2.6 FIXED ASSETS:

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

2.7 FOREIGN CURRENCY TRANSACTION:

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

2.8 INVESTMENTS:

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

2.9 EMPLOYEE BENEFITS:

2.9.1 Gratuity:

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

2.9.2 Leave Encashment:

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

2.9.3 Provident Fund:

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

2.10 BORROWING COST:

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

2.11 SEGMENT REPORTING:

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

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

2.12 ACCOUNTING OF LEASE:

Leases where the lessor effectively retains the substantially all risks and benefits of the ownership over the lease term are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on the straight-line basis over the lease term.

2.13 INCOME TAX:

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

2.14 PROVISIONS:

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

2.15 CONTINGENT LIABILITIES:

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

NOTE - 27**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. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2016	As at 31st March, 2015
-------------	------------------------	------------------------

	(Rs.)	(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)	13,27,353	70,65,152

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, 2016.

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

29. 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.

30. 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 fellow subsidiary	Brindavan Roller Flour Mills Private Limited Kithur Channamma Roller Flour Mills Private Limited Markasia Foods Private Limited BRFM India Private Limited Brindavan Softland Private Limited

(ii) The following transactions were carried with the related parties in the ordinary course of business during the year ended March 31, 2016

Particulars	Enterprise with Significant influence	Key Managerial Personnel In rupees	Total In rupees In
rupees			
(a) Deposit Received from Directors & Relatives			

Sri. Shanthi Lal	-	15,50,000	15,50,000
	-	(39,46,260)	(39,46,260)
Smt. Pinky Jain		35,00,000	35,00,000
		(27,20,206)	(27,20,206)
Sri. Pramod Kumar S	-	2,77,00,000	2,77,00,000
		(2,43,20,685)	(2,43,20,685)
(b) Repayment of Deposit			
Sri. Shanthi Lal	-	5,00,000	5,00,000
	-	(38,60,734)	(38,60,734)
Sri. Pramod Kumar S	-	2,86,30,000	2,86,30,000
	-	(2,23,92,470)	(2,23,92,470)
Smt. Pinky Jain	-	4,80,000	4,80,000
	-	(2,50,000)	(2,50,000)
(c) Interest on Deposit			
Sri. Shanthi Lal	-	2,43,873	2,43,873
	-	(2,42,048)	(2,42,048)
Sri. Pramod Kumar S	-	9,61,989	9,61,989
	-	(12,11,787)	(12,11,787)
Smt. Pinky Jain	-	2,97,464	2,97,464
	-	(2,27,719)	(2,27,719)
(d) Receiving of Services			
Brindavan Softland Private Limited	-	-	-
	(1,03,93,644)	-	(1,03,93,644)
(e) Purchase of Goods & others			
BRFM (India) Private Limited	-	-	-
	(6,00,000)	-	(6,00,000)
(f) Sale of Goods and Services			
Markasia Foods Private Limited	49,80,580	-	49,80,580
	-	-	-
(g) Rent Received			
Markasia Foods Private Limited	5,45,934	-	5,45,934
	-	-	-
(h) Purchase of assets & Liabilities on slump sale bases			
Brindavan Softland Private Limited	-	-	-
	(1,00,000)	-	(1,00,000)
(i) Advance recovered from related party			
Kithur Chanamma Roller Flour Mills Pvt Ltd	-	-	-
	(68,33,471)	-	(68,33,471)
(j) Interest Received on Advance			
Kithur Chanamma Roller Flour Mills Pvt Ltd	-	-	-
	(8,71,080)	-	(8,71,080)
(iii) Balance Outstanding			

Particulars	Enterprise with Significant influence	Key Managerial Personnel In rupees	Total In rupees In
rupees			

(a) Deposit Balance Payable			
Sri. Shanthi Lal	-	28,57,451	28,57,451
	-	(20,00,000)	(20,00,000)
Sri. Pramod Kumar S	-	14,57,011	14,57,011
	-	(20,87,011)	(20,87,011)
Smt. Pinky Jain	-	55,03,305	55,03,305
		(24,83,305)	(24,83,305)
(b) Payable For Receiving of goods & Services			
BRFM (India) Private Limited	-	-	-
	(6,00,000)	-	(6,00,000)
(c) Receivable from			
Markasia Foods Private Limited	13,33,917	-	13,33,917
	-	-	-
Brindavan Roller Flour Mills Private Limited	-	-	-
	(4,80,977)	-	(4,80,977)

Notes:

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

31. Remuneration to Managerial Personnel

Particulars	Amount (In Rs)	
	As at 31st March, 2016	As at 31st March, 2015
Mr. Pramod Kumar (Executive Director)	24,99,925	24,99,925
Mr. B. Shantilal (Managing Director)	12,70,415	12,70,415
Total	37,70,340	37,70,340

Notes:

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

32. 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. 76,316/- towards operating lease

Future lease rental commitments by the lessee is as follows:

Lease Rentals	As at 31st March, 2016	As at 31st March, 2015
Due within one year from the balance sheet date	-	3,03,229
Total	-	3,03,229

33. 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.

33a. 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	96,25,000	-	1,09,13,37,927	1,04,41,64,220	1,10,09,62,927	1,04,41,64,220
Segment Results	2,50,000	-	5,51,19,261	5,70,95,875	5,53,69,261	5,70,95,875
Add: Unallocated Income					1,10,46,076	1,06,37,577
					6,64,15,337	6,77,33,452
Less: Unallowable Corporate Expenses						
Other Operating Expenditure	-	-	-	-	4,83,69,878	4,17,68,081
Financial Charges	-	-	-	-	1,51,04,930	1,58,95,057
Profit before taxation					29,40,529	1,00,70,314
Provision for taxation						
Current Tax	-	-	-	-	-10,71,642	-23,00,000
Previous Year Tax	-	-	-	-	18,233	38,601
Deferred Tax	-	-	-	-	2,92,467	6,44,319
Wealth tax	-	-	-	-	-	-6,059
Profit after Tax					21,79,587	84,47,175

Particulars	Trading in Wheat		Manufacturing and Trading in Wheat Products		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Assets						
Fixed Assets	-	-	10,60,06,493	9,06,65,523	10,60,06,493	9,06,65,523
Capital Work-in Progress	-	-	2,50,74,043	1,82,29,358	2,50,74,043	1,82,29,358
Inventory	-	-	9,96,04,970	10,00,50,723	9,96,04,970	10,00,50,723
Debtors	-	-	9,68,46,218	7,42,21,869	9,68,46,218	7,42,21,869
Cash & Bank Balances	-	-	1,20,01,082	64,14,567	1,20,01,082	64,14,567
Segment Liabilities						
Short Term Borrowings	-	-	11,91,11,720	12,16,13,207	11,91,11,720	12,16,13,207
Long Term Borrowings	-	-	3,15,95,164	99,23,667	3,15,95,164	99,23,667
Unallocated Segment Assets						
Investments					51,07,577	51,07,577
Loans and Advances					2,44,49,424	3,26,82,139
Unallocated Segment Liabilities						
Current Liabilities & Provisions					9,40,52,418	7,40,94,481

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.

33b. 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	94,05,68,771	90,67,96,275	16,03,94,156	13,73,67,945	1,10,09,62,927	1,04,41,64,220
Unallocated Revenue					1,10,46,076	1,06,37,577
Total Revenue	94,05,68,771	90,67,96,275	16,03,94,156	13,73,67,945	1,11,20,09,003	1,05,48,01,797
Unallocated Assets					36,90,89,807	32,73,71,756
Total Assets					36,90,89,807	32,73,71,756

34a. Employee Benefit Plan

Gratuity

In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 31st March 2016 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Particulars	31 March, 2016	31 March, 2015
Components of employer expense		
Current Service cost	3,84,991	2,34,109
Interest cost	1,80,686	1,46,269
Expected return on plan assets	(54,706)	(52,503)
Past Service Cost - Vested/Non Vested Benefit	-	-
Actuarial Losses/(Gains)	3,58,694	1,14,946
Total expense/(income) recognized in the Statement of Profit & Loss	8,69,665	4,42,821
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	6,32,907	5,33,817
Expected return on plan assets	54,706	52,503
Actuarial gains/(losses)	(377)	(6,608)
Assets Acquired on Acquisition/ (Distributed on Divestiture)	-	-
Contributions by Employer	1,37,308	1,21,725
Benefits paid	(89,804)	(68,530)
Closing Fair Value of Plan Assets	7,34,740	6,32,907
Change in Defined Benefit Obligation (DBO)		
Present Value of DBO at the beginning of the year	18,35,308	14,15,122
Current service cost	3,84,991	2,34,109
Interest cost	1,80,686	1,46,269
Actuarial (gains)/losses due to change in assumption		
Actuarial (gains)/losses due to change in experience	3,58,317	1,08,338
Past Service Cost - Vested/Non Vested Benefit		
Benefits paid	(89,804)	(68,530)
Present value of DBO at the end of the year	26,69,498	18,35,308
Net asset/(liability) recognized in balance sheet		
Fair value of plan assets	7,34,740	6,32,907
Present Value of Defined Benefit Obligation	(26,69,498)	(18,35,308)
Net asset/(liability) recognized in balance sheet	(19,34,758)	(12,02,401)
Actuarial Assumptions	31-Mar-16	31-Mar-15
Discount Rate	8%	8% Expected
Return on plan assets	8%	9%
Rate of increase in compensation	6%	5%
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-16		31-Mar-15	
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%

34b. Employee Benefit Plan

Leave Encashment

In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 31st March 2016 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, 2016	For the year ended 31 March, 2015
Components of employer expense		
Current Service cost	2,87,769	1,07,342
Interest cost	19,365	13,901
Expected return on plan assets	-	-
Past Service Cost - Vested/Non Vested Benefit	-	-
Actuarial Losses/(Gains)	1,77,601	2,72,178
Total expense/(income) recognized in the Statement of Profit & Loss	4,84,735	3,93,421
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	3,92,004	3,50,869
Benefits paid	(3,92,004)	(3,50,869)
Closing Fair Value of Plan Assets	-	-
Change in Defined Benefit Obligation (DBO)		
Present Value of DBO at the beginning of the year	1,95,038	1,52,486
Current service cost	2,87,769	1,07,342
Interest cost	19,365	13,901
Actuarial (gains)/losses due to change in assumptions		
Actuarial (gains)/losses due to plan experience	1,77,601	2,72,178
Past Service Cost - Vested/Non Vested Benefit		
Benefits paid	(3,92,004)	(3,50,869)
Present value of DBO at the end of the year	2,87,769	1,95,038
Net asset/(liability) recognized in balance sheet		
Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	2,87,769	1,95,038
Net asset/(liability) recognized in balance sheet	2,87,769	1,95,038

Actuarial Assumptions	31-Mar-16	31-Mar-15
Discount Rate	8%	8%
Expected Return on plan assets	NA	NA
Salary Escalation Rate	6%	5%
Employee Turnover Rates 100% of IAL	Table a 100% of IAL	Table a Mortality Rates*

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

Table a Employee Turnover Rates

31-Mar-16		31-Mar-15	
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%

34c. Defined contribution plans

The company has recognised, in the Statement of Profit and loss for the year year ended March 31, 2016 an amount of Rs. 17,01,007/-

(Previous year:13,05,186/- under defined contribution plans)

Benefit (Contribution to)	For the year ended March 31, 2016	For the year ended March 31, 2015
Provident Fund	12,55,122	9,63,536
Employee State Insurance Corporation	4,45,885	3,41,650
Total	17,01,007	13,05,186

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

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Percentage	Value (In rupees)	Percentage	Value (In rupees)
(a) Raw materials				
Imported	0%	-	0%	-
Indigenous	100%	94,67,78,946	100%	91,21,10,405
(b) Spare parts and components				
Imported	0%	-	0%	-
Indigenous	100%	22,80,989	100%	18,89,912

35 B. Value of imports on CIF basis (excluding purchases from canalsing agencies and imported items purchased locally)

Particulars	For the year ended	For the year ended
	31st March, 2015	31st March, 2016
	In rupees	In rupees
Raw materials	-	-
Spare parts and components	-	-
Capital goods	47,23,621	1,73,27,890
Total	47,23,621	1,73,27,890

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

Particulars	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
	In rupees	In rupees
Consultation fees	-	-
Interest	10,156	1,11,719
Other Expenses	-	4,235
Travelling Expenses	3,67,423	5,86,919
Total	3,77,579	7,02,873

36. 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, 2016.

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

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

For and on Behalf of the Board of Directors

D.R. Venkatesh
Partner
Membership No. 25087

Pramod Kumar S.
Executive Director
DIN: 00719828

B. Shantilal
Managing Director
DIN: 00719808

Gayithri
Chief Financial Officer

Place: Bangalore
Date : May 23, 2016

Sunil Agro Foods Limited

CIN: L01111KA1988PLC008861

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

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

Form No. MGT-11
PROXY FORM

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

CIN:.....

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 Eighth Annual General Meeting of the Company, to be held on Wednesday, the 7th September, 2016 at 10.30 a.m. at Bharatiya Vidya Bhavan, Race Course Road, Bangalore D 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, 2016.
2. Appointment of Mrs. Pinky Jain who retires by rotation.
3. Ratification of Appointment of Statutory Auditors of the Company.

SPECIAL BUSINESS

4. Appointment of Mr. B. Shantilal as Managing Director of the Company.
5. Appointment of Mr. Pramod Kumar S as Whole time Director of the Company.

Signed this..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

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

Sunil Agro Foods Limited

CIN: L01111KA1988PLC008861

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

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

Form No. MGT-12

POLLING PAPER

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

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

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

BALLOT PAPER

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

4. Class of Share

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

Sl. No	Item	No. of shares held by me	I assent to the resolution	I dissent from the resolution
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ORDINARY BUSINESS

1. Adoption of Annual Accounts for the year ended March 31, 2016.
2. Appointment of Mrs. Pinky Jain, Non Executive Director who retires by rotation.
3. Ratification of Appointment of Statutory Auditors of the Company.

SPECIAL BUSINESS

4. Appointment of Mr. B. Shantilal as Managing Director of the Company.
5. Appointment of Mr. Pramod Kumar S as Whole time Director of the Company.

Place:

Date:

(Signature of the shareholder)