



SIMRAN FARMS LIMITED
(Farmers' Friend Since 1989)

22nd
ANNUAL REPORT
2008-2009

BOARD OF DIRECTORS

Mr. H.S. Bhatia

Managing Director

Mr. K.S. Bhatia

Executive Director

Mr. G.S. Bhatia

Director

Dr. Surendra Singh

Director

Mr. Surjeet Singh Kohli

Director

AUDITORS

Khandelwal Kakani & Co.,
Chartered Accountants,
Indore.

BANKER'S

ICICI Bank Ltd.
Punjab & Sind Bank

REGISTRAR & SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd.
2nd Floor, Alankar Point,
Geeta Bhawan Chouraha,
A.B. Road, INDORE-452 001

LISTED AT

The Stock Exchange, Mumbai

LEGAL ADVISORS

Mr. Pankaj Joshi

Advocate

REGISTERED OFFICE & CORPORATE OFFICE

1-B, Vikas Rekha Complex,
Khatiwala Tank,
Indore - 452 001 (M.P.)

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of **Simran Farms Limited** will be held on Thursday the 24th September, 2009 at 10.00 A.M. at Sindoor Marriage Hall, Bhanwarkuan, Indore to transact the following Businesses.

ORDINARY BUSINESSES:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on same date and the reports of Board of Directors & Auditors thereon.
2. To appoint director in place of Shri Gurdeep Singh Bhatia, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint auditor and fix their remuneration.

Place: Indore

Date: 12.08.2009

By Order of the Board
For **SIMRAN FARMS LIMITED**

HARENDER SINGH BHATIA
(Managing Director)

NOTES:

- ❖ A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company. The proxies in order to valid must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- ❖ Register of the members and share transfer books of the company will remain closed from Friday, the 18th September 2009 to Thursday, 24th September 2009 (both days inclusive) in terms of section 154 of the Companies Act, 1956.
- ❖ Members are requested to send their queries, if any at least 10 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- ❖ Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 2nd Floor, Alankar Point, Geeta Bhavan Chouraha, A.B. Road, Indore –452001 M.P.
- ❖ In all correspondence with the company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialised form, they must quote their client ID number and their DP ID number.
- ❖ The Company has designated an exclusive email ID simranguroup@sancharnet.in which would enable the members to post their grievances and monitor its redressal. Any member having any grievance may post the same to the said Email address for its quick redressal.
- ❖ SEBI has notified for compulsory trading of shares of the Company in demat form so members, who have not dematerialised their shares are advised to contact Depository Participant in this regard.
- ❖ Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request).

❖ ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.

Pursuant to Clause 49 of Listing Agreement, Profile of Directors proposed for re-appointment is attached hereto. Shri Gurpeep Singh Bhatia, a Director retiring by rotation has offered himself for re-appointment at the ensuing Annual General Meeting. Shri Gurdeep Singh Bhatia, aged 60 years and is associate with company since 10th November 1988, he is having 20 years of rich experience in poultry farms. He is a member of Audit Committee, Shareholders Grievance Committee and Remuneration Committee. He is also Director of Simran Chicks Private Limited and Simran Hatcheries Limited. He is holding 78300 equity shares in the Company.

Place: Indore

Date: 12.08.2009

By Order of the Board
For **SIMRAN FARMS LIMITED**

Registered Office :

1-B, Vikas Rekha Complex,
Near Tower Square,
Khatiwala Tank, Indore

HARENDER SINGH BHATIA
(Managing Director)



DIRECTOR'S REPORT

To the members of Simran Farms Limited

Your Directors have pleasure in presenting the 22nd Annual Report of your company together with the Audited statements Accounts for the year ended on 31st March, 2009. The Financial Results of the company in the year under review are as under:

FINANCIAL & OPERATIONAL PERFORMANCE

	Year ended 31/3/2009	[Rs. In Lacs] Year Ended 31/03/2008
Total Income	7228.32	2903.03
Total Expenditure	6929.34	2814.53
Profit before depreciation	298.98	88.50
Depreciation	50.35	44.75
Profit/(Loss) after depreciation but before prior period adjustments and extra ordinary income	248.63	43.75
Add : Prior period adjustment	6.23	0.00
Add : Extra-ordinary Income	74.18	0.00
Profit/(Loss) before tax	329.04	43.75
Provision for taxation		
Income Tax	(-) 49.75	(-) 2.78
Deferred Tax Assets/Liability	(-) 55.50	(+) 9.26
Fringe Benefit Tax	(-) 2.79	(-) 1.10
Profit/(Loss) after tax	221.00	49.13
Paid up Equity Share Capital	379.17	379.17
Reserves	651.50	430.50

During the year under review , your company achieved highest total Income of Rs. 72.28 crores as against Rs. 29.03 crores in previous year, registering growth of 148% . Further profit after tax recorded excellent growth as compared to the previous year. Profit after tax for the year under review was Rs. 2.21 crores which includes Rs. 0.74 crores (before tax) towards waiver of interest charged by bank due to one time settlement with bank, as against Rs. 0.49 crores earned during the previous year recording growth of 351%. The performance of the company viewed in the background of integration and consolidation of poultry activities.

DIVIDEND

To conserve & resources of profit, your directors regret their inability to recommend any dividend for the year under review.

DIRECTORS:

Shri Gurpeep Singh Bhatia, a director retiring by rotation has offered himself for re-appointment at the ensuing Annual General Meeting.



SUBSIDIARY COMPANY:

Information and documents pursuant to the provisions of the Section 212 of the Companies Act 1956 relating to Puregene Biotech Limited, a subsidiary company is annexed forming part of this report.

CONSOLIDATION OF ACCOUNTS

In accordance with the requirement of accounting standards prescribed by the Institute of the Chartered Accountants of India, the consolidated account of your company is annexed to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the companies (Disclosures of particulars in the report of board of directors) Rules 1988, the poultry is exempted. Further the company's operations do not involve substantial consumption of energy in comparison to cost of production. However, possible energy conservation measures have been implemented with a view to conserve and optimize the use of energy.

Technology absorption:

The company has neither purchased within India nor imported any technology.

Foreign Exchange Earnings and Outgo :

Total foreign exchange earned	:	Rs. Nil
Total foreign exchange used	:	Rs. 312000/-

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to director's responsibility statement, it is hereby confirmed: -

- I. That in the preparation of the accounts for the financial year ended on 31st March 2009, the applicable accounting standards have been followed except accounting standard 13 & 15.
- II. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for the year under review.
- III. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for the safe guarding the assets of the company and for preventing and detecting fraud and irregularities.
- IV. That the directors have prepared the accounts for the financial year ended on 31st March 2009 for on a going concern basis.

AUDITORS:

M/s Khandelwal Kakani & Co., auditor of the company, retires as the auditors at the ensuing Annual General Meeting and being eligible, offers them for reappointment.

COMMENTS ON AUDITORS REPORT

The qualification of auditors regarding non provision of retirement/post retirement benefits, the Directors, in view of the employees turnover are of the opinion that the company has no material liability on this account. The management is in process of obtaining the actuarial valuation regarding these liabilities.

Further qualification of auditors regarding non provisions of diminution in value of shares of Rs. 41.23 Lacs of subsidiary company, the directors are of the opinion that in view of substantial interest relief allowed by the bank during the year on settlement of bank loan, recovering maximum losses of subsidiary company and expectation of directors for future profits of the subsidiary company, which will recover balance loss in short period, no provision is required, hence not provided.



AUDIT COMMITTEE

Under the provisions of Companies Act, 1956 and listing agreement with the Stock Exchanges an Audit Committee Comprises of Shri Surendra Singh, Mr.Gurdeep Singh and Shri Surjit Singh.

PUBLIC DEPOSITS:

During the year the company did not invite public deposits within the meaning of section 58A of the companies Act, 1956 and rules made there under.

CORPORATE GOVERNANCE:

A Report on the corporate governance code along with a certificate from the auditors of the company regarding the compliance of conditions of corporate governance as stipulated under clause 49 of the listing agreement as also the management discussion and analysis report and CEO certification are annexed to this report.

PERSONNEL

The company did not have any employee during the year drawing remuneration attracting the provisions of section 217 (2A) of the Companies Act, 1956 read with the companies (particulars of employee) Rules 1975. The company continued to have cordial and harmonious relations with employees. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market condition.

CODE OF CONDUCT

The company has laid down a code of conduct for all board members and senior management of the company. All the board members and senior management personnel have affirmed compliance with the code of conduct.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate is obtained from practicing Company Secretary in terms of provisions of section 383A(1) of the Companies Act, 1956. Further in terms of Section 219(1)(b)(iv) of the act, the report and accounts are being sent to the members excluding the aforesaid annexure. The annexure is available for inspection by members at the registered office of the company during business hours on working days up to the date of the ensuing AGM, and if any member is interested in obtaining a copy thereof such member may write to the company whereupon a copy would be sent.

LISTING OF THE SHARES

Equity shares of the company are listed on Bombay Stock Exchange Ltd., Mumbai.

DEPOSITORY SYSTEM

Your company's shares are tradable compulsorily in electronic form and your company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantage offered by the depository system, members are requested to avail of the facility of dematerialization of the company's shares on either of the depositories mentioned as aforesaid.

ACKNOWLEDGMENT:

The board wishes to place on record its sincere appreciation of the efforts put in by the company's employees including staff and executives for achieving excellent results under the difficult conditions. The board is also thankful to Punjab Sind Bank, ICICI Bank for their banking support and co-operation. Your directors also express their obligation to the shareholders, customers, suppliers and business associates of the company for their continued valuable support and confidence. We look forward to their continued support in the future.

Place: Indore

Date: 25.06.2009

By Order of the Board
For SIMRAN FARMS LIMITED

H.S. BHATIA
Managing Director

G.S. Bhatia
Director



MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE FORMING PART OF ANNUAL REPORT FOR THE YEAR ENDED ON 31ST MARCH 2009.

INDUSTRY STRUCTURE AND DEVELOPMENT

The global economic slowdown witnessed from the first quarter of 2008 had adversely impacted all the major economies of the world including that of India. However, Indian economy has not been as badly affected by global economic slowdown as other countries. The Indian Government's revised projection of the GDP growth at 7% for 2009-10 vis-a-vis the earlier projected growth of 9% is a fair indicator that India is not insulated against the global economic meltdown. During the financial year 2008-09, industrial production growth came down as compared to the previous year. While most of the industries showed a decline, the poultry industry has managed to withstand the impact of global meltdown, as the industry in India is primarily domestic demand driven. Forward trading in soya and maize have reached record high level as also export of these commodities significantly. Representations have been made to the government authorities for ban on forward trading of these commodities and for regulating the exports through organized and designated channels and it is hoped that same will be considered favorably by the government of India.

The Indian poultry industry is a Rs.45,000 crore industry as on date, providing direct and indirect employment to over 3 million persons. 20 million agricultural farmers are also dependent for their livelihood on poultry industry, especially the maize and soya growers. 75% to 80% of the cost of production in the poultry industry consists of feed ingredients, like maize and soya. With an annual production of over 53,000 million eggs, India ranks second in the world in egg production. The broiler production is estimated at 3.1 million tons of chicken meat and India ranks 3rd in the world. However, the industry is facing deep crisis because of the steep increase in the prices of maize and soya meal after the introduction of forward trading in these commodities. The poultry industry has the inherent strength and resilience to absorb such shocks.

GROWTH STRATEGY & BUSINESS PLAN

The company is engaged mainly in the parent poultry breeding activities and has most modernized parent poultry breeding farms near Indore in Madhya Pradesh. Further in continuation of this most of the farms have been converted in cages. The company has started in-house commercial feed production on large scale; also the company has started commercial broiler farms in madhya pradesh, chattishgrah, gujarat and recently started in maharashtra focusing on integration and consolidation of poultry activities.

The current market trend for the broiler industry is for the integration of business operations mainly to start with the parent breeding farms to commercial rearing of birds and to market the end product "Broilers" live or dressed to the ultimate consumers. Almost all the leading poultry operators in the country are integrating their business operations in the same pattern. As mentioned above company has effectively taken the steps and started the operation at more than 200 farms and to planning to expand at more than 350 farms in near future in through out in India.

Further management of the company is also planning to generate the Bio-gas power through poultry manure.

OUT LOOK

The steep increase in feed prices witnessed in the year 2008-09 has been a major challenge for poultry industry. This is the main reason why the industry is suffering unprecedented losses and going through very difficult time. This is the main reason though the turnover is going up but the profits are coming down and many farmers are out of the business. It is expected that the feed price will however around the present high level in the forthcoming year also. Though the demand for poultry products are expected to grow further, the industry is facing the threat of a further increase in maize and soya – the key ingredients of poultry feed. The poultry industry has pleaded with the Government to ban forward trading in maize and soya and channelise the export of maize and soya meal through a designated government agency and to put a ceiling on the volume of export and ban on export by private parties and the industry is hopeful of getting a favorable response from the government.



PROSPECTS

Company mainly focused on integration and consolidation of poultry activities and started the operation in madhya pradesh, chattishgrah and gujarat and also started in maharashtra and planning to expand in other states also, resultantly achieving highest turnover of the company.

The company is following the vision to consolidate the business activities of the group under one roof for which company has already started the operation.

The Industry thus offers a bright future, for the growth and development of all the facets of the Industry right from breed farming, hatching to commercial poultry farming for the end products.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has adequate internal control procedures commensurate with its nature and size of business. Internal controls and checks are exercised by strict adherence to well-documented policies, guidelines, authorizations and approval procedures listed out in manual on delegation of authority.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The same has been disclosed in the directors' report.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT.

There has been no material development on the human resources/ industrial relation front during the year. Employee relation at all-level continues to remain cordial.

CAUTIONARY STATEMENT.

Statements in this "Management Discussion and Analysis" describing the company's objectives, expectations or predictions are forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied depending on various factors.

REPORT ON CORPORATE GOVERNANCE

In compliance with clause 49 of the listing agreement with stock exchanges, the company submits the report on the matters mentioned in the said clause and practices as followed by the company.

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Simran Farms Limited is committed to high standards of corporate governance in all its activities. The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. The company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. BOARD OF DIRECTORS

A. The Board has an optimum combination of executive and non executive directors, and is in confirms by with clause 49 of the listing agreement entered in to with the stock exchange in which the company's shares are listed.

The board of directors together with their details are as under. During the year 2008-09 the board met 8(Eight) times on the following dates, namely:

30/06/2008	31/07/2008	12/08/2008	04/10/2008
31/10/2008	30/12/2008	31/01/2009	31/03/2009

The last Annual General meeting was held on 18th September 2008

Name of Director	Category	No. of Board Meetings Attended	Other Directorship		Committee Position	
			Chairman	Member	Chairman	Member
Harender Singh Bhatia	MD	8	1	6	NIL	NIL
Gurdeep Singh Bhatia	NED	8	NIL	2	NIL	3
Kawaljeet Singh Bhatia	ED	8	NIL	4	NIL	NIL
Mr. Surendra Singh	ID	5	NIL	NIL	3	3
Mr. Surjeet Singh Kohli	ID	5	NIL	NIL	NIL	3

MD = Managing Director, NED = Non Executive Director, ED = Executive Director,
ID = Independent Director

None of the director on the board is a member of more than 10 committees and chairman of more than 5 committees. All the directors have made the requisite disclosure regarding committees position held by them in other companies.

B. BOARD PROCEDURE

A detailed agenda folder is sent to each director in advance of board and committee meetings. To enable the board discharge its responsibilities effectively, the chairman briefs the board at every meeting on the overall company performance.

C. Remuneration of directors

Remuneration paid or payable to directors during the year 2008-2009

Name of Director	Sitting Fees	Commission on Profit	Salary & Allowance	Contribution to PF	Perquisites	Total
H.S. Bhatia	---	---	900000/-	---	---	900000/-
K.S. Bhatia	---	---	300000/-	---	---	300000/-

No sitting fee was paid to any director of the company during the financial year.

D. Committees of the board

Audit Committee

The audit committee of the company has been constituted to perform the following functions:

- Overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval of payment of any other services.
- Reviewing with management, the annual financial statement before submission to the board.
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems:
- Reviewing the adequacy of internal audit function.
- Discussing with internal auditors, any significant findings and follow up on such issues.
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the board.
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.



- Reviewing the Company's financial and risk management policies.
- During the year the committee met on four occasions on following dates Namely:

30/06/2008	31/07/2008	31/10/2008	31/01/2009
------------	------------	------------	------------

Composition of the committee and attendance of the members are as follows:

Name of the Director	Position	No. of Meetings attended
Mr. Surendra Singh	Chairman	4
Mr. Gurdeep Singh	Member	4
Mr. Surjeet Singh Kohli	Member	4

Remuneration Committee

The committee has been formed to recommend to the board, the appointment of directors, and the induction of board members into various committees and the remuneration package of the directors. The committee has also been empowered to determine the periodic increments in salary and annual incentive of executive directors.

During the year the committee met on one occasions.

Composition of the committee and attendance of the members are as follows:

Name of the Director	Position	No. of meetings attended
Mr. Surendra Singh	Chairman	1
Mr. Gurdeep Singh	Member	1
Mr. Surjit Singh Kohli	Member	1

Shareholder / Investors Grievance Committee

The company has a shareholder/investor grievance committee comprising of Shri Surjit Singh Kohli, Shri Surendra Singh and Shri Gurdeep Singh, with Shri Surendra Singh, independent director as its chairman. This committee is vested with the requisite powers and authorities to specifically look into shareholder and investor grievances. During the year under review 12 complaints were received from shareholders and the same were resolved to the satisfaction of the shareholders and there were no complaints pending unresolved as at the end of the year.

MANAGEMENT

A. The Management discussion and analysis report

The Annual Report has a detailed chapter on management discussion and analysis.

- B. Disclosure by Management to the Board :** All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the board, and the interested directors neither participate in the discussion, nor do they vote on such matters.

DISCLOSURES

- A.** There were material transactions of the company with its promoters, directors, and management or their relatives and those are not having any conflict with the interest of the company at large.
- B.** The particulars of transactions between the company and its related parties in accordance with the accounting standard 18 are set out in annual report. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the company.
- C.** There has been no non-compliance by the company or penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.
- D.** During the year under review company has not issued any type of securities. No GDR/ADR issued by the company.

SHAREHOLDER'S INFORMATION

A. Investor grievances

As mentioned earlier, the company has duly constituted shareholder/ investors grievances committee for redressing shareholders and investor complaints. The status of compliance is reported to the board of directors through the minutes of the committee meeting of the shareholders / investors grievances committee. Shri H.S. Bhatia is the compliance officer of the company for the purpose of listing compliance.

B. Share transfer

Share transfer in physical form are registered by the registrar and returned to respective transferee / person within a period ranging from two to three weeks provided the documents lodged with registrar /company are clear in all respects.



6. GENERAL SHAREHOLDER INFORMATION

General Body Meeting:

Financial Year.	Date	Time	Venue
Annual General Meeting 2005-2006 (Fifteen months)	28.09.2006	10.00 AM	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore
Annual General Meeting 2006-2007	28.09.2007	10.00 AM	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore
Annual General Meeting 2007-2008	18.09.2008	10.00 AM	Gymnasium Hall, Behind Sindoor Marriage Hall, Bhanwarkuan Road, Indore

No Resolution was passed through postal Ballot in the last AGM.

AGM: Date, Time and Venue	24th September, 2009 at 10.00 A.M. at Sindoor Marriage Hall, Bhanwarkuan Road, Indore M.P.
Registered Office	1-B Vikas Rekha Complex Khaitiwala Tank, Indore M.P.
Financial reporting for 2009-10 : 1st Quarter ending 30th June, 2009 2nd Quarter ending 30th September, 2009 3rd Quarter ending 31st December 2009 4th Quarter ending 31st March, 2010	End of July, 2009 End of October, 2009 End of January, 2010 End of June, 2010
Date of Book Closure	18th September to 24th September 2009 [both days inclusive]
Listing on Stock Exchanges	Bombay Stock Exchange Limited, Mumbai The Company has paid listing fees for the period 1st April, 2009 to 31st March, 2010.
Stock Code -Physical ISIN Number of NSDL & CDSL	Bombay Stock Exchange Limited, Mumbai Stock Code BSE 519566 INE 354D01017
Registrar and Transfer Agents	Ankit Consultancy Private Limited 2nd Floor Alankar point, A.B. Road, Indore, PH 0731-3042298 Email: ankitind@sancharnet.in
Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
Distribution of shareholding and share holding pattern as on 31.03.2009	Please see Annexure 'A'
Market Rate	Please see Annexure "B"
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
Address for correspondence	Shareholders correspondence should Be addressed to: Simaran Farms Limited, 1-B, Vikas Rekha Complex, Tower Square, Indore. PH 0731-4255900-01



Listing on Stock Exchange

The Company's equity shares are listed on "Bombay Stock Exchange Limited, Mumbai. The company has paid listing fees for the F.Y.2009-2010.

Shares held in Physical and Dematerialization form:

As on 31st March 2009, 36.52% of shares were held in dematerialised form and rest 63.48% in physical form.

Management Discussion & Analysis Report

The management discussion and analysis report for the year ended 31st March 2009 is published separately in this annual report.

Means of Communication

Quarterly results are published in two prominent daily newspapers in english and hindi. The annual reports are posted to every shareholder of the company.

Secretarial Audit for Reconciliation of Capital.

As stipulated by SEBI a qualified practicing company secretary carries out secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form. (Held with NSDL/CDSL) and total number of shares in physical form.

Auditor Certificate on Corporate Governance

The Company has obtained the certificate from the auditors of the company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the listing agreement with the stock exchanges. This report is annexed to the director's report for the year 2008-2009. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the company.

ANNEXURE A

SHAREHOLDING PATTERN AS AT 31ST MARCH 2009 [SHAREHOLDING PATTERN]

	Category	No. of Share held	Percentage of Shareholding
A	Promoters Holding		
1.	Promoters Indian Promoters: Foreign Promoters:	1373500 - -	36.22 - -
2.	Persons acting in concert	-	-
	Sub Total	1373500	36.22
B.	Non-Promoters Holding	-	-
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	2100	0.06
3.	Banks, Financial Institutions, Insurance Companies [Central/ State Govt. Institutions, Non- Government Institutions]	-	-
4.	FIs	-	-
	Sub-Total	2100	0.06
5.	Others	-	-
	Private Corporate Bodies	392557	10.35
6.	Indian Public	1933379	50.99
7.	NRI/OCBs	90164	2.37
8.	Any other [please specify]	-	-
	Sub-Total	2416100	63.72
	Grand Total	3791700	100.00

**DISTRIBUTION OF HOLDING AS ON 31st MARCH 2009**

Share or Debenture holding of nominal value	Shares/Debenture holders		Shares/Debentures Amount	
	Rs.	Number	% to Total	Rs.
Upto-5000	6879	92.52	10163150	26.80
5001-10000	252	3.39	2119380	5.59
10001-20000	138	1.86	2133270	5.63
20001-30000	56	0.75	1448820	3.82
30001-40000	22	0.30	773380	2.04
40001-50000	19	0.26	861880	2.27
50001-100000	36	0.48	2624440	6.92
100001 and above	33	0.44	17792680	46.93
Total	7435	100.00	37917000	100.00

**ANNEXURE "B"
MARKET PRICE DATA**

Month	Monthly High (In Rs.)	Monthly Low (In Rs.)
April, 2008	7.35	5.23
May, 2008	6.88	5.85
June, 2008	7.42	5.70
July, 2008	6.45	4.91
August, 2008	9.92	5.29
September, 2008	11.50	8.34
October, 2008	9.89	6.28
November, 2008	7.70	4.67
December, 2008	5.40	3.91
January, 2009	5.94	4.18
February, 2009	5.64	4.53
March, 2009	6.05	4.10

DECLARATION

I H.S. Bhatia, Managing Director of the Simran Farms Limited declare that all the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct for the Financial Year ended on 31st March, 2009.

For Simran Farms Limited

Place: Indore
Date : 25.06.2009

H.S. Bhatia
Managing Director



CEO CERTIFICATION

I hereby certify to the Board of Directors of M/s **SIMRAN FARMS LIMITED** that:

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2009 and that to the best of my knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations except accounting standard 13 & 15.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violate of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Simran Farms Limited**

Place: Indore
Date : 25.06.2009

H.S. Bhatia
Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE — MARCH 31, 2009

To
The Board of Directors of
Simran Farms Limited

We have read the report of the board of directors on corporate governance and have examined the relevant records relating to compliance of conditions of corporate governance by Simran Farms Limited ('the company'), for the year ended March 31, 2009, as stipulated in Clause 49 of the listing agreement of the said company with the stock exchanges. The compliance of conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of corporate governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the company has complied with the conditions of corporate governance as stipulated in clause 49 of the above-mentioned listing agreement except compliance of accounting standard 13 & 15. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

KHANDELWAL KAKANI & CO.
CHARTERED ACCOUNTANTS

Date 25.6.2009
Place: Indore

SANTOSH DESHMUKH
PARTNER

**AUDITOR'S REPORT**

To,
The Members of
Simran Farms Ltd.,
Indore (M.P.)

We have audited the annexed Balance Sheet of **SIMRAN FARMS LIMITED**, Indore as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the *Annexure* a statement of the matters specified in paragraphs 4 of the said Order.

That Company has not quantified/provided the amount of Gratuity and accrued leave encashment as on 31.03.2009 as required as per "Accounting Standard (AS) 15" (Revised 2005) of Institute of Chartered Accountants of India.

That company has not provided diminution in value of share of subsidiary company RS. 41.23 Lakhs and to that extent profit and investment in subsidiary is overstated.

Subject to above and our comments in the annexure referred to in paragraph 2 above:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion proper books of accounts as required by law have been kept by the Company so far, as appears from our examination of such books of account;
- iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with in this report are in agreement with the said books of account;
- iv) In our opinion, the Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act 1956 to the extent they are applicable.
- v) According to the information and explanation given to us and on the basis of the written representations received from the Directors of the Company taken on record by the Board of Directors, none of the Director is disqualifying as on 31st March, 2009 from being appointed as a Director u/s 274 (1) (g) of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, and read together with other notes thereon, gives information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2009 and
 - b) In the case of Profit and Loss Account, of the Profit for the period ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date

Place: Indore
Date : 25.06.2009

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



ANNEXURE REFERRED TO IN PARAGRAPH 'B' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SIMRAN FARMS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) The Management has physically verified the fixed assets at reasonable intervals during the year and on the basis of the explanations given to us, no discrepancies were noticed on such verification.
 (c) No substantial dispositions of fixed assets have taken place during the year which affects the going concern of company.
2. (a) In our opinion, physical verification of inventories has been conducted at reasonable interval by the management of the company.
 (b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) In our opinion, the Company is maintaining proper records of inventories and the discrepancies noticed on verification between the physical stock and book and book records were not significant and the same have been properly dealt with in the books of accounts.
3. (a) The Company has not granted any loan to any company, firms or other party covered under section 301 of the Companies Act, 1956. Accordingly, to the clauses (iii)(b), (iii)(c) and (iii)(d) of the paragraph 4 of the order are not applicable.
 The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses (iii)(f) and (iii)(g) of the paragraph 4 of the order are not applicable.
 (b) Since no loan is outstanding hence the question regarding terms & condition and rate of interest and other terms and conditions not applicable.
 (c) There was no overdue amount more than one lacs as there is no stipulation regarding repayment of Loan Amount.
4. In our opinion and according to the information and explanations given to us, and on such checks carried out during the course of Audit, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of stores, raw material, including components, plant and machinery, equipments, other assets, and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 (b) In our opinion and according to the information and explanations given to us, these transactions with parties with whom transactions exceeding the value of Rupees Five Lacs have been entered into during the financial year are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public and hence this clause is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with size and nature of the business.
8. As per explanations given to us, maintenance of Cost records U/s 209(1)(d) is not applicable to the Company.
9. (a) According to the information and explanations given to us and the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Sales Tax and other statutory dues applicable to it with the appropriate authorities.
 (b) According to the information and explanations given to us and as per records of the Company, the dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of dispute are as follows

Name of the Statute	Nature of dues	Amount (In Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	12.21	Madhya Pradesh High Court



10. The Company has been registered for more than 5 years and has no accumulated losses at the end of the year, which is 50% of its net worth. The Company has not incurred cash losses in the current year.
11. The Company had defaulted in the repayment of dues to Bank of Baroda as per the terms of sanction and had settled its entire loan of Bank of Baroda under a onetime compromise proposal and had paid its entire dues.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
14. The Company is neither dealing nor trading in shares, securities, debentures and other investments. Hence clause is not applicable.
15. The Company had given a Corporate Guarantee for loan taken by Simran Hatcheries Ltd. (a group Company) from Bank of Baroda which has been repaid/settled by the Simran Hatcheries Ltd. However, the terms and conditions were not prejudicial to the interest of the company.
16. Based on information and explanations given to us by the management, term loans taken in earlier years were applied for the purpose for which the loans were obtained. No new term loan was obtained during the year.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any kind of debentures.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Place: Indore
Date : 25.06.2009

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



BALANCE SHEET AS AT 31st March, 2009

Particulars	Schedule	Rupees	31.03.2009 Rupees	31.03.2008 Rupees
(1) SOURCES OF FUNDS				
1. a) Share Holders Funds	01	37917000		
b) Reserves & Surplus	02	65150383	103067383	80967031
2. LOAN FUNDS				
a) Secured Loan	03	2124235		
b) Unsecured Loan	04	0	2124235	-30130125
TOTAL			105191618	111097156
(2) APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block		117604939		109559858
Less : Depreciation upto date		47433013		42397528
b) Net Block	05	70171926		67162330
c) Capital work in progress		754892		0
2. INVESTMENTS	06		70926818	67162330
			13153970	13153970
3. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	07	81021676		42855963
b) Sundry Debtors	08	61856606		41741727
c) Cash & Bank Balances	09	4999709		3224706
d) Loan & Advances	10	8015300		2525781
		155893291		90348177
Less : CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	11	120528757		52894296
b) Provisions		6699749		4668794
		127228506		57563090
4. NET CURRENT ASSETS			28664785	32785088
5. DEFERRED TAX LIABILITIES			(7553956)	(2004232)
MISCELLANEOUS EXPENDITURE				
TOTAL			105191618	111097156
NOTES FORMING PART OF ACCOUNTS	18			

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 25th June 2009.

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2009

Particulars	Schedule	31.03.2009	31.03.2008
		Rupees	Rupees
INCOME			
Sales (Net)		712823294	278340321
Other Sources	12	10008910	11962417
Increase / (Decrease) in Stock		38165713	19560093
		760997917	309862831
EXPENDITURE			
Feeds & Material Purchase	13	654802216	262596421
Farm Expenses	14	49909564	17764504
Administrative Exps.	15	19688273	11276396
Financial Expenses	16	862626	3534000
Selling & Distribution	17	5837566	5141471
Depreciation		5035485	4475114
Loss on Investment		0	700000
		24862188	4374924
PROFIT/(LOSS) BEFORE TAX AND PRIOR PERIOD ITEMS		24862188	4374924
ADD : Extra Ordinary Item		7417791	0
ADD : Excess Provision Written Back		2205	0
ADD : Prior Year Adjustments		621457	0
PROFIT/(LOSS) BEFORE TAX		32903641	4374924
TAXATION			
LESS : Income Tax		4975124	278861
LESS : Dererred Tax Liability		5549724	(926766)
LESS : Fringe Benefit Tax		278441	110157
PROFIT AFTER TAX		22100352	4912673
PROFIT BROUGHT FORWARD FROM LAST YEARS		4319028	(593645)
PROFIT AVAILABLE FOR APPROPRIATION		26419380	4319028
APPROPRIATIONS :			
General Reserve		0	0
Balance carried to Balance Sheet		26419380	4319028
		26419380	4319028
EARNING PER EQUITY SHARE (FACE VALUE RS. 10/- PER SHARE)			
Basic and Diluted		5.83	1.54
Basic and Diluted (Without Extra Ordinary Items)		3.87	1.54
NOTES FORMING PART OF THE ACCOUNTS	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore

Date : 25th June 2009.



SCHEDULE NO. 01 TO 18 ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31st March 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
SCHEDULE - 01		
SHARE CAPITAL	60000000	60000000
Authorised :		
60,00,000 Equity Shares of Rs.10/- each		
Issued subscribed and paid up		
37,91,700 Equity Shares of Rs.10/- each	37917000	37917000
	37917000	37917000

Note: Out of above 2.00 lacs Equity Shares are allotted as fully paid by way of bonus shares in the year 1993-94.

SCHEDULE - 02

RESERVE AND SURPLUS	OP. BAL.	ADDITION	DEDUCTIONS/ ADJUSTMENTS	CLOSING BALANCE
Utilised Investment Allo. Res	54437 (54437)			54437 (54437)
General Reserve	21718066 (21718066)			21718066 (21718066)
Profit & Loss Account	4319028 (-593645)	22100352 4912673		26419380 4319028
Share Premium Capital	16958500 (16958500)			16958500 (16958500)
TOTAL	43050031	22100352	0	65150383
Previous Year (Total)	(38137358)	(4912673)	0	(43050031)

Note : Previous year figure have been given in brackets

SCHEDULE - 03**SECURED LOANS :****Bank of Baroda**

a) Term Loan account	0	11728376
b) C.C. LOAN :	0	0
(Against Hypothecation of Stock & Book Debts)	0	18232725
c) Vehicle Loans (First Charge on Trucks & Cars)	2124235	0
d) Secured loan from parties	0	169024
	2124235	30130125

SCHEDULE - 04**UNSECURED LOANS**

	0	0
	0	0

**SCHEDULE - 05
FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance 01.04.2008	Addition during period	Sales/ Deduction	Balance As on 31.03.2009	Up to 01.04.2008	For the period	Sales / Deduction	Up to 31.03.2009	As at 31.03.2008	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	2875967	0	0	2875967	0	0	0	0	2875967	2875967
Building Factory	37177910	0	0	37177910	13898637	1241742	0	15140379	23279273	22037531
Building(off. & staff)	2812939	0	0	2812939	513724	45851	0	559575	2299215	2253364
Poultry Equipments	48398210	3339781	0	51737991	17249112	2345368	0	19594480	31149098	32143511
Cycle A/C	2975	5200	0	8175	70	511	0	581	2905	7594
Computer Equipment	2339915	452055	0	2791970	2017283	90743	0	2108026	322632	683944
Office Equipment	1051160	224798	0	1275958	817996	76370	0	894366	233164	381592
Furniture & Fixtures	4085371	335793	0	4421164	2013673	272315	0	2285988	2071698	2135175
Motor Car	1287932	3375950	0	4663882	654939	275616	0	930555	632993	3733327
Eicher Truck	3171015	0	0	3171015	2178171	358642	0	2536813	992844	634202
Electrical Installation	3558752	178918	0	3737670	2430959	252658	0	2683617	1127793	1054053
Tube Well & Land Development	2440161	98886	0	2539047	311332	41167	0	352499	2128829	2186548
Vehicle	357552	33700	0	391252	311632	34501	0	346133	45920	45119
Total	109559859	8045081	0	117604939	42397528	5035485	0	47433013	67162331	70171926
Previous Year	101244865	8333243	18250	109559858	37922414	4475114	0	42397528	63322451	67162330

**SCHEDULE - 06****INVESTMENT**

(UNQUOTED)

Simran Hatcheries Ltd.	1189000.00	1189000.00
Puregene Biotech Limited	11964970.00	11964970.00
	13153970.00	13153970.00

SCHEDULE - 07**INVENTORIES**

a) Parent Birds	28594501.00	24518554.00
b) Feed & Medicines	26640335.00	8096970.00
c) Hatching Eggs	991050.00	676998.00
d) Commercial Chicks	24795790.00	9563441.00
	81021676.00	42855963.00

SCHEDULE - 08**SUNDRY DEBTORS**

(Unsecured, considered good)

Debts outstanding within six months	42468179.85	28658138.39
Other	19388426.57	13083589.03
	61856606.42	41741727.42

SCHEDULE - 09**CASH & BANK BALANCES**

Cash on hand	963579.10	3014235.00
Cash on hand, Aanad	831235.00	0.00
Cash on hand, Chikli	712524.00	0.00
Cash on hand, Bhopal	137555.00	0.00
Cash on hand, Raipur	181813.00	0.00
Cash on hand, Bhilai	139760.00	0.00
Cash on hand, Bilaspur	24155.00	0.00
Canara Bank	6856.00	6968.00
Bank of Baroda, Chikli	551969.00	0.00
ICICI Bank, Indore	1450262.93	203503.31
	4999709.03	3224706.31

SCHEDULE - 10**LOANS & ADVANCES :**

(Unsecured considered good)

Advances recoverable in cash or in kind or for value to be received	4739432.00	1533522.00
Advance Income Tax	2000000.00	0.00
Income Tax Mat. Receivable	173637.00	0.00
Deposits	1102231.27	992258.50
	8015300.27	2525780.50

**SCHEDULE - 11****a) Current Liabilities :**

Sundry Creditors	106016371.28	50334689.68
Punjab & Sindh Bank	5360990.00	0.00
Advances from Customers	609732.00	517100.00
P.F. Cont. (Employees)	61866.00	38568.00
Professional Tax (Staff)	123005.00	101505.00
Fringe Benefit Tax Payable	278441.00	110157.00
Service Tax Payable	26721.00	26721.00
Income Tax Payable	6475046.81	1499923.00
Rearing Charges Receivable	1185346.00	0.00
TDS payable	391237.62	265632.00

120528756.71	52894295.68
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b) Provisions : For Expenses

6699749.00	4668794.00
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6699749.00	4668794.00
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Total (a + b) :

127228505.71	57563089.68
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SCHEDULE - 12**OTHER SOURCES :**

a) Interest Received Bank	7417791.00	0.00
b) Miscellaneous Receipts	5008.00	0.00
c) Hire Charges	480000.00	480000.00
d) Rearing Charges (Income)	9439532.00	11305057.00
e) Transportation Income	54730.00	157600.00
f) Interest Received MPEB	29640.00	19760.00

17426701.00	11962417.00
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SCHEDULE - 13**FEED AND MATERIALS :**

a) Feed & Medicines	484039591.62	171435617.00
b) Store, Spares & Consumable	10118501.00	4684329.00
c) Parent Birds	51512521.00	49505497.00
d) Packing Material	2197937.00	1789507.00
e) Carriage Inward	13676200.00	4458386.00
f) Chicks	89898435.00	26867205.00
g) Cull Bird	3359030.00	3855880.00

654802215.62	262596421.00
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SCHEDULE - 14**FARM EXPENSES :**

a) Expenses at Farm	2429117.00	1867566.00
b) Power & Energy	4745440.00	3859480.00
c) Fuel Consumption	4381015.00	2833126.00
d) Light & Water Charges	2790432.00	1535324.00
e) Farm Rent	4226821.00	3213431.00
f) Hatching Expenses	0.00	1775.00
g) Rearing Charges	31336738.70	4453802.00

49909563.70	17764504.00
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**SCHEDULE - 15****ADMINISTRATIVE EXPENSES :**

a) Salary, Wages & Bonus	10224163.00	6690439.00
b) Contribution to P.F.	615560.00	327768.00
c) General Office Expenses	3417486.00	2109046.00
d) Travelling & Conveyance	2708818.00	907816.22
e) Remuneration to Director	1200000.00	600000.00
f) Remuneration to Vice President	350000.00	0.00
g) Certification Fee	13485.00	13485.00
h) Audit Fees	88240.00	47191.00
i) Legal & Professional Expenses	357060.00	350032.00
j) Registration & Licence Fees	27400.00	23523.00
k) Club Fees	35100.00	0.00
l) Foreign Tour Exp.	445222.00	0.00
m) Training Fees	50000.00	0.00
n) Supervision Incentive	0.00	43136.00
o) Penalty	7520.00	0.00
p) Entry Tax after Assessment	148219.00	163960.00

19688273.00	11276396.22
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SCHEDULE - 16**FINANCIAL EXPENSES :**

a) Bank Charges & Commission	542220.58	175194.35
b) Interest	247335.00	3338340.00
c) Interest on Late Payment	73070.00	20466.00

862625.58	3534000.35
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SCHEDULE - 17**SELLING AND DISTRIBUTION EXPENSES**

a) Forwarding Expenses	4815672.00	4666006.00
b) Advertisement & Publicity	30838.00	44090.00
c) Vehicle Repair & Maintenance	718772.00	395754.00
d) Technical Seminar & Conferance	145482.00	0.00
e) Sales Promotion Expenses	126802.30	35621.00

5837566.30	5141471.00
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SCHEDULE - 18
NOTES FORMING PART OF ACCOUNTS ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31st March, 2009

1. SIGNIFICANT ACCOUNTING POLICIES :

- A) Method of Accounting:
The Company maintains its accounts on accrual basis except insurance claims and claims on Parent & Commercial Birds & Hatching eggs, sale of manure and gunny bags which are accounted on cash basis.
- B) Fixed Assets :
Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till the date of commencement of production.
- C) Investment : Investment are stated at cost.
- D) Valuation of Inventories :
i) Inventories of stores, medicines, feeds etc. are valued at cost and is determined using first in first out basis.
ii) Hatching eggs are valued at estimated cost or net realisable value whichever is less.
iii) Parent Stock of Birds are valued at purchase price plus the estimated cost of growing and overheads.
iv) Manure and Gunny Bags accounted for on actual sale basis.
- E) Depreciation :
Depreciation on Fixed Assets has been charged on Straight Line Method on the rates prescribed in Schedule-XIV of the Companies Act, 1956 on prorata basis.
- F) Research and Development Expenditure :
Revenue expenditure is charged to Profit and Loss Account and capital expenditure is added to the cost of Fixed Assets under relevant heads.
- G) Retirement / Post Retirement Benefits
The company provides retirement benefits in the form of gratuity and leave encashment. As per Managements view, the liability as on 31.03.2009 is not a substantial liability on account of Employee's Turnover, hence not provided.
- H) Taxation :
(i) The provision for current tax is based on assessable profit of the company computed in accordance with the Income Tax Act 1961.
(ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted as of the Balance Sheet Date.
- I) Contingent Liability :
Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.



J) Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

(i) Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OPENING STOCK		PROD & PURCHASES		TURNOVER		CLOSING STOCK	
	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)
HATCHING EGGS	97096 (171959)	672.79 (1461.70)	20020339 (13841776)	-	19986364 (13916639)	144017.92 (99940.00)	131071 (97096)	983.03 (672.79)
PARENT BIRDS	87043 (76152)	24518.60 (11610.80)	262990 (281658)	-	236143 (270767)	34404.93 (39589.20)	113890 (87043)	28594.50 (24518.60)
COMM & REJ. EGGS	8472 (6046)	4.20 (3.00)	693752 (603126)	-	686189 (600700)	738.16 (372.10)	16035 (8472)	8.02 (4.20)
COMMERCIAL BROILER	509397 (121513)	9563.44 (3558.60)	6602990 (220659)	-	6064778 (1818775)	511640.72 (137731.00)	1047609 (509397)	24795.79 (9563.44)
OTHERS						22021.57 (708.00)		
TOTAL	702008	34759.03	27580071		26973474	712823.30	1308605	54381.34
PREVIOUS YEAR	(375670)	(16634.10)	(14947219)		(16606881)	(278340.30)	(702008)	(34759.03)

NOTE :

1. Production/Purchase of Hatching Eggs is net off smashed and rejected.
2. Purchase of Parent birds & Commercial Bird is net off Mortality/Adjustment.
3. Figures shown in brackets below represents previous year figures.

ii. a. RAW - MATERIAL :

CONSUMED (12 Months)	QUANTITY (IN M.T.)		VALUE (RS. IN '000)	
	2008-2009 (12 Months)	2007-2008 (12 Months)	2008-2009 (12 Months)	2007-2008 (12 Months)
MIXED FEEDS	28951	12430	448195	162467
INDIGENOUS & IMPORTED (INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-

b. VALUE OF RAW MATERIAL AND STORES (INCLUSIVE SPARE PARTS-COMPONENTS) CONSUMED

	VALUE (Rs. in '000) 2008-2009 (12 Months)				VALUE (Rs. in '000) 2007-2008 (12 Months)			
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	448195	100%	10119	100%	162467	100%	4684	100%
IMPORTED	0	-	0	-	-	-	-	-

- a) Value of imports CIF basis accounted during the year.
b) Expenditure in Foreign currency
c) Earning in Foreign Exchange.
d) Particulars relating to non-residential Share-holders.

2008-09 **2007-08**

- -
312000 0
- -
- -

iv) Previous figures have been regrouped or rearranged wherever necessary.



II. NOTES ON ACCOUNTS

- A) In the opinion of the Board of Directors, Fixed Assets, Current Assets, Loans & Advances are approximately of the value as stated, if realised in the ordinary course of business except otherwise specified. The provisions for all known liabilities are adequate and not in excess of amount which is reasonably necessary.
- B) The disputed outstanding Income Tax Demand pertaining to Assessment Year 1994-1995 to 1997-1998 of Rs.12.21 Lacs in respect of disallowances of claims u/s 80 I & 80HHA has been confirmed against the company by the Income Tax Appellate Tribunal and accordingly the liability in respect of these years has been paid/ provided in full earlier years. The Company is litigating the matter before the Hon'ble High Court of M.P.
- C) As per information given by the Management, Excise-Duty is not applicable to the Company.
- D) All Balances of Sundry Debtors and Creditors are subject to confirmation.

E) Deferred Tax	As at 31.03.2009 (Rs. in lacs)	As at 31.03.2008 (Rs. in lacs)
(a) Deferred Tax Liability on account of :		
(i) Depreciation	296.20	286.92
	296.20	286.92
(b) Deferred Tax Asset on account of :		
(i) Unabsorbed Depreciation & carry forward Loss	4.90	158.85
(ii) Others [Disallowance U/s 43B & 40(a)]	112.83	112.83
	117.73	271.68

Note : During the year there is creation of Deferred Tax Liability amounting to Rs. 55.5 Lacs on account of above. The Net creation of Deferred Tax Liability of Rs. 55.5 Lacs for the year has been recognised in the profit & loss account.

F) Earning Per Share

Basic & Diluted earning per equity share have been worked out in accordance with AS-20 "Earnings Per Share". Basic and diluted earnings per equity share has been calculated by dividing Net Profit after tax of Rs. 221.00 lacs by 3791700 equity shares (Face value of Rs.10/- each)

Basic & Diluted earning per share (Without adjustment for Extra Ordinary Item) are calculated by dividing Rs. 295.17 lacs i.e. Net Profit after tax by 3791700 equity share (face value Rs.10/-each.).

G) Related parties disclosures :

1 Relationship

- | | |
|--|---|
| <p>(a) Subsidiary Companies
Puregene Biotech Ltd.
w.e.f. 13/7/2002
(Formerly Simran Breeders (P) Ltd.)</p> <p>(b) Key Management Personnel :</p> <p>Mr. Harender Singh Bhatia
Managing Director</p> <p>Mr. Gurdeep Singh Bhatia
Director</p> <p>Mr. Kanwaljeet Singh Bhatia
Executive Director</p> <p>Gurmeet Sing Bhatia
(Vice President)</p> | <p>(c) Relatives of key management personnel and their enterprises where transaction have taken place :</p> <p>Mrs. Amarjeet Kaur Bhatia
Mrs. Surinder Kaur Bhatia
Mrs. Rajinder Kaur Bhatia</p> <p>Mr. Amarjeet Singh Bhatia (HUF)
Mr. Sumeet Singh Bhatia</p> <p>Simran Feeds (P) Ltd.
Simran Poultry</p> <p>Singh Poultry
Simran Hatcheries</p> <p>Simran Securities Ltd.
Simran Hatcheries Ltd.
Early Bird Hatcheries
Simfa Labs Pvt. Ltd.
Simran Foods Pvt. Ltd.</p> |
|--|---|

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.



2. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of Transaction	Related Parties (Rs. in lacs)		
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above
Purchase	181.24		1294.79
Sales	0.00		1806.43
Expenses			
Director Remuneration		12.00	
Remuneration to Vice President		3.50	
Office Rent			2.52
Tractor Rent			0.96
Eicher Motor Hire Chrges		4.24	
Lease Rent			2.40
Telephone Charges			3.91
Auto Hire Expenses		0.72	
Finance Outstanding			
Payable	38.68	-	115.85
Receivable		-	502.11
H) PAYMENT TO ADUDITORS :			
		2008-2009	2007-2008
1. As Auditors		88240	47191
2. As per certification		13485	13485
		<u>101725</u>	<u>60676</u>

I) DISCLOSURE UNDER MICRO, SMALL & MEDIUM SCALE ENTERPRISE DEVELOPMENT ACT, 2006

The Company has initiated the process of identification Micro, Small & Medium Scale Enterprises covered under Micro, Small & Medium Enterprises Act, 2006. In view of large number of suppliers and non receipt of critical inputs & response from several such potential parties, the liability of interest if any, can not be reliably estimated. In the Management's view, the company will not be liable to pay interest as prescribed under the Micro, Small & medium Scale Enterprise development Act, 2006

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SIMRAN BREEDERS (P) LIMITED NOW W.E.F. 13/07/2002 KNOWN AS PUREGENE BIOTECH LIMITED A SUBSIDIARY COMPANY.

- The Company held 1196500 equity shares of Rs. 10 each fully paid up representing 82.71% paid up capital of subsidiary company.
- The net aggregate of losses of the subsidiary company since its incorporation, not dealt with in the accounts of the Co. of Rs. 49.85 Lacs.
- There are no material changes between the Financial year of subsidiary company ended on 31st March 2009 and the end of financial year of the company.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

G.S. BHATIA
DIRECTOR

H.S. BHATIA
MANAGING DIRECTOR

Place : Indore
Date : 25th June, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
A. CASH FLOW FROM OPERATING SYSTEMS :		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	24864393	4374924
Add : Depreciation	5035485	4475114
Prior Period Adjustment	621457	0
Interest Paid	320405	3338340
	30841740	12188378
Less : Income Tax Paid During the year	4975124	389018
Fringe Benefit Tax	278441	0
	5253565	389018
Operating Profit before Working Capital Change	25588175	11799360
Add : Inventories	0	0
Loans and Advance	0	689983
Trade Payable	0	449138
Other Current Liabilities	69665416	29204620
	69665416	30343741
Less : Inventories	38165713	19560093
Loans & Advances	5489519	0
Trade Receivable	20114879	0
Other Current Liabilities	0	0
	63770111	19560093
Net Cash in Flow from Operating Activities	(a+b-c) 31483480	22583008
Add : Extra Ordinary Item	7417791	0
Net Cash in Flow from Operating Activities	A 38901271	22583008
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add : Sale of Fixed assets	0	18250
Write-off of Investment	0	700000
Less : Purchase of Assets	8045081	8333243
Capital Work in Progress	754892	0
Net Cash in Flow From Investing Activities	B (8799973)	(7614993)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceed From :		
Add : C.C. Loan	0	545923
Secured Loan From Others	0	169024
Unsecured Loan	0	0
Vehicle Loan	2550000	0
	a 2550000	714947
Less : Repayment of Loan	247335	3338340
Interest Paid	425765	684838
Vehicle Loan	18232725	0
C.C. Loan	169024	0
Secured Loan From Parties	11728376	10259611
Term Loan	73070.00	0
Interest Paid on late payment	b 30876295	14282789
NET CASH GENERATED FROM FINANCIAL ACTIVITIES	C (a-b) (28326295)	(13567842)
NET INCREASE IN CASH & CASH EQUIVALENTS	(A+B+C) 1775003	1400173
Add : Cash & Cash equivalents (opening)	3224706	1824533
CASH & CASH EQUIVALENTS (CLOSING)	4999709	3224706



AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Simran Farms Limited for the period ended 31st March 2009. The statement has been prepared from the audited accounts of the Company in accordance with requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and agreement with corresponding Profit and Loss Account and Balance Sheet of the company.

For KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
CHAIRMAN - MANAGING DIRECTOR

Place : Indore

Date : 25th June 2009



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE
COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details:

Registration	10-02627
State Code	10.00
Balance Sheet Date	31st March 2009

2. Capital Raised during the year:

Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-

3. Position of Mobilisation and Development of Funds:

Total Liabilities	1051.92
Total Assets	1051.92
Sources of Funds	
Paid-Up Capital	379.17
Reserve & Surplus	651.50
Secured Loans	21.24
Unsecured Loans	NIL
Application of Funds:-	
Net Fixed Assets	709.27
Investments	131.54
Net Current Assets	286.65
Miscellaneous Expenditure	NIL

4. Performance of Company:

Turnover	7228.32
Extra Ordinary Income	74.18
Total Expenditure	6973.46
Profit(loss) before Tax	329.04
Profit(loss) after Tax	221.00
Earning Per Share	5.83

5. General Names of Principal Products Services of the Company:

Item Code No.	40700.09
Product Description	Hatching Eggs

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 25th June 2009.



BOARD OF DIRECTORS :	REGISTERED OFFICE:	AUDITORS:	LEGAL ADVISOR:
Mr. H.S. Bhatia Director	1-B, Vikas Rekha Complex, Tower Square, Indore.	Khandelwal Kakani & Co., Chartered Accountants, Indore	Mr. Pankaj Joshi Advocates
Mr. Gurmeet Singh Bhatia Director			
Mr. Kanwaljeet Singh Bhatia Director			

DIRECTOR'S REPORT

Your Directors have the pleasure in presenting the Annual Report of your company together with the Audited Accounts for the year ended on 31st March' 2009.

FINANCIAL HIGHLIGHTS:

Financial Performance

	Rs. in lacs Year ended 31/03/2009	Rs. in lacs Year ended 31/03/2008
Total Income	183.66	343.46
Total Expenditure	190.60	351.62
Profit/(Loss) before depreciation	(6.94)	(8.14)
Depreciation	7.45	7.69
Profit/(Loss) before tax and extra ordinary item	(14.39)	(15.85)
Add : Extra Ordinary Items	95.57	0.00
Add : Prior period adjustment	0.00	(-) 0.28
<i>Profit/(Loss) after extra ordinary item before tax</i>	81.18	(16.13)
Taxation		
Deferred Tax Assets/Liability	(-) 9.36	(-) 7.46
Income Tax Mat.	(-) 2.09	0.00
Fringe Benefit Tax	(-) 0.03	(-) 0.02
Profit/(Loss) after tax	69.70	(23.62)

During the year under review, your Company achieved total Income of Rs. 183.66 lacs as against Rs. 343.46 lacs in previous year and incurred operational loss of Rs. 14.39 lacs as against Rs. 15.85 lacs in previous year. However, this year company has earned net profit before tax of Rs. 81.18 lacs which includes Rs. 95.57 lacs towards waiver of interest charged by bank due to one time settlement with bank.

PUBLIC DEPOSITS:

The company has not accepted any deposits from the public during the period.

DIRECTORS:

Shri H.S.Bhatia, Director of the Company retires by rotation being eligible, offer himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to director's responsibility statement, it is hereby confirmed: -

- I. That in the preparation of the accounts for the financial year ended on 31st March 2009, the applicable accounting standards have been followed.
- II. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for the year under review.



- III. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for the safe guarding the assets of the company and for preventing and detecting and irregularities.
- IV. That the directors have prepared the accounts for the financial year ended on 31st March, 2009 on a going concern basis

AUDITORS:

M/s Khandelwal Kakani & Co., auditor of the company, retires as the auditors at the ensuing Annual General Meeting and being eligible, offers them for reappointment.

The qualification of auditors regarding non provision of retirement/post retirement benefits, the directors in view of the employees turnover are of the opinion that the company has no material liability on this account. The management is in process of obtaining the actuarial valuation regarding these liabilities.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate is obtained from practicing Company Secretary in terms of provisions of section 383A(1) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosures of particulars in the report of board of directors) Rules 1988, the poultry is exempted. Further the company's operations do not involve substantial consumption of energy in comparison to cost of production, wherever possible energy conservation measures have been implemented with a view to conserve and optimize the use of energy.

Technology absorption :

The company has neither purchased within India nor imported any technology.

Foreign Exchange Earnings and Outgo :

Total foreign exchange earned : Rs. Nil

Total foreign exchange used : Rs. Nil

PARTICULARS OF THE EMPLOYEES

The company did not have any employee during the year drawing remuneration attracting the provisions of section 217 (2A) of the Companies Act, 1956 read with the companies (particulars of employee) rules 1975.

ACKNOWLEDGMENT:

Your directors have pleasure to place on record their sincere appreciation to its parent organization Simran Farms Limited for support and guidance during the year and look forward to their commitment support.

Your directors are glad to express their gratitude and appreciation of the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels which enabled the company to progress well.

Your company & directors wish to extend sincere thanks to the banks along with all the shareholders and customers of the company for extending their sincere support and services.

For and behalf of the Board

Place : Indore

Date : 25.06.2009

H.S. BHATIA
(DIRECTOR)

K. S. BHATIA
(DIRECTOR)

**AUDIT REPORT**

To,
The Members of
Puregene Biotech Ltd.
Indore (M.P.)

We have audited the annexed Balance Sheet of PUREGENE BIOTECH LTD. Indore as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003as amended by the Companies (Auditors Report) (Amendment) Order,2004 (together' the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the *Annexure* a statement of the matters specified in paragraphs 4 of the said Order.

That Company has not quantified/provided the amount of Gratuity and accrued leave encashment as on 31.03.2009 as required as per "Accounting Standard (AS) 15" (Revised 2005) of Institute of Chartered Accountants of India.

Further, in addition to the matters specified in above referred annexure, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion proper books of accounts as required by law have been kept by the Company so far, as appears from our examination of such books of account;
- iii) The Balance Sheet , Profit and Loss Account and cash flow statement dealt with in this report are in agreement with the said books of account;
- iv) In our opinion, the Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act 1956 to the extent they are applicable.
- v) According to the information and explanation given to us and on the basis of the written representations received from the Directors of the Company taken on record by the Board of Directors, none of the Director is disqualifying as on 31st March, 2009 from being appointed as a Director u/s 274 (1) (g) of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, and read together with other notes thereon, gives information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2009 and
 - b) In the case of Profit and Loss Account, of the Profit for the period ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Place: Indore
Date : 25.06.2009

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



ANNEXURE REFERRED TO IN PARAGRAPH 'B' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PUREGENE BIOTECH LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Management has physically verified the fixed assets at reasonable intervals during the year and on the basis of the explanations given to us, no discrepancies were noticed on such verification.
(c) No substantial dispositions of fixed assets have taken place during the year which affects the going concern of company.
2. (a) In our opinion, physical verification of inventories has been conducted at reasonable interval by the management of the company.
(b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion, the Company is maintaining proper records of inventories and the discrepancies noticed on verification between the physical stock and book and book records were not significant and the same have been properly dealt with in the books of accounts.
3. (a) The Company has not granted any loan, Secured or unsecured, to any companies firms or other party covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, to the clauses (iii)(b), (iii)(c) and (iii)(d) of the paragraph 4 of the order are not applicable.

The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses (iii)(f) and (iii)(g) of the paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, and on such checks carried out during the course of Audit, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of stores, raw material, including components, plant and machinery, equipments, other assets, and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, these transactions with parties with whom transactions exceeding the value of Rupees Five Lakhs have been entered into during the financial year are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public and hence this clause is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with size and nature of the business.
8. As per explanations given to us, maintenance of Cost records U/s 209(1)(d) is not applicable to the Company.
9. (a) According to the information and explanations given to us and the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Sales Tax and other statutory dues applicable to it with the appropriate authorities.
(b) According to the information and explanations given to us and as per records of the Company, there are no disputes of dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty, and Cess which have not been deposited.



10. The Company has been registered for more than 5 years and has not accumulated losses at the end of the year, which is more than 50% of its net worth. The Company has not incurred cash losses in the current year, however incurred in the previous year. .
11. The Company had defaulted in the repayment of dues to Bank of Baroda as per the terms of sanction and had settled its entire loan of Bank of Baroda under a onetime compromise proposal and had paid its entire dues.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/ societies.
14. The Company is neither dealing nor trading in shares, securities, debentures and other investments, hence this clause is not applicable.
15. The Company has not given any Guarantee for loan taken by others from bank and financial institutions.
16. Based on information and explanations given to us by the management, no new term loan was obtained during the year.
17. *On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, the funds raised Rs. 200 Lakhs on short-term basis, which have been used for repayment of long-term loans to the banks.*
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any kind of debentures.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Place: Indore
Date : 25.06.2009

for KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	Rupees	31.03.2009 Rupees	31.03.2008 Rupees
(1) SOURCES OF FUNDS				
1. a) Share Holders Funds	01	14467000	14467000	14467000
2. LOANS FUNDS				
a) Secured Loan	02	0		
b) Unsecured Loans	03	0	0	27920892
TOTAL			14467000	42387892
(2) APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block		23689025		23689025
Less : Depreciation		6339293		5621055
b) Net Block	04	17349732	17349732	18067970
3. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	05	7366397		3797605
b) Sundry Debtors	06	4479086		5480739
c) Cash & Bank Balances	07	910123		1712477
d) Loan & Advances	08	2580335		2667647
		15335941		13658468
Less : CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	09	24435946		3481773
b) Fringe Benefit Tax		2845		702
c) Provisions		123708		104565
		24562499		3587040
4. NET CURRENT ASSETS			-9226558	10071428
DEFERRED TAX ASSETS			1358222	2294742
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
a) Preliminary & Preoperative			0	0
b) Profit & Loss Account			4985603	11953752
TOTAL			14467000	42387892

NOTES FORMING PART OF THE ACCOUNTS 16

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
DIRECTOR

K.S. BHATIA
DIRECTOR

Place : Indore
Date : 25th June 2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

Particulars	Schedule	31.03.2009 Rupees	31.03.2008 -Rupees
INCOME			
Sales (Net)		18366293	34346333
Income from Other Sources	10	0	0
Increase / (Decrease) in Stock		3568792	(6656554)
		21935085	27689779
EXPENDITURE			
Feeds & Material Purchase	11	20426209	24070721
Farm Expenses	12	455980	1170148
Administrative Exps.	13	1709081	1323262
Financial Expenses	14	10474	1911618
Selling & Distribution	15	27505	29275
Loss on Sales of Assets		0	0
Depreciation		745619	769892
		(1439783)	(1585137)
PROFIT / (LOSS) BEFORE TAX AND PRIOR PERIOD ITEMS			
Add (Less) : Extra Ordinary Item		9436620	0
Add (Less) : Prior Period Items		93006	(28323)
Add : Excess Depreciation W/B		27381	0
		8117224	(1613460)
TAXATION			
Less : Defered Tax Assets / Liability		936520	(746830)
Less : Income Tax Mat		209700	0
Less : Fringe Benefit Tax		2856	2099
		6968148	(2362389)
PROFIT / (LOSS) AFTER TAX			
LOSS BROUGHT FORWARD FROM LAST YEAR			
		(11953752)	(9591363)
PROFIT AVAILABLE FOR APPROPRIATION			
		(4985603)	(11953752)
APPROPRIATIONS :			
General Reserve		0	0
Balance carried to Balance Sheet		(4985603)	(11953752)
		(4985603)	(11953752)
EARNING PER EQUITY SHARE (FACE VALUE Rs. 10/- PER SHARE)			
Basic and Diluted		4.82	(1.12)
Basic and Diluted (Without Extra Ordinary Item)		(1.71)	(1.12)
NOTES FORMING PART OF THE ACCOUNTS	16		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KHANDELWAL KAKANI & CO.

Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
DIRECTOR

K.S. BHATIA
DIRECTOR

Place : Indore

Date : 25th June 2009



**SCHEDULES NO. 01 TO 16 ANNEXED TO AND FORMING PART OF
BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31st MARCH 2009.**

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
SCHEDULE - 01		
Authorised :		
15,00,000 Equity Shares of Rs.10/- each Issued subscribed and paid up	15000000	15000000
1446700 Equity Shares of Rs.10/- each Issued for consideration other than Ca : 2500000	14467000	14467000
Share application Money (Pending Allotment)	0	0
	14467000	14467000
SCHEDULE - 02		
a) SECURED LOANS :		
Bank of Baroda Term Loan account (Against first charge on Fixed Assets)	0	19405402
b) C.C. LOAN : (Against Hypothecation of Stock)	0	8515490
	0	27920892
SCHEDULE - 03		
UNSECURED LOANS		
From Other	0	0
	0	0
SCHEDULE - 04		
FIXED ASSETS		

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance As on 01.04.08	Addition during the year	Sales/ Deduction	Total As on 31.03.09	Up to 31.03.08	For the year	Excess Provision W/B	Up to 31.03.09	As on 31.03.08	As on 31.03.09
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	2194250	0	0	2194250	0	0	0	0	2194250	2194250
Building Factory	16969010	0	0	16969010	4274381	566765	0	4841146	12694629	12127864
Poultry Equipment	2201617	0	0	2201617	697303	104577	0	801880	1504314	1399737
Poultry Equipment (R& D)	966121	0	0	966121	273863	45891	0	319754	692258	646367
Computer Equipment	168912	0	0	168912	196293	0	27381	168912	-27381	0
Office Equipments	18122	0	0	18122	14634	2938	0	17572	3488	550
Furniture & Fixtures	40431	0	0	40431	13233	2559	0	15792	27198	24639
Electrical Installation	25450	0	0	25450	8403	1799	0	10202	17047	15248
Tubewell & Land Development	1066012	0	0	1066012	123972	17376	0	141348	942040	924664
Vehicle	39100	0	0	39100	18973	3715	0	22688	20127	16413
Total	23689025	0	0	23689025	5621055	745619	27381	6339293	18067970	17349732
Previous Year	23567735	121290	0	23689025	4851163	769892	0	5621055	18716572	18067970



SCHEDULE - 05

INVENTORIES

a) Parent Birds	4826250	1017188
b) Feed & Medicines	2540147	2780417
c) Hatching Eggs	0	0
	7366397	3797605

SCHEDULE - 06

SUNDRY DEBTORS

(Unsecured, considered good)		
Debts outstanding within six months	4479086	5480739
Other	0	0
	4479086	5480739

SCHEDULE - 07

CASH & BANK BALANCES

Cash on hand	896045	1706468
Punjab & Sindh Bank	844	0
ICICI Bank Ltd., Indore	13234	6009
	910123	1712477

SCHEDULE - 08

LOANS & ADVANCES :

(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	2294890	2382202
Deposits	285445	285445
	2580335	2667647

SCHEDULE - 09

a) Current Liabilities :

Sundry Creditors	24211938	3467936
P.F. Contribution Staff	7791	6319
Advance From Customers	6517	7518
Income Tax Mat Payable	209700	0
TDS payable	0	0
	24435946	3481773

b) Provisions :- For Expenses

123708	104565
123708	104565

Total (a + b) :

24559654	3586338
-----------------	----------------

SCHEDULE - 10

INCOME FROM OTHER SOURCES :

a) Interest Received	0	0
b) Miscellaneous Receipts	0	0
	0	0

SCHEDULE - 11

FEED AND MATERIALS :

a) Feed & Medicines	7733197	14620814
b) Store, Spares & Consumable	372167	632238
c) Parent Chicks	12320795	8732731
d) Carriage Inward	50	25788
e) Packing Material	0	59150
	20426209	24070721



SCHEDULE - 12

FARM EXPENSES :

a) Expenses at Farm	55968	71817
b) Power & Energy	142433	259258
c) Fuel Consumption	177769	692295
d) Light & water	7350	75660
e) Hatching Expenses	0	0
f) Building Repairs	72460	71118
g) Rearing Charges Parent Birds	0	0
	<hr/>	<hr/>
	455980	1170148
	<hr/>	<hr/>

SCHEDULE - 13

ADMINISTRATIVE EXPENSES :

a) Salary & Wages	1241336	1074498
b) General Office Expenses	312783	117208
c) Travelling & Conveyance	12985	10670
d) Audit Fees	11912	12135
e) Legal & Professional Expenses	21500	27786
f) P.F. Contribution	108565	80965
	<hr/>	<hr/>
	1709081	1323262
	<hr/>	<hr/>

SCHEDULE - 14

FINANCIAL EXPENSES :

a) Bank Charges & Commission	9077	14884
b) Interest on ATL	0	1888120
c) Interest on C.C. Loan	0	8346
d) Interest on late payment	1397	0
d) Interest to Others	0	268
	<hr/>	<hr/>
	10474	1911618
	<hr/>	<hr/>

SCHEDULE - 15

SELLING AND DISTRIBUTION EXPENSES

Despatch expense	0	10396
Vehicle Repair & Maintenance	0	18879
	<hr/>	<hr/>
	27505	29275
	<hr/>	<hr/>

**SCHEDULE - 16****NOTES FORMING PART OF ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2009****1. SIGNIFICANT ACCOUNTING POLICIES :****A) Method of Accounting:**

The Company maintains its accounts on accrual basis except insurance claims and claims on Parent Birds, Commercial Birds & Hatching eggs, sale of manure and gunny bags which are accounted on cash basis.

B) Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till the date of commencement of production.

C) Investment : Investment are stated at cost.**D) Valuation of Inventories :**

- i) Inventories of stores, medicines, feeds etc. are valued at cost and is determined using first in first out basis.
- ii) Hatching eggs are valued at estimated cost or net realisable value whichever is less.
- iii) Pure Line Birds & Grand Parent are valued at initial purchase price plus estimated cost of growing and overheads of birds live on balance sheet date.
- iv) Parent Stock of Birds are valued at purchase price plus the estimated cost of growing and overheads.
- v) Manure and Gunny Bags accounted for on actual sale basis.

E) Depreciation :

Depreciation on Fixed Assets has been charged on Straight Line Method on the rates prescribed in Schedule-XIV of the Companies Act, 1956 on prorata basis.

F) Research and Development Expenditure :

Revenue expenditure is charged to Profit and Loss Account and capital expenditure is added to the cost of Fixed Assets under relevant heads.

G) Retirement / Post Retirement Benefits

The company provides retirement benefits in the form of gratuity and leave encashment. As per Management's view, the liability as on 31.03.2009 is not a substantial liability on account of Employee's Turnover, hence not provided.

H) Contingent Liability :

Liabilities which are material and whose future outcome can not ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

I) Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Company Act, 1956.

(i) Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OP.STOCK		PROD. & PURCH.		TURNOVER		CL.STOCK	
	QTY. NOS.	VAL. Rs.('000)	QTY. NOS.	VAL. Rs.('000)	QTY. NOS.	VAL. Rs.('000)	QTY. NOS.	VAL. Rs.('000)
HATCHING EGGS	0 (7878)	0.00 (67.00)	0 (1675820)	-	0 (1683698)	0.00 (12120.60)	0 (0.00)	0.00 (0.00)
PARENT BIRDS	11537 (33480)	1017.19 (9422.00)	68510 (54102)	-	63797 (76045)	18140.28 (18959.00)	16250 (11537)	4826.25 (1017.19)
COMM & REJ. EGGS	0 (634)	0.00 (0.30)	323 (25269)	-	323 (25903)	0.30 (17.10)	0 (0)	0.00 (0.00)
OTHERS						225.77 (3249.60)		
TOTAL	11537	1017.19	68833		64120	18366.35	16250	4826.25
PREVIOUS YEAR	(41992)	(9489.30)	(1755191)		(1785646)	(34346.30)	(11537)	(1017.19)

**NOTE :**

1. Production/Purchase of Hatching Eggs is net off smashed, rejected.
2. Purchase/ Production of Birds is net off Mortality/Adjustment.
3. Figures shown below in brackets represents previous year figures.

(ii) a. RAW - MATERIAL :

CONSUMED	QUANTITY (IN M.T.)		VALUE (RS. IN '000)	
	2008-2009	2007-2008	2008-2009	2007-2008
MIXED FEEDS	592	1100	6519	14511
INDIGENOUS & IMPORTED				
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-

b. VALUE OF RAW MATERIAL AND STORES (INCLUSIVE SPARE PARTS-COMPONENTS) CONSUMED

	VALUE (RS IN '000)				VALUE (RS. IN '000)			
	2008-2009		2007-2008		2008-2009		2007-2008	
	RAW MAT. VAL.	ST. & SP. %	RAW MAT. VAL.	ST. & SP. %	RAW MAT. VAL.	ST. & SP. %	RAW MAT. VAL.	ST. & SP. %
INDIGENOUS	6519	100%	372	100%	14511	100%	632	100%
IMPORTED	-	-	-	-	-	-	-	-

	2008-2009	2007-2008
a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	-	-
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

II. NOTES ON ACCOUNTS

- A) In the opinion of the Board of Directors, Fixed Assets, Current Assets, Loans & Advances are approximately of the value as stated, if realised in the ordinary course of business except otherwise specified. The provisions for all known liabilities are adequate and not in excess of amount which is reasonably necessary.
- B) As per information given by the management, Excise Duty is not applicable to the company.
- C) All Balances of sundry debtors and creditors are subject to confirmation.

D) The company has identified Deferred Tax Assets/ Liabilities complying with AS-22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountants.

	As at 31.03.2009 (Rs. in lacs)	As at 31.03.2008 (Rs. in lacs)
(A) Deferred Tax shown in the Previous Year Balance Sheet	22.95	30.42
(B) The Adjustment for Deferred Tax Assets/Liabilities for the current year has been made as under		
i) Deferred Tax Liabilities on account of depreciation difference as per Companies Act, 1956 and Income Tax Act, 1961 for the year	-0.64	-0.99
ii) Deferred Tax Assets on account of difference in Taxable income and Accounting income		
iii) Reversal of portion of Opening of Deferred Tax asset on account of set off carry forward loss & other adjustments	-8.73	-6.48
Deferred Tax Assets shown in the P&L A/C	-9.37	-7.47
Net Deferred Tax asset as shown in Balance Sheet	13.58	22.95



E) Earning Per Share

Basic & Diluted earning per equity share are recorded in accordance with AS-20 "Earnings Per Share". Basic and diluted earnings per equity share are calculated by dividing Net profit after tax of Rs.69.68lacs by 1446700 equity shares (Face value of Rs.10/- each)

Basic & Diluted earning per share (Without adjustments for Extra Ordinary Items)are calculated by dividing Rs24.68 lacs i.e.Net Loss after tax but before extraordinary items by 1446700 equity share(face value Rs.10/-each.)

F) Related parties disclosures :

- 1 Relationship
- | | |
|---|--|
| <p>(a) Holding Companies
Simran Farms Limited</p> <p>(b) Key Management Personnel:
Mr. Harendar Singh Bhatia
Director
Mr. Gurmeet Singh Bhatia
Director</p> | <p>(c) Relatives of key management personnel and their enterprises where transaction have taken place:
Mr. Sumeet Singh Bhatia
Singh Poultry
Simran Hatcheries
Simran Hatcheries Ltd.
Early Bird Hatcheries
Simfa Labs Pvt.Ltd.
Singh Hatcheries</p> |
|---|--|

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

2 Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of Transaction	Related Parties (Rs. in Lacs)		
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above
Purchase	0.00		125.40
Sales	181.235		0.00
Finance			
Outstanding			
Payable			237.99
Receivable	38.68		0.54

G) PAYMENTS TO AUDITORS :

	<u>2008-2009</u>	<u>2007-2008</u>
1. As Auditors	11912	12135
	<u>11912</u>	<u>12135</u>

H) DISCLOSURE UNDER MICRO, SMALL & MEDIUM SCALE ENTERPRISE DEVELOPMENT ACT, 2006

The Company has initiated the process of identification Micro, Small & Medium Scale Enterprises covered under Micro, Small & Medium Enterprises Act, 2006. In view of large number of suppliers and non receipt of critical inputs & response from several such potential parties, the liability of interest if any, can not be reliably estimated. In the Management's view, the company will not be liable to pay interest as prescribed under the Micro, Small & medium Scale Enterprise development Act, 2006.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
DIRECTOR

K.S. BHATIA
DIRECTOR

Place : Indore
Date : 25th June 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
A. CASH FLOW FROM OPERATING SYSTEM:		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	(1412402)	(1615559)
Add : Depreciation	745619	769892
Interest Paid	1397	1896734
Prior Period Adjustment	93006	0
	(572380)	1051067
Less: Income Tax paid during the year	209700	0
Fringe Benefit Tax	2856	0
Excess Depreciation	27381	0
	239937	0
Operating Profit before Working Capital Change	a (812317)	1051067
Add : Inventories	0	6656554
Loans & Advance	87312	0
Current Liabilities	20975459	0
Trade Receivable	1001653	20587113
	b 22064424	28294734
Less : Inventories	3568792	0
Loans & Advance	0	30968
Trade Receivable	0	0
Current Liabilities	0	17729062
	c 3568792	17760030
Net Cash in Flow from Operating Activities before Extra Ordinary Item	(a+b-c) 17683315	10534704
Add : Extra Ordinary Item	9436620	0
Net Cash in Flow from operating activities	A 27119935	10534704
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add: Sale of Fixed Asset	0	0
Less : Purchase of Assets	0	121290
Net Cash in Flow from Investing Activities	B 0	(121290)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceed From :		
Add: Term Loan (Bank of Baroda)	0	0
C.C. Loan	0	0
Issue of Capital	0	0
	a 0	0
Repayment of Loan :		
Less : Interest paid	1397	1896734
Term Loan (Bank of Baroda)	19405402	7911880
C.C. Loan	8515490	549075
Unsecured Loan	0	0
	b 27922289	10357689
Net Cash Generated in Financial Activities	C (a-b) (27922289)	(10357689)
Net increase in Cash & Cash Equivalents	(A+B+C) (802354)	55725
Add: Cash and Cash Equivalents (Opening)	1712477	1656752
CASH & CASH EQUIVALENTS (CLOSING)	910123	1712477



AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Puregen Biotech Ltd. For the period ended 31st March 2009. The statement has been prepared from the audited accounts of the Company in accordance with requirements of Accounting Standard -3 "Cash Flow Statements" issued by ICAI & is Based on and agreement with corresponding Profit and Loss Account and Balance Sheet of the company.

For and on behalf of Board

For KHANDELWAL KAKANI & CO.

Chartered Accountants

SANTOSH DESHMUKH

PARTNER

H.S. BHATIA

DIRECTOR

K.S. BHATIA

DIRECTOR

Place : Indore

Date : 25th June 2009

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details:

Registration	10-13303-1999
State Code	10.00
Balance Sheet Date	31st March 2009

2. Capital Raised during the year:

Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-

3. Position of Mobilisation and Development of Funds:

Total Liabilities	144.67
Total Assets	144.67

Source of Funds:-

Paid-Up Capital	144.67
Reserve & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	NIL

Application of Funds:-

Net Fixed Assets	173.50
Investments	NIL
Net Current Assets	-92.27
Miscellaneous Expenditure	NIL

4. Performance of Company:

Turnover	183.66
Extra Ordinary Income	94.37
Total Expenditure	196.86
Profit (loss) before Tax	81.17
Profit (loss) after Tax	69.68
Earning Per Share	4.82

5. General Name of Principal Products Services of the Company:

Item Code No.	40700.09
Product Description	Hatching Eggs

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KHANDELWAL KAKANI & CO.

Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH

PARTNER

H.S. BHATIA

DIRECTOR

K.S. BHATIA

DIRECTOR

Place : Indore

Date : 25th June 2009

**AUDITOR'S REPORT**

To,
The Members of
Simran Farms Ltd.,
Indore (M.P.)

We have audited the annexed Consolidated Balance Sheet SIMRAN FARMS LIMITED and its subsidiary (the group) Indore as at 31st March 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statement have been prepared by the Simrans management in accordance with requirements of Accounting Standard 21, Consolidated Financial Statement, issued by the Institute of Chartered Accountants of India.

That Company has not quantified/provided the amount of Gratuity and accrued leave encashment as on 31.03.2009 as required as per "Accounting Standard (AS) 15" (Revised 2005) of Institute of Chartered Accountants of India.

Subject to above and our comments in the annexure referred to in paragraph 2 above:

- In our opinion and to the best of our information and according to the explanations given to us, and read together with other notes thereon, gives information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - a) In the case of the Consolidated Balance Sheet of the State of Affairs of the Company as at 31st March, 2009 and
 - b) In the case of Consolidated Profit and Loss Account, of the Profit for the period ended on that date.
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date

Place: Indore
Date : 25.06.2009

for KHANDLWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER



CONSOLIDATED BALANCE SHEET AS AT 31st March, 2009

Particulars	Schedule	Rupees	31.03.2009 Rupees	31.03.2008 Rupees
(1) SOURCES OF FUNDS				
i. a) Share Holders Funds	01	37917000		
b) Reserves & Surplus	02	61007607	98924607	71060899
			1659202	454409
MINORITY INTEREST				
ii. LOAN FUNDS				
a) Secured Loan	03	2124235		
b) Unsecured Loan	04	0	2124235	58051017
TOTAL			102708044	129566325
(2) APPLICATION OF FUNDS				
i. Fixed Assets				
a) Gross Block		141293964		
Less : Depreciation upto date		53772306		
b) Net Block	05	87521658		85230300
c) Capital work in progress		754892	88276550	0
			1189000	1189000
ii. INVESTMENTS				
(3) CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	07	88388073		46653568
b) Sundry Debtors	08	62466974		46756214
c) Cash & Bank Balances	09	5909832		4937183
d) Loan & Advances	10	10595635		5193428
		167360514		103540393
Less : CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	11	141098828	19438229	42856515
b) Provisions		6823457	(6195734)	290510
		147922285		60683878
(4) NET CURRENT ASSETS			19438229	42856515
(5) DEFERRED TAX ASSETS			(6195734)	290510
MISCELLANEOUS EXPENDITURE				
TOTAL			102708044	129566325
NOTES FORMING PART OF ACCOUNTS	18			

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR **KHANDELWAL KAKANI & CO.**
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore

Date : 25th June 2009.



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st March 2009

Particulars	Schedule	31.03.2009 12 Months Rupees	31.03.2008 12 Months Rupees
INCOME			
Sales (Net)		713066085	295919891
Other Sources	12	10008910	11962417
Increase / (Decrease) in Stock		41734505	12903539
		764809500	320785847
EXPENDITURE			
Feeds & Material Purchase	13	657104923	269900379
Farm Expenses	14	50365544	18934652
Administrative Exps.	15	21397354	12599658
Financial Expenses	16	873100	5445618
Selling & Distribution	17	5865071	5170746
Depreciation		5781104	5245006
Loss on Investment		0	700000
		23422405	2789788
PROFIT/ (LOSS) BEFORE TAXATION AND PRIOR PERIOD ITEMS			
ADD : Extra Ordinary Item		16854411	0
ADD : Prior Period Items		714463	28323
ADD : Excess Depreciation W/B		29586	0
		41020865	2761465
PROFIT / (LOSS) BEFORE TAX			
LESS : Income Tax		5184824	278861
LESS : Deferred Tax Liability		6486244	179936
LESS : Fringe Benefit Tax		281297	112256
		29068500	2550284
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST			
LESS : MINORITY INTEREST		1204793	408457
		27863707	2958741
PROFIT BROUGHT FORWARD FROM LAST YEAR'S			
		(5587103)	(8545844)
PROFIT AVAILABLE FOR APPROPRIATION			
		22276604	(5587103)
APPROPRIATIONS :			
General Reserve		0.00	0.00
Balance carried to Balance Sheet		22276604	(5587103)
EARNING PER EQUITY SHARE (FACE VALUE RS. 10/- PER SHARE)			
Basic and Diluted		7.35	0.73
Basic and Diluted (Without Extra Ordinary Item)		2.90	0.73
NOTES FORMING PART OF THE ACCOUNTS	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHANDELWAL KAKANI & CO.
Chartered Accountants

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
MANAGING DIRECTOR

G.S. BHATIA
DIRECTOR

Place : Indore
Date : 25th June 2009.

SCHEDULE NO. 01 TO 18 ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31st March 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
SCHEDULE - 01		
SHARE CAPITAL		
Authorised :		
60,00,000 Equity Shares of Rs.10/- each	60000000	60000000
Issued subscribed and paid up		
37,91,700 Equity Shares of Rs.10/- each	37917000	37917000
	37917000	37917000

Note: Out of above 2.00 lacs Equity Shares are allotted as fully paid by way of bonus shares in the year 1993-94.

SCHEDULE - 02**RESERVE AND SURPLUS**

	OP. BAL.	DEDUCTIONS/ ADJUSTMENTS	ADDITION/ ADJUSTMENTS	CLOSING BALANCE
Utilised Investment Allo. Res	54437 (54437)	-	-	54437 (54437)
General Reserve	21718066 (21718066)			21718066 (21718066)
Profit & Loss Account	(5587103)		27863707 (2958740)	22276604 (5587104)
Share Premium Capital	16958500 (16958500)	-	-	16958500 (16958500)
TOTAL	33143900		27863707	61007607
Previous Year (Total)	30185159	0	(2958740)	(33143900)

Note : Previous year figure have been shown in bracket.

SCHEDULE - 03**a) SECURED LOANS :**

Bank of Baroda		
Term Loan account	0	31133778

b) C.C. LOAN :

(Against Hypothecation of Stock & Book Debts)	0	26748215
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c) Vehicle Loans (First Charge on Trucks & Cars)	2124235	0
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d) Secured Loans From Parties	0	169024
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	2124235	58051017
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SCHEDULE - 04**UNSECURED LOANS**

	0	0
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	0	0
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**SCHEDULE - 05
FIXED ASSETS**

Particulars	GROSS BLOCK			Balance As on 31.03.2009	DEPRECIATION				NET BLOCK	
	Balance 01.04.2008	Addition during the year	Sales/ Deduction		Up to 31.03.2008	For the year	Excess Pro.	Up to 31.03.2009	As at 31.03.2008	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	5070217	0	0	5070217	0	0	0	0	5070217	5070217
Tube Well & Land Development	3506173	98886	0	3605059	435304	58543	0	493847	3070869	3111212
Building(off. & staff)	2812939	0	0	2812939	513724	45851	0	559575	2299215	2253364
Poultry Equipments	50599827	3339781	0	53939608	17946415	2449945	0	20396360	32653412	33543248
Furniture & Fixtures	4125802	335793	0	4461595	2026906	274874	0	2301780	2098896	2159815
Vehicle	396652	33700	0	430352	330605	38216	0	368821	66047	61531
Motor Car	1287932	3375950	0	4663882	654939	275616	0	930555	632993	3733327
Electrical Installation	3584202	178918	0	3763120	2439362	254457	0	2693819	1144840	1069301
Building (Farm)	54146920	0	0	54146920	18173018	1808507	0	19981525	35973902	34165395
Computer Equipment	2508827	452055	0	2960882	2213576	90743	27381	2276938	295251	683944
Office Equipment	1069282	224798	0	1294080	832630	79308	0	911938	236652	382142
Poultry Equipments(R&D)	966121	0	0	966121	273863	45891	0	319754	692258	646367
Cycle A/C	2975	5200	0	8175	70	511	0	581	2905	7594
Eicher Truck	3171015	0	0	3171015	2178171	358642	0	2536813	992844	634202
Total	133248884	8045081	0	141293964	48018584	5781104	27381	53772306	85230300	87521659
Previous Year	124812601	8436283	0	133248883	42773578	5245006	0	48018583	82039023	85230300

**SCHEDULE - 06****INVESTMENT**

(UNQUOTED)

Simran Hatcheries Ltd.	1189000.00	1189000.00
Simran Securities Ltd.	0.00	0.00

1189000.00	1189000.00
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SCHEDULE - 07**INVENTORIES**

a) Parent Birds	33420751.00	25535742.00
b) Feed & Medicines	29180482.00	10877387.00
c) Hatching Eggs	991050.00	676998.00
d) Commercial Chicks	24795790.00	9563441.00

88388073.00	46653568.00
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SCHEDULE - 08**SUNDRY DEBTORS**

(Unsecured, considered good)

Debts outstanding within six months	43078546.85	33672625.39
Other	19388426.57	13083589.03

62466973.42	46756214.42
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SCHEDULE - 09**CASH & BANK BALANCES**

Cash on hand	3886666.10	4720703.00
Canara Bank	6856.00	6968.00
Bank of Baroda	551969.00	0.00
Punjab & Sind Bank	844.00	0.00
ICICI Bank, Indore	1463496.93	209512.31

5909832.03	4937183.31
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SCHEDULE - 10**LOANS & ADVANCES :**

(Unsecured considered good)

Advances recoverable in cash or in kind or for value to be received	7034322.00	3915724.00
Deposits	1387676.27	1277703.50
Income Tax Mat Receivable	173637.00	0.00
Advance Income Tax	2000000.00	0.00

10595635.27	5193427.50
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**SCHEDULE - 11****a) Current Liabilities :**

Sundry Creditors	126359590.28	53336373.68
Punjab & Sindh Bank	5360990.00	0.00
Advances from Customers	616249.00	524618.00
P.F. Cont. (Employees)	69657.00	44887.00
Professional Tax (Staff)	123005.00	101505.00
Fringe Benefit Tax Payable	281286.00	110157.00
Rearing Charges Receivable	1185346.00	0.00
Income Tax Mat Payable	209700.00	0.00
Service Tax Payable	26721.00	26721.00
Income Tax Payable	6475046.81	0.00
Entry Tax Payable After Assessment	0.00	1499923.00
TDS payable	391237.62	265632.00
	141098828.71	55909816.68

b) Provisions : For Expenses

6823457.00 4774061.00

Total (a + b) :

147922285.71 60683877.68**SCHEDULE - 12****OTHER SOURCES :**

a) Interest from Bank	0.00	0.00
b) Miscellaneous Receipts	5008.00	0.00
c) Hire Charges	480000.00	480000.00
d) Rearing Charges	9439532.00	11305057.00
e) Transportation Income	54730.00	157600.00
f) Interest Received MPEB	29640.00	19760.00
	10008910.00	11962417.00

SCHEDULE - 13**FEED AND MATERIALS :**

a) Feed & Medicines	491772788.62	186056431.00
b) Store, Spares & Consumable	10490668.00	5316567.00
c) Parent Birds	33389019.00	49505497.00
d) Packing Material	2197937.00	1848657.00
e) Carriage Inward	13676250.00	4484174.00
f) Chicks	102219230.00	35599936.00
g) Cull Bird	3359030.00	3855880.00
	657104922.62	286667142.00

SCHEDULE - 14**FARM EXPENSES :**

a) Expenses at Farm	2485085.00	1939383.00
b) Power & Energy	4887873.00	4118738.00
c) Fuel Consumption	4558784.00	3525421.00
d) Light & Water Charges	2797782.00	1610984.00
e) Farm Rent	4226821.00	3213431.00
f) Repair & Maintenance	72460.00	71118.00
g) Hatching Expenses	0.00	1775.00
h) Rearing Charges	31336738.70	4453802.00
	50365543.70	18934652.00

**SCHEDULE - 15****ADMINISTRATIVE EXPENSES :**

a) Salary, Wages & Bonus	11465499.00	7764937.00
b) Contribution to P.F.	724125.00	408733.00
c) General Office Expenses	3730269.00	2226254.00
d) Travelling & Conveyance	2721803.00	918486.22
e) Remuneration to Director	1200000.00	600000.00
f) Remuneration to Vice President	350000.00	0.00
g) Certification Fee	13485.00	13485.00
h) Audit Fees	100152.00	59326.00
i) Legal & Professional Expenses	378560.00	377818.00
j) Registration & Licence Fee	27400.00	0.00
k) Club Fee	35100.00	0.00
l) Foreign Tour Expenses	445222.00	0.00
m) Training Fee	50000.00	0.00
n) Penalty	7520.00	0.00
o) Supervision Incentive	0.00	43136.00
p) Entry Tax Payable after Assessment	148219.00	163960.00
	21397354.00	12599658.22

SCHEDULE - 16**FINANCIAL EXPENSES :**

a) Bank Charges & Commission	551297.58	190078.35
b) Interest	247335.00	5235074.00
c) Interest on Late Payment	74467.00	20466.00
	873099.58	5445618.35

SCHEDULE - 17**SELLING AND DISTRIBUTION EXPENSES**

a) Forwarding Expenses	4815672.00	4666006.00
b) Advertisement & Publicity	30838.00	44090.00
c) Vehicle Repair & Maintenance	746277.00	414633.00
d) Sales Promotion Expenses	126802.30	35621.00
e) Despatch Expenses	0.00	10396.00
f) Technical Seminar Expenses	145482.00	0.00
	5865071.30	5170746.00

**SCHEDULE - 18****NOTES FORMING PART OF ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2009****1. SIGNIFICANT ACCOUNTING POLICIES :****A) Method of Accounting:**

The Company maintains its accounts on accrual basis except insurance claims and claims on Parent & Commercial Birds & Hatching eggs, sale of manure and gunny bags which are accounted on cash basis.

B) Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses erection / commissioning expenses and preliminary and pre-operative expenses till the date of commencement of production.

C) Investment : Investment are stated at cost.**D) Valuation of Inventories :**

i) Inventories of stores, medicines, feeds etc. are valued at cost and is determined using first in first out basis.

ii) Hatching eggs are valued at estimated cost or net realisable value whichever is less.

iii) Pure Line Birds & Grand Parent are valued at initial purchase price plus estimated cost of growing and overheads of birds live on balance sheet date.

iv) Parent Stock of Birds are valued at purchase price plus the estimated cost of growing and overheads

v) Manure and Gunny Bags accounted for on actual sale basis.

E) Depreciation :

Depreciation on Fixed Assets has been charged on Straight Line Method on the rates prescribed in Schedule-XIV of the Companies Act, 1956 on prorata basis.

F) Research and Development Expenditure :

Revenue expenditure is charged to Profit and Loss Account and capital expenditure is added to the cost of Fixed Assets under relevant heads.

G) Retirement / Post Retirement Benefits

The company provides retirement benefits in the form of gratuity and leave encashment. As per Managements view, the liability as on 31.03.2009 is not a substantial liability on account of Employee's Turnover, hence not provided.

H) Taxation :

(i) The provision for current tax is based on assessable profit of the company computed in accordance with the Income Tax Act 1961.

(ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted as of the Balance Sheet Date.

I) Contingent Liability :

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.



J) Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

(i) Details of Products manufactured for Sales, Turnover, Stocks and Raw Materials consumed etc.

PRODUCTS	OP STOCK		PROD & PURCH		TURNOVER		CL. STOCK	
	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)	QTY NOS.	VALUE Rs.('000)
HATCHING EGGS	97096 (179837)	672.79 (1528.70)	20020339 (15517596)	-	19986364 (15600337)	144017.92 (112060.60)	131071 (97096)	983.03 (672.79)
PARENT BIRDS	98580 (109632)	25535.79 (21032.80)	267894 (276447)	-	236334 (287499)	34421.71 (41781.44)	130140 (98580)	28594.50 (25535.79)
COMM & REJ. EGGS	8472 (6680)	4.20 (3.30)	694075 (629029)	-	686512 (626603)	738.46 (389.20)	16035 (8472)	8.02 (4.20)
COMMERCIAL BROILER	509397 (121513)	9563.44 (3558.60)	6602990 (220659)	-	6064778 (1818775)	511640.72 (137731.00)	1047609 (509397)	24795.79 (9563.44)
OTHERS						22247.34 (3957.60)		
TOTAL	713545	35776.22	27585298		26973988	713066.15	1324855	54381.34
PREVIOUS YEAR	(417662)	(26123.40)	(16643731)		(18333214)	(295919.84)	(713545)	(35777.22)

NOTE :

1. Production/Purchase of Hatching Eggs is net off smashed and rejected.
2. Purchase of Parent birds & Commercial Bird is net off Mortality/Adjustment
3. Figures shown in brackets below represents previous year figures.

II. a. RAW - MATERIAL :

	QUANTITY (IN M.T.)		VALUE (RS. IN '000)	
	2008-2009 (12 Months)	2007-2008 (12 Months)	2008-2009 (12 Months)	2007-2008 (12 Months)
MIXED FEEDS INDIGENOUS & IMPORTED	29543	13530	454714	176978
(INDIGENOUS)	100%	100%	100%	100%
(IMPORTED)	-	-	-	-

b. VALUE OF RAW MATERIAL AND STORES (INCLUSIVE SPARE PARTS-COMPONENTS) CONSUMED

	VALUE (In '000)				VALUE (In '000)			
	2008-2009		2007-2008		2008-2009		2007-2008	
	(12 Months)		(12 Months)		(12 Months)		(12 Months)	
	RAW MAT.		ST. & SP.		RAW MAT.		ST. & SP.	
	VAL.	%	VAL.	%	VAL.	%	VAL.	%
INDIGENOUS	454714	100%	10497	100%	176978	100%	5317	100%
IMPORTED	-	-	-	-	-	-	-	-

	2008-09	2007-08
a) Value of imports CIF basis accounted during the year.	-	-
b) Expenditure in Foreign currency	312000	-
c) Earning in Foreign Exchange.	-	-
d) Particulars relating to non-residential Share-holders.	-	-

iv) Previous figures have been regrouped or rearranged wherever necessary.



II. NOTES ON ACCOUNTS

- A) In the opinion of the Board of Directors, Fixed Assets, Current Assets, Loans & Advances are approximately of the value as stated, if realised in the ordinary course of business except otherwise specified. The provisions for all known liabilities are adequate and not in excess of amount which is reasonably necessary.
- B) The disputed outstanding Income Tax Demand pertaining to Assessment Year 1994-1995 to 1997-1998 of Rs.12.21 Lacs in respect of disallowances of claims u/s 80 I & 80HHA has been confirmed against the company by the Income Tax Appellate Tribunal and accordingly the liability in respect of these years has been paid/ provided in full in earlier years. The Company is litigating the matter before the Hon'ble High Court of M.P.

C) Contingent Liability

As per information given by the Management, Excise-Duty is not applicable to the Company.

- D) All Balances of Sundry Debtors and Creditors are subject to confirmation.
- E) **The company has identified Deferred Tax Assets/Liabilities complying with AS-22 "Accounting for Taxes on Income issued by Institute of Chartered Accountant of India.**

1) Deffered Tax (Simran Farms Ltd.)	<u>As at 31.03.2009</u> (Rs. in lacs)	<u>As at 31.03.2008</u> (Rs. in lacs)
(a) Deferred Tax Liability on account of :		
(i) Depreciation	296.20	286.92
	<u>296.20</u>	<u>286.92</u>
(b) Deferred Tax Asset on account of :		
(i) Unabsorbed Depreciation & carry forward Loss	4.90	158.85
(ii) Others [Disallowance U/s 43B & 40(a)]	112.83	112.83
	<u>117.73</u>	<u>271.68</u>
 2) Deferred Tax (Puregene Biotech Ltd.)		
	<u>As at 31.03.2009</u> (Rs. in lacs)	<u>As at 31.03.2008</u> (Rs. in lacs)
(A) Defered Tax shown in the Previous Year Balance Sheet	22.95	30.42
(B) The Adjustment for Defered Tax Assets/ Liabilities for the current year has been made as under		
i) Deffered Tax Liabilities on account of depreciation difference as per companies Act 1956 and Income Tax Act, 1961 for the year	-0.64	-0.99
ii) Deffered Tax Asset on account of disallowance Taxable income and Accounting income		
iii) Reversal of portion of Opening of Deffered Tax asset on account of set off carry forward loss & other adjustment	-8.73	-6.48
 Deffered Tax Asset shown in the P&L A/C	-9.37	-7.47
Net Deffered Tax assets as shown in Balance Sheet	13.58	22.95

Note: During the year there is creation of Deferred Tax Liability amounting to Rs. 64.86 Lacs on account of above. The Net creation of Deferred Tax Liability of Rs. 64.86 Lacs for the year has been recognised in the profit & loss account.

F) Earning Per Share

Basic & Diluted earning per equity share have been worked out in accordance with AS-20 "Earnings Per Share". Basic and diluted earnings per equity share have been calculated by dividing Net Profit after tax of Rs.278.63 lacs by 3791700 equity shares (Face value of Rs.10/- each)

Basic & Diluted earning per share (Without adjustment for deferred tax)are calculated by dividing Rs.110.09 lacs i.e.Net Profit after tax but before provision for deferred tax by 3791700 equity share (face value Rs.10/-each.)



g) 1. Related parties disclosures :

(a) Key Management Personnel :

Mr. Harinder Singh Bhatia
Managing Director
Mr. Gurdeep Singh Bhatia
Director
Mr. Kanwaljeet Singh Bhatia
Executive Director
Gurmeet Singh Bhatia
Vice President

(b) Relatives of key management personnel and their enterprises where transaction have taken place :

Mrs. Amarjeet Kaur Bhatia
Mrs. Surinder Kaur Bhatia
Mrs. Rajinder Kaur Bhatia
Mr. Amarjeet Singh Bhatia (HUF)
Mr. Sumeet Singh Bhatia
Simran Feeds (P) Ltd.
Simran Poultry
Singh Poultry
Simran Hatcheries
Simran Securities Ltd.
Simran Hatcheries Ltd.
Early Bird Hatcheries
Simfa Labs Pvt. Ltd.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of Transaction	Related Parties (Rs. in lakhs)	
	Referred in 1 (a) above	Referred in 1 (b) above
Purchase		1420.1
Sales		1806.43
Expenses		
Director Remuneration	12.00	
Remuneration to Vice President	3.50	
Office Rent		2.52
Tractor Rent		0.96
Lease Rent		2.40
Telephone Charges		3.91
Eicher Motor Hire Charges		4.24
Auto Hire Charges	0.72	
Finance		
Outstanding		
Payable		353.84
Receivable		502.65
H) PAYMENT TO ADUDITORS :		
	2008-2009	2007-2008
1. As Auditors	100152	59326
2. As per certification	13485	13485
	113637	72811

I) DISCLOSURE UNDER MICRO, SMALL & MEDIUM SCALE ENTERPRISE DEVELOPMENT ACT, 2006

The Company has initiated the process of identification Micro, Small & Medium Scale Enterprises covered under Micro, Small & Medium Enterprises Act, 2006. In view of large number of suppliers and non receipt of critical inputs & response from several such potential parties, the liability of interest if any, can not be reliably estimated. In the Management's view, the company will not be liable to pay interest as prescribed under the Micro, Small & medium Scale Enterprise development Act, 2006.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR KHADELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

G.S. BHATIA
DIRECTOR

H.S. BHATIA
MANAGING DIRECTOR

Place : Indore

Date : 25th June, 2009



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
A CASH FLOW FROM OPERATING SYSTEM :		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEM	23451991	2759365
Add : Depreciation	5781104	5245006
Prior Period Adjustment	714463	0
Interest Paid	321802	5235074
	30269360	13239445
Less : Income Tax paid during the year	5184824	389018
Fringe Benefit Tax	281297	0
Excess Depreciation	27381	0
	5493502	389018
Operating Profit before Working Capital Change	a 24775858	12850427
Add : Inventories	0	6656554
Loans and Advance	87312	689983
Trade Payable	0	449138
Trade Receivable	1001653	20587113
Other Current Liabilities	90640875	29204620
	b 91729840	57587408
Less : Inventories	41734505	19560093
Loans & Advances	5489519	30968
Trade Receivable	20114879	0
Other Current Liabilities	0	17729062
	c 67338903	37320123
Net Cash inflow from Operating Activities before Extra Ordinary Item	(a+b-c) 49166795	33117712
Add : Extra Ordinary Item	16854411	0
Net Cash inflow from Operating Activities	A 66021206	33117712
B. CASH FLOW FROM INVESTING ACTIVITIES		
Add : Sale of Fixed assets	0	700000
Write-off of Investment	0	18250
Less : Purchase of Assets	8045081	8454533
Capital Work in Progress	754892	0
Net Cash inflow from Investing Activities	B (8799973)	(7736283)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Add : Proceed From :		
C.C. Loan & Term Loan (Bank of Baroda)	0	545923
Unsecured Loan	0	0
Vehicle Loan	2550000	169024
	a 2550000	714947
Less : Repayment of Loan		
Interest Paid	248732	5235074
Vehicle Loan	425765	684838
Term Loan	31133778	18171491
C.C. Loan	26748215	549075
Secured Loans From Parties	169024	0
Interest Paid on late payment	73070	0
	b 58798584	24640478
NET CASH GENERATED FROM FINANCIAL ACTIVITIES	C (a-b) (56248584)	(23925531)
NET INCREASE IN CASH & CASH EQUIVALENTS	(A+B+C) 972649	1455898
Add : Cash & Cash equivalents (opening)	4937183	3481285
CASH & CASH EQUIVALENTS (CLOSING)	5909832	4937183



AUDITOR'S CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of Simran Farms Ltd. for the period ended 31st March 2009. The statement has been prepared from the audited accounts of the Company in accordance with requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and agreement with corresponding Profit and Loss Account and Balance Sheet of the company.

For KHANDELWAL KAKANI & CO.
Chartered Accountants

For and on behalf of Board

SANTOSH DESHMUKH
PARTNER

H.S. BHATIA
CHAIRMAN - MANAGING DIRECTOR

Place : Indore

Date : 25th June 2009



ATTENDANCE SLIP

I hereby record my presence at the 22nd Annual General Meeting of the members of Simran Farms Limited to be held on Thursday the 24th of September, 2009 at 10.00 A.M. at Sindoor Marriage Hall, Bhanwarkuan Road, Indore.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to this meeting and hand it over at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

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**SIMRAN FARMS LIMITED, INDORE
PROXY FORM**

Folio No. _____

I/Weof
 in the district of being a member/members of
 the above named Company hereby appoint of in the
 of failing him of in the district of as my/our proxy to
 attend and vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on
 Thursday the 24th of September, 2009 and at any adjournment thereof.

Signed this day of 2009

Affix Rs. 1 revenue Stamp here

Reference Folio
Signature

No. Of Shares held

This form is to be used *in favour of the resolution. Unless otherwise instructed, the Proxy will act as be déems fit.

NOTE:

The Proxy must be returned so as to reach the Registered Office of the Company, 1-B, Vikas Rekha Complex, Indore - 452 001 not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

The Proxy need not be a member.

BOOK-POST

To,

If undelivered, please return to :

SIMRAN FARMS LIMITED

Corporate Office : 1-B, Vikas Rekha Complex,
Khatiwala Tank, Indore 452 001 (M.P.)