

# **ANNUAL REPORT**

## **2019-2020**

**SUNIL AGRO FOODS LIMITED**

**An ISO22000 : 2005 Certified**

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**SUNIL AGRO FOODS LIMITED**  
**THIRTY SECOND ANNUAL GENERAL MEETING**

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**BOARD OF DIRECTORS & KMP:**

Mr. AVS Murthy	Chairman
Mr. B Shantilal	Managing Director
Mr. Pramod Kumar S	Chief Executive Officer & Director
Mr. Akshat Jain	Whole Time Director
Mrs. Sarika Bhandari	Director
Mrs. Pinky Jain	Director
Mrs. Gayithri Shankarappa	Chief Financial Officer
Ms. Shruthi Murali Kumar	Company Secretary and Compliance Officer

**REGISTERED OFFICE & FACTORY:**

Plot No: 39-A2, Industrial Area,  
Chokkahalli, Hosakote -562 114

**CORPORATE OFFICE:**

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

**AUDITORS:**

Messrs GRV & PK  
Chartered Accountants  
Bangalore

**SECRETARIAL AUDITOR :**

Mr. Vijayakrishna KT  
Practising Company Secretary

**BANKERS:**

HDFC Bank Limited  
Seshadripuram Branch, Bangalore

**SHARE TRANSFER AGENTS:**

Integrated Registry Management Services Private  
Limited, Bangalore

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## NOTICE

Notice is hereby given that the Thirty Second (32<sup>nd</sup>) Annual General Meeting of the Shareholders of the Company will be held at 10.30 A.M. on Monday, the 24<sup>th</sup> day of August, 2020 over Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in compliance with General Circular numbers 20/2020, 14/2020 and 17/2020 and all other applicable laws and circulars issued by the Ministry of Corporate Affairs (MCA), Government of India and Securities and Exchange Board of India (SEBI), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet as at 31<sup>st</sup> March, 2020, 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.

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

**"RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with Independent Auditor's Report and the Board's Report including Secretarial Audit Report thereon be and are hereby received, considered and adopted."

2. To appoint Mr. Pramod Kumar Shantilal (DIN: 00719828), Whole Time Director, designated as Chief Executive Officer and Director who retires by rotation and being eligible, offers himself for reappointment.

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

**"RESOLVED THAT** Mr. Pramod Kumar Shantilal (DIN: 00719828), Whole Time Director be and is hereby appointed as Director of the Company, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment."

By the Order of the Board  
For Sunil Agro Foods Limited

Place: Bangalore  
Date: 22.07.2020

**Shruthi Murali Kumar**  
Company Secretary and  
Compliance Officer  
M. No: A 61093  
No. 10, Kamal Nivas  
1/104, Ahuja Chambers  
Kumara Krupa Road  
Bangalore- 560001

**NOTES TO E-AGM NOTICE:**

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at the common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

1. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Listing fee has been paid to the BSE Ltd, Mumbai up to date.
5. The Register of Members and the Share Transfer books of the Company will remain closed from 18<sup>th</sup> August, 2020 (Tuesday) to 24<sup>th</sup> August, 2020 (Monday) (both days inclusive).
6. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
7. The Shares of the Company are mandated by the Securities and Exchange Board of India for trading in dematerialized form by all investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Integrated Registry Management Services Private Limited for assistance in this regard.
8. Pursuant to SEBI Notification No. LIST/COMP/15/2018-19, dated July 05, 2018, it has become mandatory that transfer of securities would be carried out in dematerialized form only. Members can contact the Company or Integrated Registry Management Services Private Limited for assistance in this regard.
9. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through Depository Participants. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN is INE224D01012. All the Shareholders holding Shares in the physical form are requested to make use of this facility. Members are requested to open Demat Account with any of the Depository Participants to enable transacting in the Stock Exchange.

10. Members holding shares in electronic form are requested to register their e-mail address with their respective Depository Participant and Members holding Shares in Physical form are requested to register their e-mail address with Company's Registrar and Transfer Agents and participate in the "Green initiative" launched by the Ministry of Corporate Affairs in future. As per Rule 3 of the Companies (Management & Administration), Rules, 2014, Register of Members of all Companies now should have additional details pertaining to e-mail, PAN, CIN, UID, Occupation, Status, and Nationality. We request all the Members of the Company to update their details with their respective Depository Participants in case of Shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding immediately.
11. Members holding Shares in physical form are requested to notify to the Company's Registrar and Transfer Agent of any change in their address and update their Bank account details to their respective Depository Participants directly.
12. Annual Report for the Financial year 2019-20 along with the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting is being sent only through electronic mode to all the members whose email IDs are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at [www.sunilagro.in](http://www.sunilagro.in), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). Members are requested to inform the Company's Registrars and Share Transfer Agents viz., Integrated Registry Management Services Private 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.
13. Members may refer Additional Information on Directors recommended for appointment / re-appointment under the provisions of Listing Regulations.
14. 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.
15. **e- AGM:** The Company has appointed Central Depositories Services (India) Limited ("CDSL") to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
16. Pursuant to the provisions of the circulars of MCA on the VC/OAVM (e-AGM):
- Members can attend the Meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
  - Appointment of proxy to attend and cast vote of the Member is not available.
  - Body Corporate are entitled to appoint authorized representatives to attend the e-AGM through VC/OAVM and thereat

and cast their votes through e-voting.

17. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
18. Upto 1000 Members will be able to join on a First Come First (“FIFO”) basis to the e-AGM.
19. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder’s Relationship Committee, Auditors etc.
20. The attendance of the Members (members login) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
21. Brief resume and other information in respect of directors seeking re-appointment at the Annual General Meeting as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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## Agenda Item - 2

Appointment of Mr. Pramod Kumar Shantilal retiring by rotation:

Particulars	Details
Name	Mr. Pramod Kumar Shantilal
DIN	00719828
Date of Birth	15.07.1968
Date of Appointment	08.09.2018
Qualifications	Graduate
Expertise in specific functional area	General Management
Directorships held in other Companies (excluding foreign companies)	1) Kithur Channamma Roller Flour Mills Private Limited 2) Markasia Foods Private Limited 3) DNR Corporation Private Limited 4) Roller Flour Millers Federation of India
Membership/Chairmanships of Committees of other public companies (included only Audit and Stakeholder’ Relationship/ Investors Grievance Committee)	NIL
No. of Board Meetings attended during the year	4
No. of Shares held in the Company	20,99,776

**22. Remote e-Voting:**

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 (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 32<sup>nd</sup> Annual General Meeting to be held on Monday, the 24<sup>th</sup> August, 2020 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 17<sup>th</sup> August, 2020 (Monday) i.e., the date prior to the commencement of Book closure date are entitled to vote on the Resolution set forth in this Notice.
- (ii) The voting period begins on Friday, 21<sup>st</sup> August, 2020 (9:00 AM) and ends Sunday, 23<sup>rd</sup> August, 2020 (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 17<sup>th</sup> August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (v) Click on "Shareholders" module
- (vi) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in DEMAT form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Dividend Bank Details OR Date of Birth DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  □ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).

- (x) After entering these details appropriately, click on “SUBMIT” tab.
  - (xi) Shareholders 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.
  - (xii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xiii) Click on the EVSN of Sunil Agro Foods Limited on which you choose to vote.
  - (xiv) 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.
  - (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - (xvi) 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.
  - (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (xviii) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - (xix) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xx) Shareholders can also cast their vote using CDSL's mobile app “**m-Voting**” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 23. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

**24. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- (i) Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a

good speed to avoid any disturbance during the meeting.

- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@sunilagro.in](mailto:cs@sunilagro.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@sunilagro.in](mailto:cs@sunilagro.in). These queries will be replied to by the Company suitably by email.
- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

**25. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (v) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@sunilagro.in](mailto:cs@sunilagro.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to .
- (vii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**26. 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 17<sup>th</sup> August, 2020 (Monday).
  - (ii) Mr. Vijayakrishna KT, Practising Company Secretary (Membership No. FCS - 1788) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (iii) 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.
  - (iv) The Results shall be declared within Forty Eight (48) hours from the conclusion of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sunilagro.in](http://www.sunilagro.in) and on the website of CDSL. The results will also be communicated to the Stock Exchanges where the Shares of the Company are listed.
  - (v) 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 through e-voting at AGM to the members who shall participate through VC/OAVM 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.
27. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company i.e. Plot No. 39-A2, Industrial Area, Chokkahalli, Hosakote – 562 114 during normal hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

By the Order of the Board  
For Sunil Agro Foods Limited

Place : Bangalore  
Date: 22.07.2020

**Shruthi Murali Kumar**  
Company Secretary and  
Compliance Officer  
M. No. A 61093  
1/104, Ahuja Chambers  
Kumara Krupa Road  
Bangalore – 560001

## BOARD'S REPORT

To  
The Members  
Sunil Agro Foods Limited  
Bangalore

Your Board of Directors has pleasure in presenting the Thirty Second (32<sup>nd</sup>) Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020 together with the Independent Auditor's Report.

### 1. FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Income	14055.91	13646.22
Less: Expenditure	13554.07	13168.26
<b>Profit before Interest and Depreciation</b>	<b>501.84</b>	<b>477.96</b>
Less: Interest	276.08	231.89
Less: Depreciation	147.32	161.68
<b>Profit Before Taxation</b>	<b>78.45</b>	<b>84.39</b>
Less: Provision for Taxation	32.31	37.15
<b>Profit After Taxation</b>	<b>46.14</b>	<b>47.24</b>
Less: Other Comprehensive Income		
Items that will not be reclassified to profit or loss	4.82	1.75
Items that will be reclassified to profit or loss	0	0
<b>Total Comprehensive Income</b>	<b>41.32</b>	<b>45.49</b>

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

Your Company continued to perform well during the year under report under certain challenges and hurdles. Overall business improved satisfactorily with better resource optimization and more effective controls. The Company's expansion program completed in previous year increased the production capacity with inclusion of additional balancing equipments, although the Company will take some time to stabilize the total

production in the upcoming months. During the year under review, your Company entered into a contract for manufacturing and selling Pillsbury atta to General Mills which was stopped in the month of December 2019. Your Company has shown significant growth and registered higher turnover in manufacturing segment; however, there was no turnover from trading segment during the year. Further, this has resulted a decrease in the profits of the Company.

The Shareholders may note that there is increase in the revenues from Sales and Services to Rs. 14,055.91 Lakhs in the current year as compared to Rs. 13,646.22 Lakhs in the previous year due to reasons as mentioned above. Profit has decreased to Rs. 85.28 Lakhs in the current year compared to Rs. 88.52 Lakhs in the previous year.

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

### **3. CORPORATE GOVERNANCE:**

Pursuant to the provisions of Regulation 15(2) of SEBI (LODR) Regulations, 2015, Compliance with Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V shall not apply to listed entities having Paid-up Equity Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs. 25 Crores as on the last date of previous financial year.

The Company being falling under the specified limits of the above Regulation, requirement of giving Corporate Governance Report in Annual Report as per the Para C of the Schedule V is exempted to the Company and hence not required to be prepared.

### **4. LOCKDOWN -COVID 19:**

It is quite unfortunate and sad that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. Social distancing being the only and the first compulsory remedy, entire World was forced to observe Lockdown. Thanks to early initiatives taken, India declared Lockdown from 24th

March 2020. As your Company comes under the purview of essential services, your Company had dispensed operations for a period of one week, post which the operations were commenced with 50% work force on each shift (i.e., on double shift basis) resulting at 60%-70% production capacity. Therefore, there has been no adverse impact on your business due to this pandemic.

Disclosure of material impact of COVID-19 pandemic with reference to Notification SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020 under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was made to the Stock Exchange.

### **5. MANAGEMENT DISCUSSION AND ANALYSIS:**

#### **a. Industry outlook and developments:**

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

#### **b. Business Overview:**

The Company has achieved a turnover of Rs.13926.82 Lakhs (previous year Rs. 13493.86 Lakhs) for the financial year ended 31.03.2020 with a net profit of Rs. 46.14 Lakhs (previous year Rs. 47.24 Lakhs).

c. Opportunities: As stated earlier, your Company has completed its expansion which resulted in increase in production and is looking to commission Silos for blending and bulk supply of whole wheat flour.

d. No risk is expected during this year.

e. Outlook: The Company will strive for Better Values.

f. Internal Control System:

The Company has an effective control system to 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.

## **6. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31<sup>st</sup> March, 2020 and the date on which this report has been signed.

## **7. 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.

## **8. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There are no material changes after 31<sup>st</sup> March, 2020 till the signing of this Report.

## **9. DIVIDEND:**

Due to certain uncertain environment and prevailing conditions, in order to preserve funds within the Company, your Directors decided that no Dividend shall be declared for the Financial year 2019-20.

## **10. RESERVES:**

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

## **11. SHARE CAPITAL:**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 was Rs. 300.29 Lakhs. During the financial year under review, the Company has not issued shares with differential voting rights nor granted Stock Options nor Sweat Equity.

## **12. CAPITAL INVESTMENTS:**

Capital Investments during the Financial year 2019-20 was at Rs. 383.70 Lakhs (Net of capital work-in-progress and capital advances).

## **13. 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.

## **14. RISK MANAGEMENT:**

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

## **15. 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 website of the Company at <http://sunilagro.in/wp-content/uploads/2019/08/whistle-blower-policy.pdf> and there were no cases reported during last year.

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

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

**17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pramod Kumar Shantilal (holding DIN: 00719828), Whole Time Director, designated as Chief Executive Officer and Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re appointment. Mrs. Garima Garg resigned from the Office of Company Secretary and Compliance Officer with effect from 9<sup>th</sup> August, 2019 due to personal reasons.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board appointed Ms. Shruthi Murali Kumar as the Company Secretary and Compliance Officer (KMP) of the Company with effect from 24<sup>th</sup> January, 2020.

Mr. Akshat Jain was appointed as an Additional Director and Whole-time Director of the Company w.e.f 1<sup>st</sup> June, 2019 by the Board of Directors based on the recommendation of Nomination and Remuneration Committee. The said appointment was approved at the last AGM held on 19<sup>th</sup> September, 2019.

**18. 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 and the maximum time gap between 2 (two) meetings did not exceed one hundred and twenty days. The details of the Board Meetings were held on 29<sup>th</sup> May, 2019, 9<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 24<sup>th</sup> January, 2020.

**Details of the attendance at Board Meetings and at the AGM held during the year are as follows:**

Name of the Director	Board Meetings details		Attendance at Last AGM on 19.09.2019
	Held	Attended	
Mr. B Shantilal	4	4	Yes
Mr. Pramod Kumar S	4	4	Yes
Mr. AVS Murthy	4	4	Yes
Mrs. Pinky Jain	4	4	Yes
Mr. Akshat Jain*	4	2	Yes

\*Mr. Akshat Jain was appointed as an Additional Director and Whole-time Director of the Company w.e.f 1<sup>st</sup> June, 2019.

**19. BOARD COMMITTEES:****I. AUDIT COMMITTEE**

During the year under review, 4 (four) meetings were held on 29<sup>th</sup> May, 2019, 9<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 24<sup>th</sup> January, 2020.

<b>Name of the Member</b>	<b>Nature of Membership</b>	<b>No. of Meetings held</b>	<b>Attendance</b>
Mr. AVS Murthy	Chairman	4	4
Mrs. Sarika Bhandari	Member	4	3
Mr. Pramod Kumar S	Member	4	4

**II. NOMINATION AND REMUNERATION COMMITTEE**

During the year under review 3 meetings were held on 29<sup>th</sup> May, 2019, 9<sup>th</sup> August, 2019 and 24<sup>th</sup> January, 2020.

<b>Name of the Member</b>	<b>Nature of Membership</b>	<b>No. of meetings held</b>	<b>Attendance</b>
Mrs. Sarika Bhandari	Chairman	3	2
Mrs. Pinky Jain	Member	3	3
Mr. AVS Murthy	Member	3	3

**III. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

During the year under review, one meeting was held on 9<sup>th</sup> August, 2019

<b>Name of the Member</b>	<b>Nature of Membership</b>	<b>No. of meetings held</b>	<b>Attendance</b>
Mr. AVS Murthy	Chairman	1	1
Mr. Sarika Bhandari	Member	1	1
Mrs. Pinky Jain	Member	1	1

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

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

All the Independent Directors have also confirmed under Regulation 16(b) of SEBI (LODR) Regulations, 2015 that they are not Non-Independent Director of another Company on the Board of which any Non-Independent Director of the listed entity is an Independent Director.

**21. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period
- (c) the directors had taken proper and

sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. INTERNAL FINANCIAL CONTROL:**

The Company continued to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

**23. EXTRACT OF ANNUAL RETURN:**

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

**24. 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 31<sup>st</sup> March, 2020.

**25. INDUSTRIAL RELATIONS:**

The industrial relations of the Company have been cordial.

**26. AMOUNT TRANSFERRED TO RESERVES:**

During the financial year the Company has not transferred any amount to the Reserves.

**27. 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 2019-20 in the prescribed format, AOC 2 is enclosed as **Annexure – III** as a part of this Annual Report.

**28. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES**

**GIVEN OR SECURITY PROVIDED BY THE COMPANY:**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Current/Non-Current Investments:  
Rs. 6,55,885/-

The Company has neither given any loan nor issued any guarantees in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued there under.

**29. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:**

There are no Directors/Employees who were in receipt of the remuneration as prescribed under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 during the year under review and hence annexure required under the said Section is not attached.

**Remuneration Policy**

The Company's policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is placed on the website of the Company at

<https://sunilagro.in/wp-content/uploads/2019/08/nomination-and-remuneration-policy.pdf>

### 30. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met on 24<sup>th</sup> January, 2020 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company and Non-Executive Directors and other items as stipulated under the Listing Regulations. The Independent Directors have also declared their independence.

### 31. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS:

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors, pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as Board structure and composition, formation and delegation of responsibilities to Committees, Board processes and their effectiveness, degree of effective communication with the stakeholders.

The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee

members based on criteria such as Committee composition, structure, effectiveness of Committee Meetings.

Independent Directors of the Company provided their views on performance of Non-Independent Directors, and the Board as a whole, considering the views of Executive Directors and Non-Executive Directors.

Your Board has evaluated the Independent Directors and confirms that all Independent Directors fulfilled the independence criteria as specified in SEBI Listing Regulations and their independence from the management.

### 32. AUDITORS:

Messrs GRV & PK, Chartered Accountants, Bangalore (Firm Registration No. 008099S) were appointed, in the Annual General Meeting held on 21<sup>st</sup> September 2017, for a consecutive term of five years from the conclusion of 29<sup>th</sup> Annual General Meeting till the Conclusion of 34<sup>th</sup> Annual General Meeting.

#### **Remuneration Details (2019-20):**

(Amount in Rupees)

Statutory Audit	2,68,635/-
Taxation Audit Fee	50,000/-
Limited Review Fee	45,000/-
<b>Total</b>	<b>3,63,635/-</b>

**Qualifications in the Audit Report:**

The Company has not made provisions for Bad debt of Rs 97,56,685/- in case of one debtor Maiyas Beverage and Foods Private Limited which was referred to NCLT under Indian Bankruptcy Code and NCLT has passed the order on 10th May, 2019. As per NCLT order only 15.14% amount is payable to all the Sundry Creditors of Maiyas Beverage and Foods Private Limited. Company's total outstanding against Maiyas Beverage and Foods Private Limited at the time of referral to NCLT stood Rs.1,14,97,390/-. Due to this Company's profit and Sundry debtors are overstated by Rs.97,56,685/.

**Board's Response:**

It is understood that certain creditors of Maiyas Beverages and Foods Private Limited have preferred appeals against the Order dated 10<sup>th</sup> May, 2019 of the National Company Law Tribunal, Bangalore Bench, before the National Company Law Appellate Tribunal, New Delhi which have been admitted. Since the aforesaid Order has not been implemented, the Company has deemed it fit not to make any provisions.

**33. SECRETARIAL AUDIT:**

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

**34. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY**

No Director has received any commission from your Company or from Holding or Subsidiary Company.

**35. PARTICULARS OF EMPLOYEES:**

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

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

**36. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the Financial year 2019-2020 to BSE Limited where the Company's Shares are listed.

**37. 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 year under review which impacts going concern status of the Company.

**38. 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's earnings in foreign currency is nil during the year under review. However, there had been expenses amounting to Rs. 7,84,493/-.

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

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

The following is a summary of sexual harassment complaints received and disposed-off during the financial year 2019-20:

No of complaints received: NIL

No of complaints disposed: NIL

No. of complaints pending: NIL

**40. INVESTORS EDUCATION AND PROTECTION FUND:**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the Shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority.

During the year under review there were unclaimed amounts amounting to Rs. 47,688.50/- required to be transferred to IEPF account.

#### **41. REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

#### **42. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

#### **43. MAINTENANCE OF COST RECORDS:**

Maintenance of Cost Records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013, is not applicable to the Company.

#### **44. CODE OF CONDUCT:**

The Board of Directors has already adopted the Code of Ethics and Business Conduct for the Directors and Senior Management personnel. This code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration

given by the Managing Director is attached as **Annexure-VI** of the Board of Director's Report.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

#### **45. ACKNOWLEDGEMENTS:**

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

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

For and on behalf of the Board of Directors

Shantilal Bansilal  
Managing Director  
DIN: 00719808  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

Pramod Kumar S  
Chief Executive Officer  
& Director  
DIN: 00719828  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

Place : Bengaluru  
Date : 22<sup>nd</sup> June, 2020

**ANNEXURE-I**

**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:

1. Apart from receiving director's remuneration/sitting fees/commission, or having transaction not exceeding ten per cent of my total income or such amount as may be prescribed by the Company, I have or had no material relationship with the Company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the immediately preceding two financial years or during the current financial year;
2. None of my relatives:
  - a. has or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lakhs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
  - b. is holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year of face value not exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
  - c. is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - d. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company; for an amount of Rs. 50 lakhs during the current financial year
  - e. has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (b), (c) or (d);
3. Neither I nor any of my relatives:

4. holds or held the position of a Key Managerial Personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - a. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
    - i. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - ii. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - b. holds together with my relatives two per cent or more of the total voting power of the listed entity; or
  - c. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
  - d. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
5. I meet the criteria of other qualifications as prescribed under Rule 5 of the (Companies Appointment and Qualification Rules), 2014.
6. I am not less than 21 years of age.
7. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity as an independent director.
8. I have registered with the Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs on the <https://www.independentdirectorsdatabank.in>.
9. I affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.

Venkataramanasanjeev Alampalli Murthy

DIN: 00085805

Date: 01.04.2020

Sarika Bhandari

DIN: 07140112

Date: 01.04.2020

**ANNEXURE - II**  
**Form No MGT-9**

**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2020**

[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, Bengaluru, Karnataka – 562114

**Tel.** : 080-40201400/03/04

**Fax.** : 080-28391661

**Email** : [info@sunilagro.in](mailto:info@sunilagro.in)

**Website** : [www.sunilagro.in](http://www.sunilagro.in)

vi) Whether Listed Company: Yes

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

**Registrars**

Integrated Registry Management Services Private Limited

# 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003.

**Tel.** : 080 - 23460815 to 818

**Fax** : 080 – 23460819

**Email** : [irg@integratedindia.in](mailto:irg@integratedindia.in)

**Website** : [www.integratedindia.in](http://www.integratedindia.in)

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the Company
1.	Manufacture of grain mill products	10611	100

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

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

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

## i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year- 01.04.2019				No. of Shares held at the end of the year- 31.03.2020				% change during the year
		Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	2110376	-	2110376	70.28	2110376	-	2110376	70.28	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	300	-	300	0.01	300	-	300	0.01	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Person Acting in Concert	60500	-	60500	2.01	60500	-	60500	2.01	
<b>SUB TOTAL:(A) (1)</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>2171176</b>	<b>-</b>	<b>2171176</b>	<b>72.30</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/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)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>40000</b>	<b>-</b>	<b>40000</b>	<b>1.33</b>	<b>40000</b>	<b>-</b>	<b>40000</b>	<b>1.33</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporates									
i) Indian	30179	15300	45479	1.51	26608	13300	39908	1.33	-0.19
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	294367	135260	429627	14.31	284197	123460	407657	13.58	-0.73
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	286480	-	286480	9.54	313999	-	313999	10.46	0.92
c) Others (specify)									
NRI	26110	2100	28210	0.94	26060	2100	28160	0.94	0.00
Clearing Member	1928	-	1928	0.06	0	-	0	0.00	-0.06
IEPF	0	-	0	0.00	2000	-	2000	0.07	0.07
<b>SUB TOTAL (B)(2):</b>	<b>639064</b>	<b>152660</b>	<b>791724</b>	<b>26.37</b>	<b>652864</b>	<b>138860</b>	<b>791724</b>	<b>26.37</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>679064</b>	<b>152660</b>	<b>831724</b>	<b>27.70</b>	<b>692864</b>	<b>138860</b>	<b>831724</b>	<b>27.70</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2850240</b>	<b>152660</b>	<b>3002900</b>	<b>100.00</b>	<b>2864040</b>	<b>138860</b>	<b>3002900</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters :

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

## iii) Change in Promoters' Shareholding: No change

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

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

SL. NO	NAME OF THE SHARE HOLDER MESSRS	SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2019		Date	Increase /Decrease in Share Holding	Reason	CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2020	
		No. of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
1	DILIP SURANA	56145	1.87	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			56145	1.87
2	ANAND SURANA	50000	1.67	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			50000	1.67
3	MONICA SURANA	50000	1.67	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			50000	1.67
4	SONEX INVESTMENTS LTD	40000	1.33	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			40000	1.33
5	KALPANA PRAKASH PANDEY	29317	0.98	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			29317	0.98
6	M SUBRAMANYA BHATT	26400	0.88	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			26400	0.88
7	M SRINIVASA RAO	23370	0.78	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			23370	0.78
8	GAUTAM CHAND MEHTA	20000	0.67	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			20000	0.67
9	ASHOK KUMAR MANDHANI	17127	0.57	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			17127	0.57
10	ASHISH CHUGH	16215	0.54	01.04.2019		NO MOVEMENT DURING THE YEAR		
				31.03.2020			16215	0.54

v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	241923095	19700141	-	261623236
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>241923095</b>	<b>19700141</b>	<b>-</b>	<b>261623236</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1777994354	59595190	-	1837589544
• Reduction	1855085867	12310147	-	1867396014
<b>Net Change</b>	<b>77091513</b>	<b>47285043</b>	<b>-</b>	<b>124376556</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	164831582	66985184	-	231816766
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>164831582</b>	<b>66985184</b>	<b>-</b>	<b>231816766</b>

**I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director/ Whole-time Directors (WTD) and/or Manager:**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole Time Director	Total Amount (In Rupees)
		Mr. B. Shantilal	Mr. Pramod Kumar S	
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) of the Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the 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			
	<b>Total(A)</b>	<b>12,00,000</b>	<b>24,00,000</b>	<b>36,00,000</b>

**B. Remuneration to other Directors: Nil**

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:**

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel (Company Secretary and Compliance Officer)	Name of Key Managerial Personnel (CFO)	Total Amount (In Rupees)
		Mrs. Garima Garg and Ms. Shruthi Murali Kumar	Mrs. Gayithri Shankrappa	
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) of the Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income- Tax Act, 1961	165,555	5,98,944	6,74,499
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others	-	-	-
5.	Others	-	-	-
	<b>Total(A)</b>	<b>165,555</b>	<b>5,98,944</b>	<b>6,74,499</b>

\*The salary of Company Secretary and Compliance Officer consist of the following:

Mrs. Garima Garg of Rs 90,000/- (resigned on 9<sup>th</sup> August, 2019)

Ms. Shruthi Murali Kumar of Rs. 75,555/- (appointed on 24<sup>th</sup> January, 2020)

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA**

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

For and on behalf of the Board of Directors

Place: Bengaluru  
Date : 22.06.2020

Shantilal Bansilal  
Managing Director  
DIN: 00719808  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

Pramod Kumar S  
Chief Executive Officer & Director  
DIN: 00719828  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

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

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

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

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

Name of the party and nature of relationship	(1) Markasia Foods Private Limited	(2) Brindavan Roller Flour Mills Private Limited
Nature of contracts / arrangements / transactions	Sale of goods and providing of Services and receipt of rent	Sale of Goods and Services and purchase of vehicle
Duration of the contracts/arrangements/transactions	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements
Salient terms of the contracts or arrangements or transactions including the Value:	Value: For 2019-20 - Rs. 81,36,488/-	Value: For 2019-20 - Rs. 97,17,038/
Date(s) of approval by the Board:	29.05.2019	29.05.2019
Amount paid as advances	-	-

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: 22.06.2020

Shantilal Bansilal  
Managing Director  
DIN: 00719808  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

Pramod Kumar S  
Chief Executive Officer & Director  
DIN: 00719828  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

**ANNEXURE IV  
Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE  
FINANCIAL YEAR ENDED 31.03.2020  
[Pursuant to Section 204(1) of the  
Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and  
Remuneration Personnel) Rules, 2014]**

To  
The Members  
Sunil Agro Foods Limited

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - 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;
  - 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; and
- j) Circulars/Guidelines issued thereunder.
- (vi) The Industry specific laws applicable to the Company are as follows:
- Prevention of Food Adulteration Act, 1954
  - Food Safety and Standards Act, 2006
  - The Legal Metrology Act, 2009
  - The Narcotic Drugs and Psychotropic Substances (Karnataka) Rules 1985
  - The Trade Marks Act, 1999
- (vii) The other general laws as may be applicable to the Company including the following:
- (1) Employer/Employee Related Laws & Rules:
- i. Industries (Development & Regulation) Act, 1951
  - ii. The Factories Act, 1948
  - iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
  - iv. The Apprentices Act, 1961
  - v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
  - vi. The Employees State Insurance Act, 1948
  - vii. The Workmen's Compensation Act, 1923
  - viii. The Maternity Benefits Act, 1961
  - ix. The Payment of Gratuity Act, 1972
  - x. The Payment of Bonus Act, 1965
  - xi. The Industrial Disputes Act, 1947
  - xii. The Trade Unions Act, 1926
  - xiii. The Payment of Wages Act, 1936
  - xiv. The Minimum Wages Act, 1948
  - xv. The Child Labour (Regulation & Abolition) Act, 1970
  - xvi. The Contract Labour (Regulation & Abolition) Act, 1970
  - xvii. The Industrial Employment (Standing Orders) Act, 1946
  - xviii. Equal Remuneration Act, 1976
  - xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
  - xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
  - xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
  - xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
  - xxiii. Dangerous Machines (Regulation) Act, 1983
  - xxiv. Indian Boilers Act, 1923
  - xxv. The Karnataka Shops & Establishments Act, 1961
  - xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963
  - xxvii. The Labour Welfare Fund Act, 1965
  - xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
  - xxix. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

- (2) Environment Related Acts & Rules:
- i. The Environment Protection Act, 1986
  - ii. The Water (Prevention & Control of Pollution) Act, 1974
  - iii. The Air (Prevention & Control of Pollution) Act, 1981
  - iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
- (3) Economic/Commercial Laws & Rules:
- i. The Competition Act, 2002
  - ii. The Indian Contract Act, 1872
  - iii. The Sales of Goods Act, 1930
  - iv. The Forward Contracts (Regulation) Act, 1952
  - v. The Indian Stamp Act, 1899
  - vi. The Transfer of Property Act, 1882

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

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain non material findings made during the course of the audit relating to the Labour Laws were addressed suitably and the Management has undertaken to ensure full compliances.

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 changes in the composition of the Board of Directors during the year under review with due compliances.

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 KT)  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980  
UDIN: F001788B000367186

Place: Bengaluru  
Date: 22<sup>nd</sup> June, 2020

*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'**

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 KT)

Practising Company Secretary

FCS No.: 1788 C P No.: 980

UDIN: F001788B000367186

Place: Bengaluru

Date: 22<sup>nd</sup> June, 2020

## ANNEXURE – V

## THE RATIO OF REMUNERATION OF EACH DIRECTOR

(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director – 127 : Executive Director – 249 : Median Remuneration of Employees - 6.82
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Mrs. Gayithri Shankarappa Chief Financial Officer – 7%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	5.36%
(iv) The number of permanent employees on the rolls of Company;	As on 31.03.2020 - 101 Employees
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is based on the industrial standard & experience of each employees
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration paid to Key Managerial person is based on remuneration policy of the Company
(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current Financial Year and previous Financial Year;	There is no material variation in the share price
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and	This is as per the Company's Guidelines

point out if there are any exceptional circumstances for increase in the managerial remuneration;	
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	This is as per the Company's Guidelines
(x) The key parameters for any variable component of remuneration availed by the Directors;	Not Applicable
(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	Not Applicable
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

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

(i) Designation of the employee;	Not Applicable
(ii) remuneration received;	
(iii) nature of employment, whether contractual or otherwise;	
(iv) qualifications and experience of the employee;	
(v) date of commencement of employment;	
(vi) the age of such employee;	
(vii) the last employment held by such employee before joining the company;	
(viii) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	
(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	
The Top ten employees, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two lakhs rupees;	
The Top ten employees, if employed for a part	Not Applicable

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: Bengaluru  
Date: 22.06.2020

Shantilal Bansilal  
Managing Director  
DIN: 00719808  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

Pramod Kumar S  
Chief Executive Officer & Director  
DIN: 00719828  
No.10, Kamal Nivas  
Srikantaiah Layout  
Crescent Cross Road  
Bengaluru – 560 001

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### **Annexure VI**

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, 2020.

Place: Bengaluru  
Date: 22.06.2020

Shantilal Bansilal  
Managing Director  
DIN: 00719808

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
M/S. SUNIL AGRO FOODS LIMITED**

### **Qualified Opinion**

We have audited the accompanying Standalone financial statements of **M/s. Sunil Agro Foods Limited (“the Company”)** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, of the state of affairs of the Company as at 31 March 2020, and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our

other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***The Company has not made provisions for Bad debt of Rs 97,56,685/ in case of one debtor Maiyas Beverage and Foods Private Limited which was referred to NCLT under Indian Bankruptcy Code and NCLT has passed the order on 10th May, 2019. As per NCLT order only 15.14% amount is payable to all the Sundry Creditors of Maiyas Beverage and Foods Private Limited. Company's total outstanding against Maiyas Beverage and Foods Private Limited at the time of referral to NCLT stood Rs.1,14,97,390/-. Due to this Company's profit and Sundry debtors are overstated by Rs.97,56,685/.***

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addresses the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures

performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

The Company has certain significant open legal proceedings under arbitration for various complex matters with the Government of India and other parties, continuing from earlier years, which are as under :

a) Claims against the Company from the Central Excise Department related to period from 05/08/2010 to 31/10/2013. The company has filed an appeal against the order demanding interest and penalty with the Customs Excise and Service Tax Appellate Tribunal. (Refer Note 33)

Due to the complexity involved in these litigation matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly it has been considered as a Key Audit Matter.

Our Audit procedures included and were not limited to the following :

- Discussion with the management on the development in these litigations during the year ended March 31, 2020
- Review of the disclosures made by the Company in the Financial Statements in this regard.
- Obtained representation letter from the management on the assessment of these matters.

#### **Information other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included

in the Board's Report including Annexure to the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

preventing and detecting frauds and other irregularities; selection, application, implementation and maintenance of appropriate of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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. ***Except for the effect of the matters described in basis of qualified opinion paragraph above***, 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 including other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flow dealtwith by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015
  - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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”. Our Report expresses an Qualified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

- 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, as amended, 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 which could impact its financial position as mentioned in note no.33 Contingent Liability.
- ii. The Company did not have any long-term contracts including derivatives 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 GRV & PK.**

**Chartered Accountants**  
**FRN.008099S**

**Kamal Kishore**  
**Partner**

**M N.205819**

**UDIN:20205819AAAACV8770**

**Place: Bangalore**

**Date: 22/06/2020**

**Annexure –A to the Independent**  
**Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of **M/s. Sunil Agro Foods Limited (“the Company”)** on the standalone financial statements for the year ended 31 March 2020, we report that:

- (I)
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii)
- (a) On basis of information and explanation given to us, Physical verification of Inventory has been conducted at reasonable intervals by the management.
- (b) Procedure of physical verification of Inventory followed by the management is reasonable & adequate in relation to the size of company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

- (iii) In our opinion and according to the information and explanations given to us, The Company has not granted any unsecured loans to any of the parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not provided any loans, guarantees, and Investments to which the provision of sec 185 of the act apply. However regarding loans, guarantees, and Investments to which the provision of sec 186 apply such investment are within the limit provided under Section 186 of the act.
- (v) The company has not received any public deposits during the year to which section 73 to 76 or any other relevant provisions of the act are applicable. Accordingly, clause (v) of the order is not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii)
- (a) According to the records of the company and information and explanations given to us and on the basis of our examination of the records of the company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, GST, Cess and other material statutory dues applicable to it, with the appropriate authorities. As explained to us, the company did not have any dues on account of employee's state insurance and duty of excise.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident fund, Income-tax, Custom Duty, sales tax, VAT, GST, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of disputed Excise duty which have not been deposited as on 31st March, 2020 on account of any dispute are given below:

<b>Name of Statute</b>	<b>Nature of the dues</b>	<b>Disputed amount pending</b>	<b>Period to which the amount relates (Financial Years)</b>	<b>Forum where dispute is pending.</b>
Central Excise Act, 1944	Central Excise duty  Excise duty Penalty Excise duty Interest	Rs. 1,95,51,297/- Rs. 1,95,51,297/- Department yet to quantify the interest liability	05/08/2010 to 31/10/2013  Until payment made	Appeal against order is pending before CESTAT

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions and banks.
- (ix) No money has been raised by way of initial public offer or further public offer (including debt instruments) during the year and Term Loans has been utilized for the purposes for which they were raised during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company the managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act with respect to Managerial Remuneration.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause (xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause (xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For GRV & P K.**

**Chartered Accountants**

**FRN.008099S**

**Kamal Kishore**

**Partner**

**M N.205819**

**UDIN: 20205819AAAACV8770**

**Place: Bangalore**

**Date: 22/06/2020**

## **Annexure - B to the Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. Sunil Agro Foods Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both

applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31<sup>st</sup>, 2020

***a) The company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets and liabilities disclosed in the books of accounts.***

A "material weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material

misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

### **Qualified Opinion**

***In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria***, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of the Company, and our aforesaid report and opinion on Internal Financial Control over Financial Reporting should be read in conjunction with our report of even date issued on the standalone financial statements of the Company.

**For G R V & P K.**

**Chartered Accountants**

**FRN.008099S**

**Kamal Kishore**

**Partner**

**M N.205819**

**UDIN: 20205819AAAACV8770**

**Place: Bangalore**

**Date: 22/06/2020**

## Balance Sheet as at March 31st, 2020

( Amount in Rs.)

Particulars	Notes	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
<b>A. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Property , plant and Equipment	1	165,507,284	156,834,691
(b) Capital Work-in Progress	1	4,328,041	7,983,852
(c) Investment Property	2	1,708,334	1,708,334
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Financial Assets			
i) Investments	3	655,885	671,350
(g) Deferred tax Asset		-	-
(h) Other non current assets	4	15,866,967	11,751,979
<b>Total Non current assets</b>		<b>188,066,510</b>	<b>178,950,205</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	5	143,218,929	116,741,592
(b) Financial Assets			
i. Trade Receivables	6	154,037,480	147,336,875
ii. Cash and cash equivalent	7	3,399,435	595,999
iii. Bank balances other than cash and cash equivalent	8	1,393,709	1,293,848
(c) Current Tax Assets	9	1,640,350	2,002,916
(d) Other current assets	10	7,239,266	17,789,203
<b>Total Current Assets</b>		<b>310,929,169</b>	<b>285,760,433</b>
<b>TOTAL ASSETS</b>		<b>498,995,679</b>	<b>464,710,639</b>
<b>B.EQUITY &amp; LIABILITIES</b>			
<b>1. EQUITY:</b>			
(a) Equity Share Capital	11	30,029,000	30,029,000
(b) Other Equity	12	101,736,597	99,414,428
<b>Total Shareholders Fund</b>		<b>131,765,597</b>	<b>129,443,428</b>
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	13	110,913,766	31,851,762
(b) Provisions	14	4,508,868	3,406,447
(c) Deferred tax Liabilities	15	10,944,149	9,010,820
<b>Total Non-Current liabilities</b>		<b>126,366,783</b>	<b>44,269,030</b>
<b>3. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	16	106,826,530	230,293,508
ii. Trade Payables	17	113,247,843	47,456,664
iii. Other financial liabilities	18	17,312,341	9,360,843
(b) Short term Provisions	19	1,685,305	2,045,944
(c) Other Current Liabilities	20	566,280	241,222
(d) Current Tax Liabilities	21	1,225,000	1,600,000
<b>Sub Total Current liabilities</b>		<b>240,863,299</b>	<b>290,998,181</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>498,995,679</b>	<b>464,710,639</b>

Notes from 01 to 40 form the integral part of Financial statements

On behalf of the board of directors,

Pramod Kumar S  
Director  
Chief Executive Officer  
DIN: 00719828

B. Shantilal  
Managing Director  
DIN:00719808

AS PER OUR REPORT OF EVEN DATE  
For G R V & P K  
Chartered Accountants  
Firm Reg. No. 0080995

Gayithri Shankrappa  
Chief Financial Officer  
PAN: AYSPG9226G

Shruthi Murali Kumar  
Company Secretary  
M No.: A61093

(Kamal Kishore)  
Partner  
Membership No. 205819  
UDIN: 20205819AAAACV8770

Place: Bangalore  
Date : 22/06/2020

**Statement of Profit and Loss for the year ended as at March 31st, 2020** (Amount in Rs.)

PARTICULARS	Notes	Figures at the end of Current Reporting	Figures at the end of Previous Reporting Period
<b>Income</b>			
Revenue From Operations	22	1,392,682,482	1,349,386,258
Other income	23	12,908,886	15,235,260
<b>Total revenue</b>		<b>1,405,591,367</b>	<b>1,364,621,518</b>
<b>Expenses</b>			
Cost of materials consumed	24	1,265,895,332	1,152,859,782
Purchase of traded goods		10,679,467	57,119,382
Manufacturing Expenses	25	44,042,437	48,550,224
Changes in inventories	26	(29,577,609)	(8,240,553)
Employee benefits expense	27	26,030,025	26,072,299
Finance costs	28	27,608,076	23,189,089
Depreciation and amortisation expense	1	14,731,596	16,167,944
Other expenses	29	37,653,770	40,052,257
Prior period Expenses		683,584	412,292
<b>Total expenses</b>		<b>1,397,746,678</b>	<b>1,356,182,717</b>
<b>Profit / (Loss) before tax</b>		<b>7,844,689</b>	<b>8,438,801</b>
<b>Tax expense:</b>			
Current tax		1,225,000	1,600,000
Tax expense/(reversal) relating to previous year		69,486	203,692
Deffered tax		1,936,514	1,911,017
		<b>3,231,000</b>	<b>3,714,709</b>
<b>Profit / (Loss) After Tax</b>		<b>4,613,689</b>	<b>4,724,092</b>
<b>Other Comprehensive Income(OCI)</b>			
ai) Items that will not be reclassified to profit or loss			-
Defined benefit plan actuarial gains/(losses)		(469,093)	(175,123)
ii) Income Tax relating to items that will not be reclassified to profit or loss			
bi) Items that will be reclassified to profit or loss on fair Value			
Changes on Investment		(15,465)	
ii) Income Tax relating to items that will be reclassified to profit or loss		3,186	
<b>Total other Comprehensive income for the period</b>		<b>(481,372)</b>	<b>(175,123)</b>
<b>Total Comprehensive income for the period</b>		<b>4,132,317</b>	<b>4,548,969</b>
<b>Earning Per Share</b>			
Basic	30	1.54	1.57
Diluted	30	1.54	1.57

Notes from 01 to 40 form the integral part of Financial statements

On behalf of the board of directors,

Pramod Kumar S  
Director  
Chief Executive Officer  
DIN: 00719828

Gayithri Shankrappa  
Chief Financial Officer  
PAN: AYSPG9226G

B. Shantilal  
Managing Director  
DIN:00719808

Shruthi Murali Kumar  
Company Secretary  
M No.: A61093

AS PER OUR REPORT OF EVEN DATE  
For G R V & P K  
Chartered Accountants  
Firm Reg. No. 0080995

(Kamal Kishore)  
Partner  
Membership No. 205819  
UDIN: 20205819AAAACV8770

Place: Bangalore  
Date : 22/06/2020

## CASH FLOW STATEMENT

		Amount in Rs.		Amount in Rs.	
PARTICULARS		FOR YEAR ENDED 31 MARCH, 2020		FOR YEAR ENDED 31 MARCH, 2019	
A.	Cash flows arising from operating activities				
	Net Profit/(Loss) Before Tax	7,844,689		8,438,801	
Add:	Depreciation	14,731,596		16,167,944	
	Loss on Sale of Fixed Assets	54,395		322,491	
	Interest Paid	27,608,076		23,189,089	
Less:	Other comprehensive Income loss	469,093		175,123	
	Provision for fall in value of investment	15,465		-	
		49,754,198		47,943,203	
Less:	Profit on sale of asset	31,933		1,545,443	
	Interest Received	436,011		1,321,788	
	Profit on sale of Shares	-		230,000	
	Dividend received	6,780		550	
		49,279,474		44,845,422	
	Operating profit before working capital changes				
	(Increase)/Decrease in Inventory	(26,477,337)		(2,269,170)	
	(Increase)/Decrease in Debtors	(6,700,605)		1,185,755	
	(Increase)/Decrease in Loans & Advances	-		-	
	(Increase)/Decrease in Other current assets	10,549,937		2,111,748	
	Increase/(Decrease) in Trade Payables	65,791,179		(6,390,999)	
	Increase/(Decrease) in Provisions	741,782		1,078,683	
	Increase/(Decrease) in other current liabilities	(596,400)		(22,235,926)	
	Cash flow from Operations	92,588,031		18,325,514	
	Payment of Income Tax	1,306,920		2,203,692	
	Net Cash Flow from Operating Activities		91,281,111		16,121,822
B.	Cash flows arising from Investment activities				
	Inflows:				
	Receipt of Loans and Advance	-		-	
	FD matured	(99,862)		3,981,754	
	Sale of Fixed Assest	128,510		2,875,696	
	Change in capital Work in Progress	3,655,811		26,864,631	
	Sale of Investment	-		230,000	
	Interest Received	436,011		1,321,788	
	Dividend Received	6,780		550	
	Outflows:				
	Investment in Fixed Assets	23,555,164		53,650,934	
	Payment of Loans and Advance	4,114,988		1,692,230	
			(23,542,901)		(20,068,745)

## CASH FLOW STATEMENT

PARTICULARS	Amount in Rs.		Amount in Rs.	
	FOR YEAR ENDED 31 MARCH, 2020		FOR YEAR ENDED 31 MARCH, 2019	
C. Cash flows arising from finance activities				
Inflows:				
Proceeds of Loan	50,479,779		26,540,109	
Other comprehensive Income loss	15,465		175,123	
Outflows:				
Dividend Paid	1,810,149		1,810,149	
Repayment of Loan	86,011,793			
Interest paid	27,608,076		23,189,089	
		(64,934,774)		1,715,993
Cash flow from all activities-(A+B+C)		2,803,436		(2,230,930)
Add: Cash & cash equivalents at beginning of the year		595,999		2,826,929
Cash & cash equivalents at year end of the year		3,399,435		595,999

Notes from 01 to 40 form the integral part of Financial statements

On behalf of the board of directors,

Place: Bangalore  
Date : 22/06/2020

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

**Gayithri Shankrappa**  
Chief Financial Officer  
PAN: AYSPG9226G

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

**Shruthi Murali Kumar**  
Company Secretary  
M No.: A61093

AS PER OUR REPORT OF EVEN DATE  
For G R V & P K  
Chartered Accountants  
Firm Reg. No. 008099S

(Kamal Kishore)  
Partner  
Membership No. 205819  
UDIN: 20205819AAAACV8770

## STATEMENT OF CHANGES IN EQUITY

Particulars	(As at 31st March 2020)			
	Share Premium	Retained Earnings	Other Comprehensive Income	Total Other Equity
<b>Opening Balance</b>	21,833,200	80,141,093	(2,559,862)	99,414,429
Add: Profit for the Period		4,613,689		4,613,689
Add: Other Comprehensive Income/(Loss)			(481,372)	(481,372)
<b>Total Comprehensive Income for the period</b>	<b>21,833,200</b>	<b>84,754,782</b>	<b>(3,041,234)</b>	<b>103,546,746</b>
Less: Dividend		1,501,450		1,501,450
Less: Tax on Dividend		308,699		308,699
<b>Closing Balance</b>	<b>21,833,200</b>	<b>82,944,633</b>	<b>(3,041,234)</b>	<b>101,736,597</b>

Particulars	(As at 31st March 2019)			
	Share Premium	Retained Earnings	Other Comprehensive Income	Total Other Equity
<b>Opening Balance</b>	21,833,200	77,227,150	(2,384,739)	96,675,611
Add: Profit for the Period		4,724,092		4,724,092
Add: Other Comprehensive Income/(Loss)			(175,123)	(175,123)
<b>Total Comprehensive Income for the period</b>	<b>21,833,200</b>	<b>81,951,242</b>	<b>(2,559,862)</b>	<b>101,224,578</b>
Less: Dividend		1,501,450		1,501,450
Less: Tax on Dividend		308,699		308,699
<b>Closing Balance</b>	<b>21,833,200</b>	<b>80,141,093</b>	<b>(2,559,862)</b>	<b>99,414,428</b>

Notes from 01 to 40 form the integral part of Financial statements

On behalf of the board of directors,

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

**Gayithri Shankrappa**  
Chief Financial Officer  
PAN: AYSPG9226G

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

**Shruthi Murali Kumar**  
Company Secretary  
M No.: A61093

**AS PER OUR REPORT OF EVEN DATE**  
For G R V & P K  
Chartered Accountants  
Firm Reg. No. 008099S

(Kamal Kishore)  
Partner  
Membership No. 205819  
UDIN: 20205819AAAACV8770

Place: Bangalore  
Date : 22/06/2020

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 1: Property Plant & Equipment**

( Amount in Rs.)

PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				NET BLOCK	NET BLOCK
	ORIGINAL COST AS ON 01.04.2019	Addition 01.04.19 to 31.03.2020	SALES 01.04.19 to 31.03.2020	TOTAL GROSS BLOCK 31.03.2020	UP TO 01.04.2019	For the Year	DEPRECIATION ADJUSTMENT ON SALES	TOTAL DEPRECIATION 31.03.2020	AS ON 31.03.2020	AS ON 31.03.2019
<b>A) TANGIBLE ASSETS:</b>										
FREE HOLD LAND	7,008,261			7,008,261	-	-	-	-	7,008,261	7,008,261
BUILDINGS	63,933,370	2,235,961		66,169,331	21,122,559	1,714,254	-	22,836,813	43,332,518	42,810,811
PLANT AND MACHINERES	142,069,264	18,251,124	88,838	160,231,550	49,493,512	10,311,279	69,184	59,735,606	100,495,943	92,575,752
FURNITURES AND FIXTURES	4,914,516	138,126		5,052,642	2,252,597	348,909	-	2,601,507	2,451,136	2,661,919
VEHICLES- TRANSPORTATION	8,674,342	1,275,197	1,056,253	8,893,286	6,632,752	605,940	1,003,440	6,235,252	2,658,034	2,041,590
VEHICLES- OTHERS	12,264,493	1,304,032	157,470	13,411,055	4,270,785	1,278,680	78,965	5,470,501	7,940,554	7,993,708
OFFICE EQUIPMENTS	2,989,446	183,149		3,172,595	2,179,832	233,746	-	2,413,578	759,017	809,614
LAB EQUIPMENTS	1,524,266	33,040		1,557,306	848,389	134,046	-	982,436	574,870	675,877
COMPUTERS	1,696,340	134,535		1,830,875	1,507,949	104,743	-	1,612,692	218,183	188,391
POOJA ITEMS	68,767			68,767	-	-	-	-	68,767	68,767
<b>TOTAL</b>	<b>245,143,065</b>	<b>23,555,164</b>	<b>1,302,561</b>	<b>267,395,667</b>	<b>88,308,376</b>	<b>14,731,596</b>	<b>1,151,589</b>	<b>101,888,384</b>	<b>165,507,284</b>	<b>156,834,691</b>
Previous year	225,830,219	53,650,934	34,338,088	245,143,065	104,825,775	16,167,944	32,685,343	88,308,376	156,834,691	121,004,444
<b>B) CAPITAL WORK IN PROGRESS:</b>										
<b>BUILDINGS</b>	<b>4,548,015</b>	<b>1,394,584</b>	<b>2,122,665</b>	<b>3,819,934</b>					<b>3,819,934</b>	<b>4,548,015</b>
<b>PLANT AND MACHINERES</b>	<b>3,435,837</b>	<b>13,419,982</b>	<b>16,347,715</b>	<b>508,104</b>					<b>508,104</b>	<b>3,435,837</b>
<b>ELECTRICAL EQUIPMENT</b>	<b>-</b>									<b>-</b>
<b>TOTAL</b>	<b>7,983,852</b>	<b>14,814,566</b>	<b>18,470,380</b>	<b>4,328,038</b>					<b>4,328,041</b>	<b>7,983,852</b>

**Note 2: Investment Property**

PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				NET BLOCK	NET BLOCK
	ORIGINAL COST AS ON 01.04.2019	ADDITION	SALES 01.04.19 to 31.03.2020	TOTAL GROSS BLOCK 31.03.2020	UP TO 01.04.2019	For the year	DEPRECIATION ADJUSTMENT ON SALES	TOTAL DEPRECIATION 31.03.2020	AS ON 31.03.2020	AS ON 31.03.2019
<b>PROPERTY INVESTMENTS</b>	<b>1,708,334</b>				<b>1,708,334</b>		-	-	-	-
<b>Total</b>	<b>1,708,334</b>	<b>-</b>	<b>-</b>	<b>1,708,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,708,334</b>	<b>1,708,334</b>
<b>Previous Year</b>	<b>1,708,334</b>	<b>-</b>	<b>-</b>	<b>1,708,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,708,334</b>	<b>1,708,334</b>

Disclosures:

- Depreciation on the investment property has not been charged & the same has not been revalued at FMV as the FMV is higher than the cost as per management estimation.
- Income from investment property for the period  
Rent received - NIL (PY Nil )
- Expenses incurred on investment property for the period  
Maintenance - Nil (PY Nil )

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

( Amount in Rs.)

Particulars	As at Current Reporting Period	As at Previous Reporting Period
<b>Note 3: Investments</b>		
<b>a Investment in Equity Shares</b>		
<b>Quoted Investments</b>		
Refinery and Petrochemicals Limited 40(40) equity shares of Rs.10/- each, fully paid	5,873	5,873
Mercator Limited 1000(1000) equity shares of Rs.1/- each, fully paid	162,833	162,833
Mukunda Industrial Finance Limited 12119(12119) equity shares of Rs.10/- each, fully paid	93,863	93,863
Pentamedia Graphics Limited 18650(18650) equity shares of Rs.1/- each fully paid	785,472	785,472
Reliance Industries Limited 150(150) equity shares of Rs.10/- each fully paid	176,377	176,377
Shree Digvijay Cement Coampany Limited 2500(2500) equity shares of Rs.10/- each fully paid	101,325	101,325
Sphere Global Services Limited 400(400) equity shares of Rs.10/- each fully paid	119,662	119,662
Surat Textile Mills Limited 10000(10000) equity shares of Rs.10/- each fully paid	131,185	131,185
Valuemart info Technologies Limited 2500(2500) equity shares of Rs.10/- each fully paid	25,000	25,000
Welspun Enterprises Limited 345(345) equity shares of Rs.10/- each fully paid	49,629	49,629
Xchanging Solutions Limited 2000(2000) equity shares of Rs.10/- each fully paid	487,588	487,588
	<b>2,138,807</b>	<b>2,138,807</b>
<b>Less:</b> Provision for impairment in value	1,699,653	1,684,188
	<b>439,154</b>	<b>454,619</b>
<b>Unquoted Investments</b>		
Datar Switchgear Limited 1000(1000) equity shares of Rs.10/- each, fully paid	108,123	108,123
Karnataka Financial Service Limited 6800(6800) equity shares of Rs.10/- each, fully paid	91,721	91,721
Sanmitra Credit Limited 10000(10000) equity shares of Rs.10/- each fully paid	100,000	100,000
SH Krish Pol Limited 10000(10000) equity shares of Rs.1/- each fully paid	28,082	28,082
SJ Max Golden Ko Limited 24000(24000) equity shares of Rs.10/- each fully paid	240,000	240,000
Pushpa Packages Limited 10600(10600) equity shares of Rs.10/- each fully paid	106,900	106,900
Tejassvi Aahram Limited 4900(4900) equity shares of Rs.10/- each fully paid	49,000	49,000
Mazda Controls Limited 2000(2000) equity shares of Rs.10/- each fully paid	111,200	111,200
Tata Teleservices (Maharastra) Limited 500(500) equity shares of Rs.10/- each fully paid	79,900	79,900
Vyshali Energy Private Limited 1450(1450) equity shares of Rs.10/- each fully paid	14,500	14,500
	<b>929,426</b>	<b>929,426</b>
<b>Less:</b> Provision for impairment in value	914,926	914,926
	<b>14,500</b>	<b>14,500</b>
<b>b Investment in mutual funds</b>		
Kotak Standard Multicap Regular fund (12303.36 units having NAV value of Rs.27.01/- each)	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
<b>c Other Investment</b>		
Investment in gold(50gms having market value of Rs.2,32,247/-)	100,831	100,831
National Savings Certificate	1,400	1,400
	<b>102,231</b>	<b>102,231</b>
	<b>655,885</b>	<b>671,350</b>
<b>Total Investment</b>	<b>655,885</b>	<b>671,350</b>

<b>Note 4: Other Non-Current Assets</b>		
<b>a Capital Advances</b>		
For Plant & Machinery	-	1,551,907
	-	<b>1,551,907</b>
<b>b Advances Other than Capital Advances</b>		
i) Security Deposits	8,241,024	8,336,524
ii) Other Advances		
Advance to suppliers	5,428,964	-
Income Tax Refund Receivable AY 2018-19	34,796	34,796
Income Tax Refund Receivable AY 2019-20	333,430	-
Other Receivables under protest	1,541,348	1,541,348
Bank Guarantee	287,404	287,404
	<b>15,866,967</b>	<b>10,200,072</b>
	<b>15,866,967</b>	<b>11,751,979</b>
<b>Note 5: Inventories</b>		
Raw Materials	44,647,872	58,828,224
Finished Goods	64,312,446	34,734,837
Packing Materials	23,607,160	15,352,923
Stores, Spares & Consumption	10,651,451	7,825,609
(Raw material, Finished Products, Packing material & Stores and Spares has been valued at cost or Net Realisable Value whichever is lower.)		
	<b>143,218,929</b>	<b>116,741,592</b>
<b>Note 6: Trade Receivables</b>		
<b>a Unsecured, Considered good</b>		
Debtors outstanding for a period exceeding 6 months	39,955,885	23,204,037
Other Debts	109,271,459	123,503,993
Related Party	4,810,136	628,845
	<b>154,037,480</b>	<b>147,336,875</b>
<b>Note 7: Cash &amp; Cash Equivalents</b>		
<b>a Balances with Banks</b>		
- For Unpaid dividend	466,877	468,940
- Other balances	39,798	121,444
- YES Bank OD A/c	33,639	-
<b>b Cash in hand</b>		
	2,859,121	5,615
	<b>3,399,435</b>	<b>595,999</b>
<b>Note 8: Bank Balances other than cash &amp; cash equivalent</b>		
Deposit for margin money*	1,393,709	1,293,848
*These deposits can be withdrawn by the company at any time without prior notice and without any penalty on the principal		
	<b>1,393,709</b>	<b>1,293,848</b>
<b>Note 9: Current Tax Assets</b>		
TDS Receivable AY 19-20	-	902,916
TDS Receivable AY 20-21	590,350	-
Advance Tax of AY 19-20	-	1,100,000
Advance Tax of A.Y 20-21	1,050,000	-
	<b>1,640,350</b>	<b>2,002,916</b>
<b>Note 10: Other Current Assets</b>		
Loans & Advances to employees	1,989,696	1,549,276
Accrued Interest	329,696	491,082
Advance to suppliers	4,316,462	12,791,357
Advance to related party	480,977	2,113,054
Prepaid expenses	61,429	719,894
Receivable for statutory dues	61,005	124,540
	<b>7,239,266</b>	<b>17,789,203</b>
<b>Note 11: Equity Share Capital</b>		
<b>AUTHORIZED</b>		
35,00,000 Equity Shares of Rs. 10.00 each (PY 35,00,000 Equity Shares of Rs. 10 each)	35,000,000	35,000,000
<b>ISSUED, SUBSCRIBED, AND PAID UP</b>		
30,02,900 Equity Shares of Rs. 10.00 each (Previous year 30,02,900 shares of Rs.10 each)	30,029,000	30,029,000
	<b>30,029,000</b>	<b>30,029,000</b>

a. Details of the Shares hold by shareholders holding more than 5% of the aggregate shares in the Company						As at 31.03.2020		As at 31.03.2019	
Name of Shareholder						No of Shares	% of Shares	No of Shares	% of Shares
Pramod Kumar S						2,099,776	69.92	2,099,776	69.92
<b>b. Reconciliation of number of shares outstanding at beginning &amp; end of the reporting period.</b>									
<b>Particular</b>						<b>As at 30.03.2020</b>		<b>As at 31.03.2019</b>	
Outstanding as at beginning of the reporting period						3,002,900		3,002,900	
Add: Shares issued during the year						-		-	
Outstanding as at end of the Reporting period						3,002,900		3,002,900	
<b>c. The Company has only one class of equity shares having a par value of Rs.10 per share, Each Shareholder is eligible for one vote per share.</b>									
<b>Note 12: Other Equity</b>									
<b>a. Reserves and Surplus</b>									
<b>- Security Premium</b>									
Opening Balance						21,833,200		21,833,200	
Add : Addition during the year						-		-	
Closing Balance						<b>21,833,200</b>		<b>21,833,200</b>	
<b>- Profit &amp; Loss A/c</b>									
Opening Balance						77,581,229		74,842,409	
Add : Profit During the year						4,132,317		4,548,969	
Less : Proposed Dividend						1,501,450		1,501,450	
Less : Tax on Proposed Dividend						308,699		308,699	
Closing Balance						<b>79,903,397</b>		<b>77,581,229</b>	
						<b>101,736,597</b>		<b>99,414,428</b>	
<b>Note 13: Financial Non-Current Borrowings</b>									
<b>a. Secured</b>									
Term Loans from bank - Vehicle*						3,492,737		2,498,812	
Term Loans from bank - Machinery**						1,453,205		2,324,374	
Term Loans from bank - Others***						53,092,750		6,806,402	
						58,038,692		11,629,588	
Less: Current Maturities of Long Term debt						14,110,246		5,237,290	
						<b>43,928,446</b>		<b>6,392,298</b>	
						<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
<b>Particulars</b>									
<b>A] Term Loans from Bank - Vehicle</b>									
- HDFC Bank						Sep-20	166,614	479,053	
- HDFC Bank						Nov-22	793,502	-	
- HDFC Bank						Nov-22	902,042	-	
- Yes Bank						Aug-23	538,907	1,352,425	
- Yes Bank						Aug-23	1,091,672	667,334	
							3,492,737	2,498,812	
<b>B] Term Loans from Bank - Machinery</b>									
- Tata Capital Financial Services Ltd.						Nov-21	1,453,205	2,324,374	
							1,453,205	2,324,374	
<b>C] Term Loans from Bank - Others</b>									
- HDFC Bank*						Nov-20	2,509,600	5,914,185	
- HDFC Bank**						Sep-20	103,371	892,216	
- HDFC Bank						Sep-24	4,483,861	-	
- HDFC Bank#						Sep-24	45,995,918	-	
							53,092,750	6,806,402	
(*Secured by certain vehicles, term loan repayable within 3 to 5 years in equal monthly installments)									
(**Secured by certain machinery, term loan repayable within 3 years in equal monthly installments)									
(***)Secured by certain immovable properties of the company , hypothecation by way of first charge on company's stock, book debts, term loan repayable within 3 to 5 years in equal monthly installments)									
(# During the year Company has closed Working Capital loan with YES Bank and has taken new WC Term loan with HDFC bank secured on certain Plant & Machinery, term loan repayable within 60 equal monthly installments)									

<b>b. Unsecured</b>		
Loans & Advances from Others	-	5,759,323
Loans & Advances from directors (Repayable on Demand)	66,985,320	19,700,141
	<b>110,913,766</b>	<b>31,851,762</b>
<b>Note 14: Provisions</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	4,751,863	3,606,896
Less: Short Term Provision	242,995	200,449
	4,508,868	3,406,447
	<b>4,508,868</b>	<b>3,406,447</b>
<b>Note 15: Deferred Tax Liabilities</b>		
Opening deferred tax liability	9,010,820	7,099,803
Deffered tax(Assets)/Liabilities arising in current year on account of timing difference	1,933,329	1,911,017
	<b>10,944,149</b>	<b>9,010,820</b>
<b>Note 16: Financial Current Borrowings</b>		
<b>a. Secured</b>		
<b>Repayable on demand</b>		
<b>Bank overdraft</b>		
HDFC Bank *	106,826,530	163,209,447
YES Bank #	-	67,084,061
<i>Short term loans &amp; borrowings</i>		
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Particulars</b>	<b>Interest Rate Base</b>	
HDFC Bank	MCLR+1.25%	106,826,530
Yes Bank	MCLR+1.5%	-
(*Secured by Hypothecation of Wheat & Wheat Products, Packing Material, Book Debts & certain immovable properties of company and also personal guarantee of some of the directors.Repayable on Demand)		
(#During the year Company has closed Working Capital loan with YES Bank)		
	<b>106,826,530</b>	<b>230,293,508</b>
<b>Note 17: Trade Payables</b>		
- Creditors for goods	98,856,092	38,926,113
- Creditors-Others	12,696,561	8,120,239
- Creditors-Packing Materials	1,695,191	410,313
- Creditors-MSME	-	-
	<b>113,247,843</b>	<b>47,456,664</b>
<b>Note 18: Other Financial Liabilities</b>		
Current Maturities of long term debt		
- Term Loan	14,110,246	5,237,290
Unpaid Dividends	466,977	469,040
Other Payables		
- Statutory Payable	666,111	861,438
- Others	2,069,007	2,793,075
	<b>17,312,341</b>	<b>9,360,843</b>
<b>Note 19: Current Provisions</b>		
<b>a. Provision for Employee Benefits</b>		
Provision for gratuity	242,995	200,449
Leave Encashment Payable	-	151,274
Provided Fund Payable	215,717	210,417
ESI Payable	26,473	60,199
Salary Payable	1,100,921	962,640
Bonus Payable	99,199	460,965
	<b>1,685,305</b>	<b>2,045,944</b>
<b>Note 20: Other Current Liabilities</b>		
<b>a. Income received in advance</b>		
Advance from customers	146,004	241,222
Advance from customers - Related Party	420,276	-
	<b>566,280</b>	<b>241,222</b>

( Amount in Rs.)

<b>Note 21: Current Tax Liabilities</b>		
Provision for Income Tax AY 19-20		1,600,000
Provision for Income Tax AY 20-21	1,225,000	-
	<b>1,225,000</b>	<b>1,600,000</b>
<b>Note 22: Revenue from Operations</b>		
(i) Sale of Products		
Maida	905,655,904	854,605,976
Sooji	67,461,281	88,256,637
Atta	102,184,207	52,996,487
Bran rough(fine,delux)	219,577,302	172,082,969
Bran Flakes	57,565,097	80,621,754
Wheat (including husk)	4,842,048	44,594,052
Gunny bag Sales	15,463,751	18,694,950
Others	6,142,656	8,817,973
	<b>1,378,892,247</b>	<b>1,320,670,798</b>
(ii) Sale of Services (Conversion charges)	13,790,235	28,715,460
	<b>1,392,682,482</b>	<b>1,349,386,258</b>
<b>Note 23. Other Income</b>		
Interest Income	436,011	1,321,788
Dividend Income	6,780	550
Rental Income	1,462,341	1,414,224
Other non-operating income	10,971,821	10,723,256
Profit on sale of Shares	-	230,000
Profit on sale of Asset	31,933	1,545,443
	<b>12,908,886</b>	<b>15,235,260</b>
<b>Note 24. Cost Of Material Consumed</b>		
<b>RAW MATERIALS</b>		
Opening Stock		
Wheat	58,828,224	76,026,301
Packing Materials	15,352,923	6,134,088
Add: Purchases		
Wheat	1,225,598,641	1,151,540,108
Packing Materials	17,440,129	14,607,600
Freight Charges	16,950,048	19,499,248
Less: Cost of wheat sold	19,600	40,766,415
Less: Closing Stock		
Wheat	44,647,872	58,828,224
Packing Materials	23,607,160	15,352,923
	<b>1,265,895,332</b>	<b>1,152,859,782</b>
<b>Note 25. Manufacturing Expenses</b>		
(a) consumption of stores & spares	1,174,863	1,097,666
(b) freight Inward	-	260,376
(c) Power and Fuel	36,282,261	41,107,229
(d) Laboratory expenses	1,780,004	1,551,488
(e) Repairs & Maintainence		
- Building	1,250,987	671,682
- Machinery	1,912,934	1,839,074
- Others	1,234,495	1,857,269
(f) Insurance	406,893	165,440
	<b>44,042,437</b>	<b>48,550,224</b>

( Amount in Rs.)

<b>Note 26. Changes In Inventories Of Finished Goods And Work In Progress</b>		
<b>Increase/Decrease in stocks</b>		
Stock at the Beginning of the year		
Maida	21,822,527	12,747,318
Sooji	6,618,705	6,658,067
Atta	2,858,820	3,330,953
Bran rough	626,612	1,286,710
Bran Flakes	2,808,173	2,471,236
	<b>34,734,837</b>	<b>26,494,284</b>
Stock at the end of the year		
Maida	28,783,850	21,822,527
Sooji	6,518,385	6,618,705
Atta	10,203,078	2,858,820
Bran rough	3,745,009	626,612
Bran Flakes	15,062,124	2,808,173
	<b>64,312,446</b>	<b>34,734,837</b>
<b>Finished Goods</b>		
<b>(Increase)/ Decrease in Stock</b>		
	<b>(29,577,609)</b>	<b>(8,240,553)</b>
<b>Note 27. Employee Benefits Expenses</b>		
Wages & Salaries	13,348,936	14,280,678
Contribution to provident fund and other funds	1,886,297	1,916,764
Staff Welfare expenses	2,555,716	2,318,109
Bonus	1,001,049	1,165,583
Gratuity	769,119	96,941
Director Remuneration	5,153,967	4,987,973
Leave Encashment Salary	907,115	676,316
Employee Final Settlement	407,827	629,935
	<b>26,030,025</b>	<b>26,072,299</b>
Director Remuneration, under Section 197 of the Companies Act, 2013 are as follows		
Salary & Perks	4,065,896	3,600,000
Sitting Fees	50,000	40,000
Club Membership Fees	227,904	237,232
Entertainment Expenses	810,167	1,110,741
	<b>5,153,967</b>	<b>4,987,973</b>
<b>Note 28. Financial Expenses</b>		
- Interest Expenses		
- Interest on Cash Credit	14,291,267	16,415,629
- Interest on Term Loan	3,490,995	1,770,235
- Interest on Unsecured Loan	6,355,444	3,228,927
- Interest to Wheat creditors	1,626,946	59,156
- Interest on others	610,028	719,248
- LC charges	-	409,356
- Other Borrowing Costs	1,233,396	586,539
	<b>27,608,076</b>	<b>23,189,089</b>
<b>Note 29. Other Expenses</b>		
Rent	320,700	607,371
Communication Expenses	340,113	402,961
Repair & Maintenance vehicle	10,234,331	10,960,167
Printing & Stationery	387,990	631,523
Rates & Taxes	937,824	341,696
freight & forwarding	9,870,347	9,210,960
Business Promotion	4,566	-
Commission	1,466,517	690,014
Loss on sale of Fixed Assets	54,395	322,491
Interest on Income Tax	4,143	83,347
Sales discount	4,876,232	5,343,018
Legal & professional	970,170	1,360,294
Payment to Auditors	385,985	248,100
Miscellaneous Expenses	4,677,960	6,371,691
Bank Charges	144,391	38,867
Listing Fees	354,000	295,000
Travelling and other Expenses	1,133,625	2,124,399
Provident Fund Arrears	599,705	-
Water charges	758,775	827,358
Donation	132,000	193,000
	<b>37,653,770</b>	<b>40,052,257</b>

( Amount in Rs.)

<b>Payments to the Auditors Comprises</b>		
(a) Statutory Audit Fee	268,635	200,000
(b) Tax Audit Fee	50,000	-
(c) Limited Review Fee	45,000	47,200
(d) Other	22,350	900
	<b>385,985</b>	<b>248,100</b>

**Note 30. Earning Per Share(EPS)**

As required by Ind-AS 33 "Earning Per Share" as notified by Ministry of Corporate Affairs", the Earning Per Share (EPS) is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year and is ascertained as follows.

<b>Particulars</b>	<b>Year ended 31st March 2020(Rs.)</b>	<b>Year ended 31st March 2019(Rs.)</b>
Net Profit After Tax (A) ( Rs.)	4,613,689	4,724,092
Number of Equity Shares (B)	3,002,900	3,002,900
Face Value Per Equity Share ( Rs.)	10	10
Earning Per Share ( Rs) – Basic & Diluted	1.54	1.57

**Note 31. Deferred Tax**

Deferred Tax Assets has been provided due to timing difference between Book Profit and Tax income arising as per accounting standard 22 and adjusted with deferred tax liability to make it NIL.

<b>Particulars</b>	<b>Year ended 31st March 2020(Rs.)</b>	<b>Year ended 31st March 2019(Rs.)</b>
B/f Deferred Tax Liability	9,010,820	7,099,803
Deferred Tax (Asset)/Liability arising on account of timing difference in WDV as per Income tax act & Companies		
WDV as per Income Tax Act	109,493,850	109,414,474
WDV as per Companies Tax Act	158,430,256	149,757,662
Difference	48,936,406	40,343,188
Provision for fall in share value	2,614,579	2,599,114
Provision for Gratuity	4,751,863	3,606,896
Net Deferred Tax (asset)/Liability at the end of year	10,944,149	9,010,820
Deferred Tax (asset)/liability to be provided for the current year	1,933,329	1,911,017

## 32. 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 - 560001. 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 (i) BASIS FOR PREPARATION OF FINANCIAL STATEMENT:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('The Act') (to the extension notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the applicable Ind AS Standards and adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

#### (ii) BASIS OF MEASUREMENT

The financial statements have been prepared under historical cost convention and on an accrual basis, except for the following items which have been measured as required by relevant Ind AS:

- a) Financial Instruments classified as fair value through other comprehensive income or fair value through profit or loss &
- b) The defined benefit asset/(liability) is recognized as at the present value of defined benefit obligation less fair value of plan assets

#### (iii) USE OF ESTIMATES AND JUDGEMENT

The presentation of financial statement in conformity with Ind AS 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.

#### **Estimation of Uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and

statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these Financial statements.

## 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 Property, Plant & Equipment is provided on straight-line basis on the useful life of the asset as mentioned in Schedule II to the companies Act, 2013. Free hold land and Investment Property is not depreciated. The estimated useful life of assets are reviewed annually. The estimated useful life of assets are as follows:

<b>Category</b>	<b>Useful Life</b>
Buildings	30 to 60 years
Plant & Machinery	15 years (Double Shift)
Computer & Equipment	3 to 5 years
Furniture & Fixture	10 years
Vehicles	8 to 10 years

## 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 excluding VAT & GST wherever applicable.
- The company recognizes revenue significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and cost depends on the nature of the services rendered.
- 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 PROPERTY, PLANT AND EQUIPMENT:

- Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including non-refundable 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.

**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:**

The company carries certain equity instruments which are not held for trading. The company has elected the FVTOCI irrevocable option for these instruments. Movements in fair value of these investments are recognized in other comprehensive income and the gain or loss is not reclassified to statement of profit or loss . Dividends from these investments are recognized in statement of profit and loss when the company's right to receive dividends is established.

**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 as and when incurred.

**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 is specifically attributable to the acquisition, construction or production of qualifying asset is 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 company is engaged in the business of manufacturing and trading of wheat and wheat products and therefore has only one reportable segment in accordance with IND AS-108 "Operating Segments".

**2.12 INCOME TAX:**

- Tax expenses comprises of current and deferred tax.

Current taxes 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 unabsorbed 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

## 2.13 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.

## 2.14 CONTINGENT LIABILITIES:

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

## NOTES ON GENERAL INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>A. Contingent Liabilities</b>		
(a) Claims against company not acknowledged to be debt		
Excise Duty		
Penalty on excise duty	1,95,51,297	1,95,51,297
(b) Guarantees	1,95,51,297	1,95,51,297
	2,87,404	2,87,404
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	NIL	NIL

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

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

### **34. 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. Akshat Jain  
Smt. Pinky Jain  
Sri. Premchand Bhantia  
Sri.AVS Murthy  
Smt. Garima Garg resigned on 09/08/2019  
Ms. Shruthi Murali appointed on 24/01/2020  
Smt.Gayithri Shankarappa  
Smt. Sarika Bhandari

#### **2 Enterprise with significant influence**

Krishna Industries Private Limited  
Mysore Vegetable Oil Products Limited  
Mysore Snack Foods Limited  
BRFM India Private Limited  
Brindavan Roller Flour Mills Private Limited  
Puskar Investments Private Limited  
Roller Flour Millers Federation Of India.  
Bal Pharma Limited  
Brindavan Softland Private Limited  
Dnr Corporation Private Limited  
Kithur Channamma Roller Flour Mills Private Limited  
Markasia Foods Private Limited  
Micro Labs Limited

The following transactions were carried with the related parties in the ordinary course of business during the year ended March 31, 2020

<b>Particulars</b>	<b>Relation</b>	<b>Transaction</b>	<b>FY 2019-2020</b>	<b>FY 2018-19</b>
Brindavan Roller Flour Mills Pvt. Ltd.	Enterprise with significant influence	Sales	9,565,950	7,054,717
Markasia Foods Pvt. Ltd.	Enterprise with significant influence	Sales	7,574,264	8,026,654
Brindavan Roller Flour Mills Pvt. Ltd.	Enterprise with significant influence	Purchase of Vehicle	151,088	-
Markasia Foods Pvt. Ltd.	Enterprise with significant influence	Rent received	562,224	663,424
Sri. B. Shantilal	KMP/ Director	Interest on loan paid	Nil	122,237
Akshath Jain	KMP/ Director	Interest on loan paid	7,234	Nil
Sri Pramod Kumar S	KMP/ Director	Interest on loan paid	4,984,114	1,985,495
Smt.Pinky Jain	KMP	Interest on loan paid	728,550	798,299
Sri AVS Murthy	KMP	Sitting Fees	20,000	15,000
Sri. Shailesh Siroy	KMP	Sitting Fees	Nil	5,000
Smt.Pinky Jain	KMP	Sitting Fees	15,000	15,000
Smt.Sarika Bhandari	Director	Sitting Fees	15,000	5,000

**Balance Outstanding :**

<b>Balance payable</b>	<b>Transaction</b>	<b>FY 2019-2020</b>	<b>FY 2018-19</b>
Brindavan Roller Flour Mills Pvt. Ltd.	Advance Received	420,276	1,519,023
Remuneration and Bonus Payable to Director	Remuneration Bonus	265,798 99,199	Nil Nil
<b>Balance receivable</b>			
Brindavan Roller Flour Mills Pvt. Ltd.	Trade Receivables	571,655	79,244
Brindavan Roller Flour Mills Pvt. Ltd.	Advance paid	480,977	2,113,054
Markasia Foods Pvt. Ltd.	Trade Receivables	4,238,481	549,601

Unsecured Loans balances of KMP and Directors as on 31<sup>st</sup> March 2020:

Particulars	Opening	Receipt	Payment	Interest Due for payment	Closing
Sri. B Shantilal	Nil				
Sri. Pramod Kumar S	1,29,56,836	5,35,70,800	83,63,486	17,52,528	5,99,16,678
Smt. Pinky Jain	67,43,305	1,15,000	1,05,000	1,83,103	69,36,408
Akshath Jain	Nil	1,75,000	50,000	7,234	1,32,234
<b>Total</b>	<b>1,97,00,141</b>	<b>5,38,60,800</b>	<b>85,18,486</b>	<b>19,42,865</b>	<b>6,69,85,320</b>

**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
- Company does not have any subsidiary

**35. Remuneration to Managerial Personnel**

Amount ( In Rs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Mr. Pramod Kumar( Chief Executive Officer and Director)	24,00,000
Mr. B. Shantilal (Managing Director)	10,38,071	13,47,973
Mr. Akshath Jain	12,00,000	12,00,000
Mr. Akshath Jain	4,65,896	Nil
<b>Total</b>	<b>51,03,967</b>	<b>49,47,973</b>

**Notes:**

The above Remuneration is exclusive of Bonus and Leave Encashment  
 Bonus paid during the year is Rs.99,199/- and Leave Encashment is Rs.205,412/-

Remuneration does not include the premium paid to LIC, gratuity as the same is provided on actuarial valuation company as whole.

**36. Dividend on Equity Shares**

According to Companies Act 2013, any dividend should be declared out of accumulated distributable profits. The cash dividend paid per equity share was 50 paise during the year ended 31<sup>st</sup> March 2020(P.Y 50 paise). The Board of Directors in their meeting held on June 22nd 2020 did not propose any dividend for the year ended 31<sup>st</sup> March 2020.

**37. Micro, Small Or Medium Enterprises**

The company has identified the suppliers who are registered under the Micro, Small & Medium Enterprises Development Act 2006 and there are no outstanding dues to any of the suppliers under Micro, Small & Medium Enterprises Development Act 2006 as at 31-03-2020.

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

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Percentage	Value (In rupees)	Percentage	Value (In rupees)
(a) Raw materials				
Imported	0%	-	0%	-
Indigenous	100%	1,25,20,60,321	100%	1,15,28,59,782
(b) Spare parts and components				
Imported	0%	-	0%	-
Indigenous	100%	11,74,863	100%	10,97,666

**38 B. Expenditure in foreign currency**

(on payment basis, subject to deduction of tax where applicable)

Particulars	For the year ended 31st March, 2020 In rupees	For the year ended 31st March, 2019 In rupees
Travelling Expenses	7,84,493	12,93,326
<b>Total</b>	<b>7,84,493</b>	<b>12,93,326</b>

## 39a. Employee Benefit Plan

**Gratuity**

In accordance with Ind AS 19 actuarial valuation based on projected unit credit method as on 31st March 2020 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

<b>Particulars</b>	<b>For the year ended 31st March 2020 In Rupees</b>	<b>For the year ended 31st March 2019 In Rupees</b>
Components of employer expense		
Current service cost	6,26,414	5,21,580
Interest cost	2,61,151	2,44,584
Expected return on plan assets	(11,691)	(45,153)
Past service cost - vested / non vested benefit	-	-
Actuarial losses / (gains)	4,69,093	1,75,123
<b>Total expense / (income) recognized in the statement of profit &amp; loss</b>	<b>13,44,967</b>	<b>8,96,134</b>
Change in fair value of assets		
Opening fair value of plan assets	1,67,014	5,86,397
Expected return on plan assets	11,691	45,153
Actuarial gains/(losses)	(11,691)	(28,936)
Assets acquired on acquisition/ (distributed on divestiture)		
Contributions by employer	2,00,000	1,94,107
Benefits paid	(1,06,755)	(6,29,707)
<b>Closing fair value of plan assets</b>	<b>2,60,259</b>	<b>1,67,014</b>
Change in Defined Benefit Obligation (DBO)		
Present value of DBO at the beginning of the year	37,73,910	34,91,266
Current service cost	6,26,414	5,21,580
Interest cost	2,61,151	2,44,584
Actuarial (gains)/losses due to change in assumption		
Actuarial (gains)/losses due to change in experience	4,57,402	1,46,187
Past service cost - vested / non vested benefit		
Benefits paid	(1,06,755)	(6,29,707)
<b>Present value of DBO at the end of the year</b>	<b>50,12,122</b>	<b>37,73,910</b>
Net asset/(liability) recognized in balance sheet		
Fair value of plan assets	2,60,259	1,67,014
Present value of defined benefit obligation	(50,12,122)	(37,73,910)
<b>Net asset / (liability) recognized in balance sheet</b>	<b>(47,51,863)</b>	<b>(36,06,896)</b>

<b>Actuarial Assumptions</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Discount Rate	7.00%	7.70%
Expected Return on plan assets	7.00%	7.70%
Rate of increase in compensation	6.00%	6.00%
Employee Turnover Rates	Table a	Table a
Mortality rates*	100% of IAL	100% of IAL

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

Table a Employee Turnover Rates

31-Mar-2020		31-Mar-2019	
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%

### 39 b. Defined contribution plans

The company has recognized, in the statement of profit and loss for the year ended March 31, 2020 an amount of Rs.18,86,297/- (previous year: Rs. 19,05,764/ ) under defined contribution plans

<b>Benefit (Contribution to)</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Provident Fund	15,26,998	13,12,053
Employee State Insurance Corporation	3,59,299	5,93,711
<b>Total</b>	<b>18,86,297</b>	<b>19,05,764</b>

40. Previous year figures have been regrouped/ restated wherever necessary to conform to this year's presentation/disclosure.



