

ANNUAL REPORT

2008 - 2009



Sunil Agro Foods Limited

**SUNIL AGRO FOODS LIMITED
TWENTY FIRST ANNUAL GENERAL MEETING 2008-09**

CONTENTS :

NOTICE	01
DIRECTORS' REPORT	03
CORPORATE GOVERNANCE	05
SECRETARIAL COMPLIANCE CERTIFICATE ...	10
AUDITORS' REPORT	13
BALANCE SHEET	16
PROFIT & LOSS ACCOUNT	17
CASH FLOW STATEMENT	18
SCHEDULES	19
BALANCE SHEET ABSTRACT	36

BOARD OF DIRECTORS:

Mr. B. Shantilal	Managing Director
Mr. Pramodkumar S	Executive Director
Mr Sunil Jain	Wholetime Director
Mr. AVS Murthy	Director
Mr. Shailesh Siroya	Director

REGISTERED OFFICE & FACTORY

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

CORPORATE OFFICE

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

AUDITORS

Messrs. MSSV & Co.
Chartered Accountants
Bangalore.

BANKERS

HDFC Bank Ltd.
Seshadripuram Branch, Bangalore

SHARE TRANSFER AGENTS

Alpha Systems Private Limited
Bangalore.

SUNIL AGRO FOODS LIMITED

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

NOTICE

NOTICE is hereby given that the TWENTY FIRST Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Plot No. 39/A2, Hosakote Industrial Area, Chokkahally, Hosakote -562114 at 11.00 am on Saturday, the 5th September, 2009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date, together with the reports of Directors and Auditors thereon.

2. To appoint Mr. Pramodkumar S, Executive Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Mr. Shailesh Siroya, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint Auditors and fix their remuneration.

By Order of the Board
FOR SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 30th July 2009

B.SHANTILAL
MANAGING DIRECTOR

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the meeting.
2. Listing fee has been paid to The Stock Exchange, Mumbai up to date.
3. The Company's Shares are traded in electronic form with ISIN No. INE224D01012.
4. The Shares of the Company are compulsorily traded in electronic form. Members are requested to inform the Company's Registrars and Share Transfer Agents viz., Alpha Systems Pvt. Ltd., Unit: Sunil Agro Foods Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003, about the changes, if any, in their registered addresses, along with the PIN quoting their folio number. All correspondence relating to transfer of Shares may be sent directly to the aforesaid Transfer Agents of the Company.
5. The Share Transfer Book and Register of Member will remain closed from 3-9-2009 to 5-9-2009 (both days inclusive).
6. Pursuant to SEBI notification No. MED/DOP / Circular 05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTA to enable/ effect transfer of Shares in physical form.

INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

As per Listing Agreement, particulars of Directors who are proposed to be reappointed are given below:

1. Name: Mr. Pramodkumar S

Age: 41 years

Qualification:

Graduate in Commerce

Expertise:

General Management

Other Directorships:

1. Belgaum Roller Flour Mills Private Limited
2. Puskar Investments Private Limited
3. Brindavan Softland Private Limited

Name of the Company	Committee	Status
NA	NA	NA

2. Name : Mr. Shailesh Siroya

Age : 43 years

Qualification :

MBA (Finance) from The University of Akron, Ohio, USA

Expertise :

General Management

Other Directorships :

1. Sanjay Gems Private Limited
2. Novosynth Research Labs Private Limited
3. Basav Chem Limited
4. E-Xseed Technologies and Devices (P) Ltd.
5. Bal Pharma Limited - Managing Director

Name of the Company	Committee	Status
Sunil Agro Foods Limited	Audit Committee	Member
Sunil Agro Foods Limited	Remuneration Committee	Member

For SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 30th July, 2009

B.SHANTILAL
MANAGING DIRECTOR

DIRECTORS' REPORT

Your Directors are pleased to present the TWENTY FIRST Annual Report and the Audited Statements of accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS : (Rs. in Lacs)

Particulars	Year ended 31-03-2009	Year ended 31-03-2008
Sales	5424.62	5549.47
Other income	133.2	350.22
Profit before depreciation & tax	51.49	144.28
Less: Depreciation	44.97	40.27
Profit/(Loss) before tax	3.51	104.01
Less: Provision for tax	0.50	22.92
Profit/(Loss) after Tax	3.01	81.08
Add: P & L A/c brought forward	222.00	158.25
Proposed Appropriations:-		
Dividend & Tax	-	17.33
Balance Carried forward	225.01	222.00

DIVIDEND :

In view of the inadequate profits earned, your Directors regret the inability to recommend any dividend.

PERFORMANCE :

During the year under review, the first half year saw sudden rise in the wheat rate and wild fluctuations in the market. The Company was not able to achieve the expected results. Only during and 2nd half the tender by Food Corporation of India on a monthly basis supported a steady price of the wheat till March 2009. The Company was to able to recover to some extent. During the year the Company did job work to General Mills India Private Limited, ITC Foods Limited, ASC (Defence), some quantity to Britannia Industries Ltd. We have become the co-packer to M/s. General Mills (India) Pvt. Ltd.in the South India.

DIRECTORS :

Mr. Pramodkumar S and Mr. Shailesh Siroya, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE:

Audit Committee constituted by the Board of Directors with requisite composition to fall in line with the

prevailing laws continued to discharge its functions during the year under report.

AUDITORS :

Messrs MSSV & Co, Chartered Accountants, retire as Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

DEPOSITS :

The Company did not accept any deposits from public during the year and there was no outstanding deposit due for payment.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 :

There was no employee drawing remuneration in excess of the limits prescribed under the above-mentioned Section of the Act during the current year.

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 :

The information as required under the above Section is given in Annexure and forms part of the Report.

CORPORATE GOVERNANCE REPORT :

Corporate Governance Report is given as an Annexure to this report and forms part of the Report.

SECRETARIAL COMPLIANCE CERTIFICATE :

The Secretarial Compliance Certificate in accordance with the Companies (Amendment) Act, under Section 383A read with Notification No. G.S.R. II(E), dated 5-1-2009 issued by Ministry of Corporate Affairs, forming part of this report is given in Annexure.

INDUSTRIAL RELATIONS :

The relations with employees continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent team spirit displayed by the employees at all levels.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors have fulfilled their responsibility for the preparation of the accompanying Financial Statements by taking all reasonable steps to ensure that:

These statements have been prepared in conformity with the generally accepted accounting principles and appropriate Accounting Standards. Judgments and estimates that are reasonable and prudent have been made wherever necessary.

The accounting policies selected and applied consistently give a true and fair view of the financial statements.

The Company has implemented internal controls to provide reasonable assurance of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures, and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The Company's Internal Auditors conduct regular internal audits, which complement the internal controls.

The Company's Statutory Auditors, Messrs MSSV & Co, Chartered Accountants, Bangalore, have audited the Financial Statements in accordance with the mandatory Auditing Standards and Generally accepted accounting practices as indicated in their report.

Going Concern :

The Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS :

Your Board wishes to thank HDFC Bank Limited for their continued support and assistance. Your Directors also wish to place on record their gratitude to the customers, distributors, dealers, vendors and investors and employees for their continued and valued support.

By order of the board

For SUNIL AGRO FOODS LIMITED

Place : Bangalore **B. SHANTILAL PRAMODKUMAR S**
Date : 30-7-2009 **MANAGING DIRECTOR EXECUTIVE DIRECTOR**

ANNEXURE TO THE DIRECTORS' REPORT

Conservation of Energy Technology Absorption and Foreign Earnings/Outgo

1) Energy Conservation measures taken:

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

2. Additional efforts are being informed for reduction and consumption of energy.

The Company's investment in machinery designed for low energy consumption made in the previous year is operational this year.

FORM - A

Discoloure of particulars with respect to conservation of energy

	2008-09	2007-08
Power and Fuel Consumption L		
I) Power and Fuel Consumption L		
l) Electricity:		
a) Purchase Unit	2615324	2609520
b) Total Amount (Rs)	12348059	12314022
c) Rate Per Unit (Rs)	4.72	4.72
II) In own Generation:		
a) Through Diesel Generator	60000	36783
b) Units/Liter of diesel Oil	3.00	3.00
c) Cost per Unit (Rs)	12.84	11.86
III) Consumption per ton of production	65.50	61.40

3) Technology Absorption Adoption and Innovation :
The Company is committed to maintaining its standard and high quality of its production and is constantly engaged in efforts to confer to the guaranteed customer satisfaction.

4) Foreign Earning and Outgo :

(Amount in Rs.)

Sl. Particulars No	Current year	Previous Year
1 Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo towards		
a) Purchase of raw materials	Nil	Nil
b) Travel Expenses, Ticket & Visa charges	Rs. 20323/- USD \$ 500 Rs. 24150/-	Rs. 3850 US \$ 3000 Rs. 33600/- Euro 600 Rs. 94588
c) Import of Machinery	Nil	CHF 80000 Rs.2748726/

By order of the board
For SUNIL AGRO FOODS LIMITED

Place : Bangalore **B. SHANTILAL PRAMODKUMAR S**
Date : 30-7-2009 **MANAGING DIRECTOR EXECUTIVE DIRECTOR**

ADDENDUM TO DIRECTORS' REPORT IN RESPECT OF QUALIFICATION MADE IN AUDITORS REPORT :

PARA

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

CORPORATE GOVERNANCE REPORT

A. Company Philosophy :

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company will endeavor to improve on these aspects on the ongoing basis.

B. Board of Directors :

The Board of Directors comprises of 5 Directors out of which 3 are Executive Directors and 2 Non - Executive Directors.

During the financial year ended 31.3.2009, Six Board Meetings were held on 29th April, 2008, 28th June, 2008, 30th July, 2008, 18th September, 2008, 30th October, 2008 and 30th January, 2009.

The composition of Directors and their attendance at the Board Meeting during the year and at the last Annual General Meeting as also number of other Directorship/membership of the committees are as follows:

Name of the Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	Committee Memberships
Mr. B Shantilal	Executive	6	Yes	3	1
Mr. S Pramodkumar	Executive	6	Yes	3	1
Mr. Sunil Jain	Executive	6	Yes	2	2
Mr. AVS Murthy	Non-Executive	6	Yes	5	2
Mr. Shailesh Siroya	Non-Executive	6	No	5	3

C. Audit Committee :

The Audit Committee of the Company was constituted earlier. By the requirement of the Companies Act, 1956, all companies with a paid up capital of Rs. 5 Crores and above should have an Audit Committee. Though the paid up capital of the Company is less than Rs. 5 Crores, the Audit Committee was formed to comply with the requirements of clause 49 of the Listing Agreement.

1) Terms of Reference

- a. Overview of the Company's financial process and the disclosure of its financial information.
- b. Recommend the appointment/removal of External Auditor, nature and scope of audit, fixation of audit fee and payment for any other services to External Auditors.
- c. Review with the Management, the half yearly and Annual Financial Statements before submission to the Board.
- d. Review with the Management, External and Internal Auditors, the Internal Audit Report and the report of External Auditors.
- e. Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, compliance with the Company's Policies and the applicable laws and regulation.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

2) Composition

The Committee comprises 2 Non-Executive Directors and one Executive Director. Five meetings were held on 29th April, 2008, 28th June, 2008, 30th July, 2008, 30th October, 2008 and 30th January, 2009 during the year and all the members of the Committee attended the same.

D. Remuneration Committee :

1) Terms of Reference

To review, assess and recommend the appointment and remuneration of Executive Directors and senior employees of the Company from time to time, periodically review the remuneration package of the Executive Directors/senior employees and recommend suitable revision to the Board.

2) Composition

The Committee comprises of 2 Non-Executive Directors and 1 Executive Director. There was no revision in the remuneration of any Wholetime Director and hence convening Meeting of the Committee was not necessitated during the year.

3) Remuneration Policy

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The components of the total remuneration vary from different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him, individual performance etc.

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

4) Details of remuneration for the year 2008-2009

Amount in Rs.

Name of Director	Remuneration	Sitting Fees
Mr. B Shantilal	390000	Nil
Mr. S Pramodkumar	625000	Nil
Mr. Sunil Jain	162500	Nil
Mr. AVS Murthy	-	12000
Mr. Shailesh Siroya	-	12000

E. Investors Grievance / Share Transfer Committee :

1 Terms of reference

To look into the Shareholders complaints, if any, and to redress the same expeditiously. The Committee approves the request for issue of duplicate Share Certificates and issue of certificates after split/consolidation/ renewal as also requests from transmission of shares, referred by the Share Transfer Committee.

2. Composition

The Shareholders Grievance Committee comprises of 2 Executive Directors.

During the year the Committee had 2 meetings; the attendance of the members was as follows:

Name of the Director	Status	No. of meetings attended
Mr. B Shantilal	Chairman	2
Mr. S Pramodkumar	Member	2

During the year there were no complaints received from the Shareholders.

Share Transfer Committee :

Share Transfer Committee was constituted to deal with the cases like re-materialisation of shares, transfers, transmission and transposition of shares in physical mode.

Twelve Share Transfer meetings were held on 16th April, 2008, 16th May, 2008, 28th June, 2008, 30th July, 2008, 26th August, 2008, 18th September, 2008, 30th October, 2008, 25th November, 2008, 30th December, 2008, 30th January, 2009, 28th February, 2009 and 25th March, 2009 during the year and all the Members of the Committee attended the same.

F. General Body Meetings :

The last time Annual General Meeting were held as under :

Financial Year	Date	Time	Location
2005-2006	04-09-2006	11.00 am	Regd Office Plot No. 39/A2, Hosakote Industrial Area Chokkahally Bangalore -14
2006-2007	05-09-2007	11.00 am	Bharatiya Vidya Bhavan, Race course Road, Bangalore- 560 001
2007-2008	06-09-2008	11.00 am	Regd. Office Plot No. 39/A2, Hosakote Industrial Area Chokkahally Hoskote -562114

G. Disclosures regarding Suspense Account pursuant to SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 :

As per the above mentioned Circular, clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the Escrow Account and any unclaimed benefits like Dividend, Bonus Shares, etc., which are to be credited to the Demat Suspense Account. This being the first year after the circular coming into force from April 2009, your Company is taking steps to streamline all the requirements.

H. Means of Communication :

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

I. General Shareholders' Information :

- 1) Annual General Meeting will be held at 11.00 am on Saturday the 5th September, 2009.
- 2) Financial calendar:

Sl. No.	Particulars	Dates
1.	Annual Results of the previous year	28-6-2008
2.	First Quarter Result	30-7-2008
3.	Annual General Meeting	6-9-2008
4.	Second Quarter Result	30-10-2008
5.	Third Quarter Result	30-1-2009

- 3) Date of Book Closure for the year 2008-2009:
3rd September, 2009 to 5th September, 2009 (Both days inclusive)
4. Listing of Equity Shares on Stock Exchanges at: Mumbai (BSE)
5. Registrar and Share Transfer Agent:
Alpha Systems Private Limited, No.30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore- 560 003
Phone Nos: 23460815 to 18 Fax: 23460819 Email id: alfjnt@vsnl.net.in
- 6) Share Transfer System :
The Company's Shares are traded on the Stock Exchange compulsorily in the demat mode. Shares in physical mode which are lodged for transfer at the Investor Service Center are processed and subject to exercise of option under compulsory transfer cum demat procedures; Share Certificates are either dematted or returned within the time prescribed by the authorities.
Periodically, audits are carried out at the office of the Share Transfer Agents by independent Practicing Company Secretary and requisite Certificates/Reports are obtained.
- 7) Distribution of Shareholding as on 31.3.2009

Shares holding of nominal value of	Shareholders		Share Amount	
	Number	% of Total	In Rs.	% of Total
Upto 5,000	1034	84.82	1618320	5.39
5,001 - 10,000	63	5.17	487210	1.62
10,001 - 20,000	68	5.58	1082980	3.61
20,001 - 30,000	13	1.07	337760	1.12
30,001 - 40,000	4	0.33	140130	0.47
40,001 - 50,000	7	0.57	350000	1.17
50,001 - 1,00,000	9	0.74	676760	2.25
1,00,001 and above	21	1.72	25335840	84.37
Total	1219	100.00	30029000	100.00

8) Categories of Shareholders as on 31.3.2009 :

Category	No. of Shares held	% of Shareholding
Promoters	2100676	69.95
Persons acting in concert	60500	2.01
Institutional Investors	40000	1.33
Others	801724	26.70
Total	3002900	100.00

9) Dematerialized of Shares :

Particulars	Shares	Percentage	No. of Shareholders
Physical Mode	212545	7.08	614
Electronic Mode	2790355	92.92	605

10) Plant Locations :

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

11) Address for correspondence :

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) Business Overview:**

The Company achieved a turnover of Rs.5424.62 lakhs (previous year Rs.5549.47 lakhs) for the financial year ended 31/3/2009 with a net profit of Rs. 3.01 lakhs (previous year Rs. 81.08 lakhs). Margin continues to be under pressure due to sudden increase in wheat prices during the first half. Contract milling continues with existing customers.

b) Opportunities:

The Company is looking at better value addition in new products.

c) There is no risk expected during this year.**d) Outlook:**

The Company expects to reasonable improvement in the sales due to the expected open sale scheme by the Government during this year.

e) Internal Control System:

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

f) Human Resource Development:

The Company conducts regular training programme both internally and externally for employees at all levels to improve the skills and overall development. Employees relations at all the level continuous to remain cordial.

By order of the Board
For Sunil Agro Foods Limited,

Place: Bangalore
Date: 30th July, 2009

B Shantilal
Managing Director

Pramodkumar S
Executive Director

CEO & CFO Certification

We confirm that:

1. We have reviewed the financial statements including the cash flow statement for the year and that to the best of our knowledge and belief:
 - i) the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) the statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge & belief no transactions were entered into by the Company during the year ended March 31, 2009 are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and to the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we had taken or propose to take to rectify those deficiencies.
4.
 - i) There has not been any significant change in internal control during the year;
 - ii) There has not been any significant change in Accounting Policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instances during the year of significant fraud, with involvement therein, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 30th July, 2009
Place : Bangalore

B. Shantilal
Managing Director

M Srinivasa Rao
Chief Finance Officer

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the company(CIN):I01111KA1988PLC008861

Nominal Capital: Rs. 35000000

Paid up Capital: Rs. 30029000

To:

The Members

Sunil Agro Foods Limited

Bangalore

I have examined the registers, records, books and papers of Sunil Agro Foods Limited, (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on the 31st March, 2009. In my opinion and to the best of my information and according to examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central government. Company Law Board of other authorities within the time prescribed under the Act and the rules made there under (beyond the time prescribed with additional fee).
3. The Company being a Public Limited Company, has the minimum prescribed paidup capital as per the provisions of Companies Act, 1956 and the provisions of the Act do not prescribe maximum number of members for such a Public Limited Company.
4. The Board of Directors duly met Six(6) times from 1.4.2008 to 31.3.2009 on the following dates 29.4.2008, 28.6.2008, 30.7.2008, 18.9.2008, 30.10.2008 and 30.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the propose.
5. The Company closed its Register of Members from 5.9.2008 to 6.9.2008 (both the days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.3.2008 was held on the 6th September 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra Ordinary General Meeting was Held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to, under Section 295 of the Act.
9. The Company has transacted business of goods in which it regularly trades or does business, for cash at

the prevailing market prices, with companies in which Directors are interested. It is understood that the Company has not entered into any contracts falling within the purview of Section 297 of the Act.

10. During the financial year, the Company has made the required entries in the register maintained under Section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members of Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has :
delivered all the certificates on lodgment thereof for transfers/transmission or any other purpose in accordance with the provisions of the Act:
deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of dividend;
paid/posted warrants for dividends to all the members within a period of 30(Thirty) days from the date of declaration and that all unclaimed/unpaid dividends has been transferred to unpaid dividend account of the Company;
transferred the due amounts of funds to the Investor Education and Protection Fund during the year;
duly complied with the requirement of Section 217 of the Act.
14. There were no changes in the composition of the Board during the year.
15. The Board of Directors of the Company is duly constituted.
16. The Company has not appointed a Managing Director/ Whole time Director during the financial year.
17. The Company has not appointed any sole-selling agents during the financial year.
18. The Company has obtained certain approvals of the Central Government, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year. The Company has also sought compounding of certain offences during the year.
19. The Directors have disclosed their interests in other firms/companies to the Board of Directors pursuant to the provisions of the Act the rules made there under.
20. The Company has not issued any Shares, Debentures of other Securities during the financials year.
21. The Company has not bought back any Shares during the financial year.
22. There was no redemption of preference shares or debentures during the financial year.
23. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
24. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

- | | |
|---|--|
| <p>25. The Company's borrowings during the financial year ended 31.3.2009 were in compliance with the Act.</p> <p>26. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.</p> <p>27. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's Registered Office from one State to another during the year under scrutiny.</p> <p>28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.</p> <p>29. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.</p> | <p>30. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year scrutiny.</p> <p>31. The Company has not altered its Articles of Association during the financial year.</p> <p>32. The company has received certain Show Cause notices from Ministry of Corporate Affairs and suitable replies have been made and wherever necessary requisite steps have been taken.</p> <p>33. The Company has not received any money as security from its employees during the financial year.</p> <p>34. Section 418 of the Act relating to provisions applicable to Provident Funds of employees is not applicable to the Company.</p> |
|---|--|

Place ; Bangalore
Date : 30th July, 2009

VIJAYAKRISHNA K T
FCS - 1788
CP - 980

ANNEXURE-A

Register of Directors
Register of Members
Register of Disclosures of Interests
Register of Transfers
Register of Directors Shareholding
Register of Contracts
Minutes of the Meetings of the Board and Shareholders

ANNEXURE- B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2009:

Sl. No.	Form No./ Return	Field under section	For	Date of Filing	Whether field within the Prescribed time Yes/No	if delay in filing whether requisite additional fee paid Yes/No
1.	Balance Sheet	220	Annual Accounts Form 23AC and Form 23ACA	6.10.2008	YES	NO
2.	Annual Return	159	Annual Return Form 20B	13.11.2008	NO	YES
3.	Form 32		Appointment of Company Secretary	26.6.2008	YES	NO
4.	Form 32		Resignation of Company Secretary	4.8.2008	NO	YES
5.	Form 32		Appointment of Company Secretary	8.12.2008	YES	NO
6.	Form 32		Resignation of Company Secretary	4.3.2009	YES	NO
7.	Form 17		Satisfaction of Charge	26.5.2008	YES	NO
8.	Form 17		Satisfaction of Charge	28.5.2008	YES	NO
9.	Form 17		Satisfaction of Charge	28.5.2008	YES	NO
10.	Form 17		Satisfaction of Charge	28.5.2008	YES	NO
11.	Form 17		satisfaction of Charge	28.5.2008	YES	NO
12.	Form 17		Satisfaction of Charge	28.5.2008	YES	NO
13.	Form 17		Satisfaction of Charges	28.5.2008	YES	NO
14.	Form 17		Satisfaction of Charges	28.5.2008	YES	NO
15.	Form 17		Satisfaction of Charges	5.6.2008	YES	NO
16.	Form 8		Modification of Charge	12.8.2008	YES	NO
17.	Form 8		Modification of Charge	18.9.2008	YES	NO
18.	Form 61		Compounding of Application - Section 295	22.8.2008	NA	NA
19.	Form 61		Compounding of Application - Section 217	24.3.2009	NA	NA
20.	Form 61		Compounding of Application - Section 211	24.3.2009	NA	NA

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF
CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members

SUNIL AGRO FOODS LIMITED

We have reviewed the compliance of conditions of Corporate Governance by M/s. Sunil Agro Foods Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange have been complied with in all material respect by the Company.

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.

Bangalore
30th July, 2009

For MSSV & CO.
Chartered Accountants
D.R Venkatesh
Partner
Membership No. 25087

MSSV & CO.

Chartered Accountants

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

AUDITORS' REPORT

To
The Members of Sunil Agro Foods Limited,

1. We have audited the attached Balance Sheet of Messrs SUNIL AGRO FOODS LIMITED, as at March 31, 2009 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), 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 on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2 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 those books;
 - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - 4.4 Subject to the observation referred in Para 4.6 below, in our opinion, the Balance Sheet, Profit

and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- 4.5 On the basis of written representations received from the Directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- 4.6 ***As per Accounting Policy number 8 the Company has valued the investments at cost. As on March 31, 2009 there is a fall in the value of investments. The Company has not made provision for fall in the value of investments to the extent of Rs. 22.47 lakhs and profit is overstated to the same extent.***
- 4.7 Subject to our comments as referred in Para 3 and 4.6 above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies & Notes to Accounts thereon, gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2009;
 - (b) in the case of the Profit and Loss Account, of the Profit of the Company for the year then ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For MSSV & CO.
Chartered Accountants

Place ; Bangalore
Date : 29th June, 2009

D. R. Venkatesh
Partner
Membership No. 25087

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

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

1. In respect of Fixed Assets:
 - a) The Company has maintained proper records showing particulars of fixed assets and has been updated.
 - b) As explained to us, the fixed assets have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed, no material discrepancies were noticed on such physical verification.
 - c) The Company has not disposed off substantial part of fixed assets during the year and therefore do not affect the going concern assumption.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the Management during the year. In our opinion, frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - a. As informed, during the year, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered under register maintained under Section 301 of the Companies Act, 1956. Hence commenting on clause 3(a) to 3(d) of the said order does not arise.
 - b. During the year, the Company has taken loan from two parties amounting to Rs.100.77 Lakhs and repaid to the extent of Rs.44.52Lakhs to three parties. The balance payable as on the balance sheet date is Rs.71.37Lakhs.
 - c. In our opinion and according to the information and explanations given to us in respect of loans taken by the Company, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - d. In respect of loans taken by the Company the payment of principal and interest is regular.
4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956;
 - a. According to the information and explanations provided by the Management, we are of the opinion that the particulars of transactions made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the Register maintained under Section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs has been entered into during the financial year at a price which is reasonable having regard to prevailing market prices at the relevant time.
6. During the year, the Company has not accepted any deposits from the public. Hence commenting on the compliance of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.

7. In our opinion, the Company has an internal audit function commensurate with the size and nature of its business.
8. To the best of our Knowledge and as explained, the Central Government has not prescribed maintenance of Cost Records under clause (d) subsection (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Service Tax, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, provident fund, investor education and protection fund, Employees state insurance, service tax and cess and other undisputed statutory dues were outstanding, at the year end, for the period of more than six months from the date they became payable.
 - c. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, cess and service tax which have not been deposited on account of any dispute.
10. The Company has no accumulated losses which is in excess of 50% of its net worth and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to the Banks.
12. According to the information and explanations given to us and based on the records produced to us, 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, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. The Company is not dealing in or trading in shares, securities, and debentures. But the Company has invested the surplus funds to earn the income from investment. According to information and explanation given to us and in our opinion:
 - The Company has maintained the records for transactions and contracts entered into for purchase and sale of Shares and Securities.
 - Investments are in the companies own name.
15. According to information given to us and based on the records and documents produced to us, during the financial year, the Company has not given guarantee for loan taken by others from banks or financial institutions. Hence commenting on the prejudicial to the interest of the Company does not arise.
16. In our opinion, the term loan has been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short -term basis 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. Hence commenting on the prejudicial of issue price to the interest of the Company does not arise.
19. During the year, the Company has not issued Debentures.
20. The Company has not raised any money by way of public issue during the year. Hence verification of the end use of the same does not arise.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the Management, we report that no fraud on or by the Company has been noticed during the course of our audit.

For **MSSV & CO.**
Chartered Accountants

Place ; Bangalore
Date : 29th June, 2009

D. R. Venkatesh
Partner
Membership No. 25087

BALANCE SHEET AS AT 31st MARCH 2009

PARTICULARS	Sch. No.	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Equity Share Capital	1	3,00,29,000	3,00,29,000
Reserves and Surplus	2	4,55,25,242	4,52,24,161
Total		7,55,54,242	7,52,53,161
LOAN FUNDS			
Secured Loans	3	6,97,21,772	7,87,27,001
Unsecured Loans	4	76,69,867	16,71,941
Total		7,73,91,639	8,03,98,942
Deferred Tax Liability		52,42,754	50,76,727
Total Sources		15,81,88,635	16,07,28,830
APPLICATION OF FUNDS			
Fixed Assets	5	10,62,87,495	10,22,17,934
Less: Accumulated Depreciation		5,52,08,436	5,13,17,220
Net Book Value		5,10,79,059	5,09,00,714
Add: Capital Working Progress including capital Advances	6	53,88,215	50,35,673
Total		5,64,67,274	5,59,36,387
INVESTMENTS	7		
Immovable Properties		9,84,868	9,84,868
Investment to Securities		44,36,293	50,92,955
Total		54,21,161	60,77,823
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	5,29,77,508	7,36,36,812
Sundry Debtors		4,73,81,369	4,96,23,970
Cash and Bank Balances		37,39,621	33,81,657
Loans and advances		3,36,99,348	2,69,08,810
Gross Current Assets		13,77,97,846	15,35,51,249
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	3,98,73,211	5,33,67,191
Provisions		16,24,435	14,69,438
Total		4,14,97,646	5,48,36,629
NET CURRENT ASSETS			
Total Applications		15,81,88,635	16,07,28,830

Accounting Policy & Notes to Accounts 19
Schedules 1 to 9 and 19 form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For MSSV & CO,
Chartered Accountants

For and on Behalf of the Board of Directors

D.R. Venkatesh
Partner
Membership No. 25087

B. Shantilal
Managing Director

Pramod Kumar S
Executive Director

Place: Bangalore
Date : 29th June, 2009

Sunil S Jain
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

PARTICULARS	Sch. No.	For the Year ended 31.03.2009 (Rs.)	For the Year ended 31.03.2008 (Rs.)
Revenues			
Sales	10	54,24,62,648	55,49,47,415
Other Income	11	1,63,94,071	3,50,21,882
Accretion (Decretion) to Inventory	12	8,22,461	71,390
Foreign Exchange Income			2,33,957
Total	A	55,96,79,180	59,02,74,644
Cost of Revenue			
Operating Expenses	13	52,81,77,198	54,46,77,183
Administrative, Selling and Distribution Expenses	14	1,56,32,225	1,90,21,277
Depreciation	5	44,96,903	40,27,522
Total	B	54,83,06,326	56,77,25,982
Profit before Interest & Income Taxes	C=A-B	1,13,72,854	2,25,48,662
Interest Expenses	15	1,07,20,475	1,21,47,749
Profit before Taxes		6,52,379	1,04,00,913
Income Tax Expenses		(60,000)	(14,00,000)
Deferred Tax Asset / (Liability)		(1,66,027)	(7,02,297)
Fringe Benefit Tax, net of reversal		(1,25,273)	(1,90,057)
Profit after Tax		3,01,079	81,08,559
Add: Balance brought forward		2,33,90,963	1,58,24,826
Profit available for appropriations		2,36,92,042	2,39,33,385
Less: Appropriations			
Interim Equity Dividend		-	15,01,450
Tax on Interim Equity Dividend		-	2,31,975
Balance in Profit and Loss Account		2,36,92,042	2,21,99,960
Balance carried to Balance Sheet		2,36,92,042	2,21,99,960
EARNING PER SHARE			
Equity Share of Par Value of Rs.10/- Each			
Basic earning per share - Before Tax		0.22	3.46
Basic earning per share - After Tax		0.10	2.70
Number of Shares used in computing earning per share (Refer Note No.13 of Notes to Accounts)		30,02,900	30,02,900
Accounting Policy & Notes to Accounts	19		

Schedules 5, 10 to 15 and 19 form an integral part of the Profit and Loss Account

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

For MSSV & CO,
Chartered Accountants

For and on Behalf of the Board of Directors

D.R. Venkatesh
Partner
Membership No. 25087

B. Shantilal
Managing Director

Pramod Kumar S
Executive Director

Place: Bangalore
Date : 29th June, 2009

Sunil S Jain
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

PARTICULARS	Sch No	For the Year ended 31.03.09		For the Year ended 31.03.08	
A. Cash from Operating Activities					
Net profit before tax			652379		10400913
Adjustments for:					
Depreciation	5	4496903		4027522	
Interest Expenses		10720475		12147749	
Loss on Sale of Assets		176192		0	
Loss on Sale of Securities		79284		279517	
Interest on FD/ Other deposits		(648137)		(891622)	
Dividend received		(13503)		(12031)	
Profit on sale of Securities		(460385)	14350829	(21949588)	(6398453)
			15003208		4002460
Operating Profit before Working Capital Changes					
Adjustments for:					
(Increase) / decrease in Sundry Debtors		2242601		(12444484)	
(Increase) / decrease in Work in Progress		20659304		(18333531)	
(Increase) / decrease in Loans and advances	16	(6790538)		(187713)	
Increase / (decrease) in Current Liabilities & Provisions		(13398983)	2712384	35143314	4177586
Cash Generated from Operating Activities			17715592		8180046
Tax Expenses		(125273)		(2190057)	
Interest (Paid)		(10720475)	(10845748)	(12147749)	(14337806)
Net Cash (used In) Operations			6869844		(6157760)
B. Cash Flows from Investing Activities					
Purchase of Fixed Assets and Change in Capital Work in Progress	17	(5203979)		(7292128)	
Sale / (Purchase) of Investments - net (Non Trade)	18	1037763		23699601	
Maturity / (Investment) in Fixed Deposits		351122		(1565835)	
Interest on Fixed / Other Deposits Received		648137		891622	
Dividend Received		13503		12031	
Net Cash from Investing Activity			(3153454)		15745291
C. Cash Flows from Financing Activities					
Dividend Paid inclusive of dividend tax				(1733425)	
Proceeds (Repayment) from borrowing		(3007303)		(11669150)	
Net Cash (Used in) Financing Activities			(3007303)		(13402575)
Net decrease in Cash & Cash Equivalents (A+B+C)			709087		(3815044)
Cash & Cash equivalents at the beginning of the year			1815821		5630865
Cash & Cash equivalents at the end of the year			2524908		1815821

Accounting Policy & Notes to Accounts 19

Schedules 5, 16 to 19 form an integral part of the Cash Flow Statement.

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

For MSSV & CO,

For and on Behalf of the Board of Directors

Chartered Accountants

D.R. Venkatesh

B. Shantilal

Pramod Kumar S

Partner

Managing Director

Executive Director

Membership No. 25087

Place: Bangalore

Sunil S Jain

Date : 29th June, 2009

Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2009	As at 31.03.2008
	(Rs.)	(Rs.)
SCHEDULE NO. 1		
SHARE CAPITAL		
Authorised Capital		
35,00,000 Equity Shares of Rs.10/- each (35,00,000 Equity Shares of Rs.10/- each)	3,50,00,000	3,50,00,000
Total	3,50,00,000	3,50,00,000
Issued, Subscribed and Paidup Capital		
30,02,900 Equity Shares of Rs.10/- each (30,02,900 Equity Shares of Rs.10/- each)	3,00,29,000	3,00,29,000
Total	3,00,29,000	3,00,29,000

SCHEDULE NO. 2

RESERVES & SURPLUS		
Securities Premium	2,18,33,200	2,18,33,200
Profit & Loss Account	2,36,92,042	2,21,99,961
Add: Investment Allowance Reserve - Utilised	-	11,91,000
Total	4,55,25,242	4,52,24,161

SCHEDULE NO. 3

SECURED LOANS		
Long Term Loan		
- Term Loan *	27,44,659	19,35,171
- Vehicle Loan *	12,82,676	18,22,030
Short Term Loan		
- Bank Overdraft		
HDFC Bank - Secured Over Draft	6,56,94,437	7,45,77,962
Karnataka Bank Limited MBB A/c	-	1,31,488
SBBJ Current Account	-	2,60,350
Interest Accrued and due on the above Loan	-	-
Total	6,97,21,772	7,87,27,001

* Includes loan payable within one year amounting to Rs.11,37,587/- (Previous year Rs.13,19,497/-).

- Secured Over Draft Facility from HDFC Bank Limited is secured by Hypothecation of wheat & Wheat Products, Packing Material and Book Debts. Karnataka Bank secured overdraft has been closed during the year.

- Vehicle loan is secured by hypothecation of Container, Maruthi Baleno Car, Hyundai Verna, Logan Car

The above secured loans are covered by the Personal Guarantees of the promoter directors.

SCHEDULE NO. 4

	As at 31.03.2009	As at 31.03.2008
	(Rs.)	(Rs.)
UNSECURED LOANS		
Deposit from Directors	69,04,141	13,91,941
Deposit from Share Holders	2,33,000	2,80,000
Interest Accrued and due on above loan	5,32,726	-
Total	76,69,867	16,71,941

SCHEDULE NO.5**FIXED ASSETS**

SL	PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			AS ON 01.04.2008	Addition/	Deletion	AS ON 31.03.2009	Upto 31-03-2008	For the Year	Adjust- ment	UPTO 31.08.2009	AS ON 31.03.2009	AS ON 31.03.2008
1	Land		64,48,588			64,48,588					6,448,588	64,48,588
2	Building-Factory	3.34%	2,99,15,807	12,88,056		3,12,03,863	76,93,063	8,55,404		85,48,467	2,26,55,396	2,22,22,744
3	Building-Office		13,75,010	2,98,617		16,73,627	1,14,511	50,392		1,64,903	15,08,724	12,60,499
4	Plant & Machinery	10.34%	5,13,09,095	26,32,092		5,39,41,187	3,86,71,986	25,28,766		4,12,00,752	1,27,40,435	1,26,37,109
5	Vehicles	9.50%	42,00,891	7,66,854	10,55,438	39,12,307	11,13,895	3,53,870	6,05,688	8,62,077	30,50,230	30,86,996
6	Transportation Vehicle	9.50%	39,11,805			39,11,805	12,12,286	3,52,942		15,65,228	23,46,577	26,99,519
7	Furniture & Fixtures	6.33%	25,11,528	79,406		25,90,934	12,06,546	1,58,930		13,65,476	12,25,458	13,04,982
8	Computer	16.21%	14,65,568	46,956		15,12,524	9,56,724	1,23,198		10,79,922	4,32,602	5,08,844
9	Office Equipments	4.75%	8,08,794	6,760		8,15,554	2,90,033	61,918		3,51,951	4,63,603	5,18,761
10	Lab Equipment	7.07%	2,20,348	6,258		2,26,606	58,177	11,483		69,660	1,56,946	1,62,171
11	Other Items	7.07%	50,500			50,500		-			50,500	50,500
	TOTAL		10,22,17,934	51,25,000	10,55,438	10,62,87,495	5,13,17,221	44,96,903	6,05,688	5,52,08,436	5,10,79,059	5,09,00,713
	Previous Year		9,59,92,257	64,65,111	2,39,434	10,22,17,934	4,72,89,699	40,29,489	(1967)	5,13,17,220	5,09,00,714	4,87,02,558

SCHEDULE NO. 6

	As at 31.03.2009	As at 31.03.2008
Capital Work in Progress		
Building	1,57,159	-
Plant and Machinery	16,44,909	16,44,909
Godown Construction	-	2,98,617
Import Machinery	30,92,147	30,92,147
Purifier Separator	4,94,000	-
Total	53,88,215	50,35,673

SCHEDULE NO. 7

PARTICULARS	QUANTITY AS ON		FACE	COST	AS AT
	31.03.2009	31.03.2008	VALUE	31.03.2009	31.03.2008
QUOTED TRADE FULLY PAID: (Non Trade at cost)					
Datar Switchgear Ltd	1,000	1,000	10	1,08,122	1,08,122
Value Mart InfoTech	2,500	2,500	2	25,000	25,000
Karnataka Financial Services Limited	6,800	6,800	10	91,721	91,721
Mazda Control	2,000	2,000	10	1,11,200	1,11,200

Sunil Agro Foods Limited

PARTICULARS	QUANTITY AS ON		FACE VALUE	COST	AS AT
	31.03.2009	31.03.2008			
Pentamedia Graphics	18,650	18,650	10	7,85,472	7,85,472
Pushpa Packaging Ltd	10,600	10,600	10	1,06,900	1,06,900
SJ Max Golden Ko Ltd	24,000	24,000	10	2,40,000	2,40,000
Sterling Spinners Ltd	4,900	4,900	10	49,000	49,000
TISCO Ltd	500	500	10	79,900	79,900
Bal Pharma	10,978	10,978	10	5,18,533	5,18,533
Mukund IND Finance	12,119	12,119	10	93,864	93,864
color chips	5,000	5,000	10	1,22,104	1,22,104
Krishna Life	5,000	5,000	1	28,082	28,082
Surat tex MI	10,000	10,000	10	1,31,185	1,31,185
Lamina Foundries Ltd	10,000	10,000	10	2,35,000	2,35,000
Cambridge Solutions Limited	2,000	2,000	10	4,87,588	4,87,588
Dharani Sugers & Chemicals Limited	7,755	7,755	10	2,93,278	2,93,278
Surya Lakshmi Equity	2,000	2,000	10	3,23,631	3,23,631
Virtual Dynamic Software Ltd.,	2,800	2,800	10	-	-
MRPL	80	40	10	5,873	2,882
Mercator Line	1,000	1,000	1	1,62,830	1,62,830
MSK Project	345	345	10	49,629	49,629
Shree Digvijay Cement	2,500	2,500	10	1,01,325	1,01,325
Reliance Industries Ltd	75	75	10	1,76,377	1,76,377
Reliance Petroleum	-	3,850	10	-	6,59,652
Total				43,26,614	49,83,275
Less: Provision for fall in market value of shares				(91,721)	(91,721)
Net Value of shares				42,34,893	48,91,554
Aggregate Market Value of Quoted Investments				19,88,297	28,30,995
UNQUOTED TRADE FULLY PAID :					
Sanmitra Credits Ltd	10,000	10,000	10	1,00,000	1,00,000
Total				1,00,000	1,00,000
GOVERNMENT SECURITIES :					
National Savings Certificates				1,400	1,400
NON TRADE INVESTMENTS : Mutual Fund					
Kotak Life			10	1,00,000	1,00,000
Total				1,01,400	1,01,400
Total Quoted and Unquoted Long Term investments		8,02,017		44,36,293	50,92,955
LONG TERM INVESTMENTS - Immovable Property					
Investment In Residential Flat At WH 204 II Floor "DHARMA" Block, Sai Garden White Field Bangalore				9,84,868	9,84,868
Grand Total				54,21,161	60,77,823

SCHEDULE NO. 8

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
A] Current Assets		
i) Inventory		
a) Raw Materials	3,71,25,600	5,94,50,782
b) Finished Products	1,07,29,363	99,06,902
c) Packing Material	46,66,361	28,85,339
d) Consumable Stores/ Lab Chemicals / Diesel	4,56,184	13,93,789
	<u>5,29,77,508</u>	<u>7,36,36,812</u>
ii) Sundry Debtors		
Debt outstanding for a period Exceeding Six Months		
Unsecured, considered good	61,44,943	42,08,808
Unsecured, considered Doubtful	-	-
Other Debts		
Unsecured, considered good*	4,12,36,426	4,54,15,162
[Includes Rs.20,74,632/- receivable from the company under the same management]		
Unsecured, considered Doubtful	-	-
	<u>4,73,81,369</u>	<u>4,96,23,970</u>
iii) Cash and Bank Balances		
a) Cash on hand	15,65,230	17,86,120
b) Cash with Scheduled Banks		
- In Current Account	9,59,678	29,702
- In Term Deposit Account	12,14,713	15,65,835
(Held as margin money for bank guarantees as on March 31, 2009 is 12.15 lakhs (March 31, 2008 is 15.66 lakhs)		
	<u>37,39,621</u>	<u>33,81,657</u>
Total - A	<u>10,40,98,498</u>	<u>12,66,42,439</u>
[Unsecured; considered good, recoverable in cash or in kind or for value to be received.]		
Inter Corporate Deposit *	44,70,746	42,38,726
* Includes Rs.3,00,000/- interest receivable net of TDS (Previous Year Rs.2,90,025/-)		
* Includes Rs.25,00,000/- paid to the Company in which relative of director is a director of that company and interest accrued there on (Previous Year Rs.25,00,000/-)		
Loans And Advances	2,29,99,428	1,62,43,673
[Includes Rs.7,29,793/- due from other Company under same management (Previous Year 71,38,638/-)]		
Loans and advances to Staff	3,77,508	2,13,475
Advance Income Tax	21,00,000	21,50,000
Deposits with Government Departments and Others	37,51,666	40,62,936
Total - B	<u>3,36,99,348</u>	<u>2,69,08,810</u>
Total Current Assets	<u>13,77,97,846</u>	<u>153551249</u>
	[A + B]	

SCHEDULE NO. 9

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
A) Current Liabilities		
Sundry Creditors for Goods, Expenses and Services		
- Due to MSME	-	-
- Others	-	-
Sundry Creditors for Purchases	3,46,13,221	4,86,82,904
Sundry Creditors for Expenses	36,49,114	26,48,476
Sundry Creditors for Others	14,23,383	14,57,605
Interest Accrued but not due on Secured Loans	-	22,983
Advance Received From Customers	1,87,493	5,55,223
	<u>3,98,73,211</u>	<u>5,33,67,191</u>
B) Provisions		
Fringe Benefit Tax	40,615	69,438
Provision for Gratuity	1,23,820	-
Provisions for Taxation	14,60,000	14,00,000
	<u>16,24,435</u>	<u>14,69,438</u>
Total	<u>4,14,97,646</u>	<u>5,48,36,629</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year Ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
SCHEDULE NO. 10		
SALES		
a) Maida	32,82,27,128	29,31,44,261
b) Sooji	4,97,15,784	6,39,34,503
c) Atta	4,96,73,456	8,60,44,521
d) Rough Bran	5,81,18,240	4,81,40,202
e) Bran Flakes	2,59,67,572	2,83,51,148
f) Wheat	2,75,36,181	2,13,23,574
g) Others	29,88,933	1,38,80,109
Total	54,22,27,294	55,48,18,318
Add: Sales Tax & Cess Collected	2,35,354	1,29,097
Total	54,24,62,648	55,49,47,415

SCHEDULE NO. 11

OTHER INCOME		
Dividend from Indian companies (Non Trade)	13,503	12,031
Profit on Sale Of Securities & Derivatives(Non Trade)	4,60,385	2,19,49,588
Insurance Claim	1,07,569	42,996
Interest on Fixed Deposit & Bonds (Gross)*	1,10,238	3,66,069
Interest Received on Deposit - ICD (Gross) *	3,00,000	3,75,000
Interest on KPTCL Deposit *	2,37,899	1,50,553
Miscellaneous Income	44,16,834	55,65,769
Balance Written Off		19,880
Interest on Income Tax Refund	85,270	-
Rent :		
Britannia Rent	94,104	-
Terrace Space *	1,79,547	1,86,672
Tempo/Truck Freight	10,79,437	14,24,548
Weighment Charges	1,34,070	1,70,135
Provision no longer required - Income Tax	5,764	-
Custom Milling Charges *	91,69,451	47,58,641
Total	1,63,94,071	3,50,21,882
* Tax deducted at source	6,67,985	3,14,839

SCHEDULE NO. 12**ACCRETION/(DECRETION) TO INVENTORY**

Wheat Products	Opening Stock	Closing Stock	Accretion/ (Decretion)
	As of April, 2008 Rs.	As at March 31, 2009 Rs.	Rs.
Maida	57,93,731	61,26,394	3,32,663
Sooji	16,69,533	19,47,365	2,77,832
Atta	12,54,140	15,64,668	3,10,528
Bran Rough	8,74,110	9,23,111	49,001
Bran Flakes	3,15,388	1,67,825	(1,47,563)
Total	99,06,902	1,07,29,363	8,22,461
Previous Year	98,35,512	99,06,902	71,390

SCHEDULE NO. 13

	For the Year Ended 31.03.2009	For the Year Ended 31.03.2008
OPERATING EXPENSES		
Raw Material Consumed	45,50,91,547	46,00,05,496
Purchase Of Wheat Trading	2,76,08,606	2,30,37,093
Purchase Of Wheat Products	1,84,55,535	2,51,02,901
Purchase Other products	2,61,159	1,04,74,496
Custom Milling Charges	53,76,519	30,93,990
Freight & Carriage Inwards	1,93,206	1,11,035
Packing Material Consumed	13,07,690	53,52,954
Power & Diesel Charges	1,35,09,225	1,27,58,478
Stores & Spares Consumed	3,69,695	3,80,806
Wages/ Labor Charges	27,95,673	23,60,599
Storage Charges & Fumigation Charges	-	70,504
Insurance	3,94,497	3,32,222
REPAIRS & MAINTENANCE		
a) Plant & Machinery	8,43,107	6,31,116
b) Building	98,654	1,31,531
c) Others	8,20,270	25,444
Laboratory Expenses	10,51,815	8,08,518
Total	52,81,77,198	54,46,77,183

SCHEDULE NO. 14

	For the Year Ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
Administration, Selling and Distribution Expenses		
Directors Remuneration & Expenses		
Remuneration	11,10,000	11,10,000
Bonus	92,500	92,500
Contribution to Provident Fund	1,33,200	1,33,200
Sitting Fees	24,000	20,000
Directors Welfare	1,26,689	1,89,575
Directors Foreign Tour Expenses	44,473	2,32,037
Subscription and Entertainment	3,18,617	4,11,426
Traveling Expenses & Others	99,808	2,05,866
	<u>19,49,287</u>	<u>23,94,604</u>
Employee Cost		
Salary	13,90,893	12,86,680
Bonus	3,49,071	3,03,940
Employees State Insurance	1,68,539	1,58,544
Provident Fund	4,10,073	3,65,690
LIC Group Gratuity	1,68,820	43,012
Leave Encashment	82,532	86,226
Canteen Expenses	10,09,481	6,45,668
	<u>35,79,409</u>	<u>28,89,760</u>
Auditors Remuneration:		
For Statutory Audit	66,180	67,416
For Other Services	69,370	68,540
Out of pocket expenses	14,380	22,119
	<u>1,49,930</u>	<u>1,58,075</u>
Printing & Stationery	1,58,920	3,59,660
Rates, Taxes and Other fees	3,64,837	2,53,028
Postage, Telegram & Telephone	5,19,523	6,51,104
Carriage Outward	20,76,913	25,68,025
Internal Audit fees & Expenses	63,516	70,056
Brokerage and Commission	1,01,984	85,545
Advertisements	79,961	1,15,884
Discount Allowed	15,64,955	13,57,269
General And Miscellaneous Expenses	6,78,759	9,65,035
Loss On Sale Of Securities & Derivatives	79,284	2,79,517
Repairs & Maintenance Others	1,23,270	5,85,020
Entry Tax	31,119	52,089
VAT	2,35,354	1,29,097
Truck/ Tempo Vehicle Maintenance	31,66,128	32,13,901
Vehicle Maintenance	5,32,884	4,68,536
Loss on Sale of Assets	1,76,192	-
Sales Tax	-	2,29,423
Loss From Derivatives - Net	-	19,84,852
Securities Trading Expenses	-	2,10,797
	<u>1,56,32,225</u>	<u>1,90,21,277</u>
Total		

SCHEDULE NO. 15

	For the Year Ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
FINANCIAL CHARGES		
Interest on Secured Overdraft	81,89,860	1,01,89,169
Bank Charges & Commission	8,78,151	14,46,495
Interest on Deposits & Others	11,94,508	1,46,700
Interest on Car Loan	1,75,662	1,46,339
Interest on Term Loans	<u>2,82,294</u>	<u>2,19,046</u>
Total	<u>1,07,20,475</u>	<u>1,21,47,749</u>

SCHEDULES FORMING PART OF THE CASH FLOW STATEMENT

SCHEDULE NO. 16

CHANGES IN LOANS AND ADVANCES

Opening Balance	2,69,08,810	2,47,21,097
Less: Advance Income Tax Separately Considered	-	20,00,000
Balance as per Balance Sheet - Closing Balance	<u>(3,36,99,348)</u>	<u>(2,69,08,810)</u>
Total	<u>(67,90,538)</u>	<u>-1,87,713</u>

SCHEDULE NO. 17

**PURCHASE OF FIXED ASSETS & CHANGES
IN CAPITAL WORK IN PROGRESS**

Purchase of Fixed Assets other than Motor Car - net	(43,58,146)	(58,22,005)
Less: Deletion of Fixed Asset	-	2,39,434
Less: Opening Capital Work in Progress	50,35,673	39,69,222
Add: Closing Work in Capital	<u>(53,88,215)</u>	<u>(50,35,673)</u>
Total A	<u>(47,10,688)</u>	<u>(66,49,022)</u>
Purchase of Motor Car	(7,66,854)	(6,43,106)
Less: Sale Proceeds of Motor Car	2,73,558	-
Total B	<u>(4,93,296)</u>	<u>(6,43,106)</u>
Total A+B	<u>(52,03,984)</u>	<u>(72,92,128)</u>

SCHEDULE NO. 18

INVESTMENTS IN SECURITIES INCLUDING TERM DEPOSITS

Opening balance Considered	60,77,823	81,99,073
Less: Purchases Made during the year	(1,01,63,475)	(72,73,208)
Less: Provision made on diminution in the value of shares	-	(91,721)
Add: Sale of Investments	1,05,44,576	2,89,43,280
Balance as per Balance Sheet - Closing Balance	<u>(54,21,161)</u>	<u>(60,77,823)</u>
Total	<u>10,37,763</u>	<u>2,36,99,601</u>

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT:**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI"), relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

The Financial Statements have been prepared under historical cost convention on an accruals basis. The Accounting Policies have been consistently applied by the Company and are consistent with those used during the previous year. The presentation of Financial Statement in conformity with Generally Accepted Accounting Principles ("GAAP") requires Management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Although these estimates are based on management best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from the estimates.

2. INVENTORY VALUATION:

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

3. CASH FLOW STATEMENT:

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

4. DEPRECIATION:

Depreciation on Fixed Assets is provided on straight-line basis at the rates mentioned in Schedule XIV of the Companies Act, 1956, on proportionate basis.

5. REVENUE RECOGNITION:

- Sales are recognized when the significant risk attached to the goods are passed on to the seller

and are recorded net of trade discounts, rebates but includes Sales Tax wherever applicable.

- Dividend income is recognized when the right to receive the dividend is established.
- Interest income is recognized on an accrual basis.
- Rental income on leased property is recognized on accrual basis, based on the terms and conditions agreed with the lessee.

6. FIXED ASSETS:

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

7. FOREIGN CURRENCY TRANSACTION:

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

8. INVESTMENTS:

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

9. EMPLOYEE BENEFITS:**9.1 Gratuity:**

The company has taken Group Gratuity Scheme for its eligible employees from Life Insurance Corporation of India, for the gratuity liability. Liability for Gratuity is provided on Actuarial basis.

9.2 Leave Encashment:

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

9.3 Provident Fund:

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

10. BORROWING COST:

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

11. SEGMENT REPORTING:

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

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

12. ACCOUNTING OF LEASE:

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

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

13. INCOME TAX:

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

14. PROVISIONS:

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

15. CONTINGENT LIABILITIES:

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

B. NOTES TO ACCOUNTS

1 Details of Licensed/ Installed capacity and actual production during the year.

Licensed Capacity	:	Not Applicable		
Installed Capacity	:	60000 Metric Tonnes per Annum		
Actual Production - Own	:	35183.245 Mts	(37626.595 Mts)	
Custom Milling	:	5655.722 Mts	(5460.766 Mts)	(In Metric Tonnes)

2 Wheat Products

	Opening Stock(Mts)		Closing Stock (Mts.)	
	Current Year	Previous Year	Current Year	Previous Year
Maida	419.505	413.225	397.451	419.505
Sooji	112.77	100.915	117.119	112.77
Atta	105.646	145.825	86.488	105.646
Bran Rough	215.094	77.796	73.743	215.094
Bran Flakes	107.458	54.893	20.18	107.458

(Amount in Rs.)

3 a) Value of Raw Material Consumed

Wheat Products	Current Year		Previous Year	
	Consumption	% Consumption	Consumption	%
Imported	-	0.00	6254958	1.36
Indigenous	455091547	100.00	453750538	98.64
Total	455091547	100	460005496	100

b) Value of spare parts and components consumed

	Current Year		Previous Year	
	Consumption	% Consumption	Consumption	%
Imported	-	-	-	-
Indigenous	369695	100	380806	100
Total	369695		380806	

c) Sales

(Quantity in metric tonnes)

	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Quantity	Amount	Quantity	Amount
Domestic Sales				
1) Maida	19919.05	328227128	19194.435	293144261
2) Sooji	3195.81	49715784	4120.17	63934503
3) Atta	4014.75	49673456	7084.31	86044521
4) Bran Rough	6732.342	58118240	6927.627	48140202
5) Bran Flakes	3501.693	25967572	3494.962	28351148
6) Wheat	2161.97	27536181	1781.369	21323574
7) Others		2988933		13880109
Total	39525.62	542227294	42602.873	554818318

d) Raw Material Consumed

(Quantity in metric tonnes)

	For The Year Ended 31.03.2009		For The Year Ended 31.03.2008	
	Quantity	Amount	Quantity	Amount
Opening Stock	4552.598	59450782	3276.469	42037097
Add: Purchases (net of discount)	36194.865	460374971	41510.971	500456274
Total	40747.463	519825753	44787.44	542493371
Less: Cost of Wheat Sold	2161.97	27608606	1781.369	23037093
Total	38585.493	492217147	43006.071	519456278
Less: Closing Stock	2709.889	37125600	4,552.60	59450782
Wheat Consumed	35875.604	455091547	38453.473	460005496

4 a) During the earlier years the Company constructed the factory on free hold land measuring 6693 sq meters at No.39/A2, Hoskote Industrial Area, Chokkahally, Hoskote - 562 114.

b) During the year 2000 - 2001, the Company purchased 4745 sq meters at Plot No.8D, Kadugodi Industrial area, Krishnarajapuram taluk, Bangalore south district.

c) During the year 2000 - 2001, the Company purchased the plot at No.4C, Hoskote, Bangalore rural district measuring 8071 Sq meters together with building and structure for Rs.27,00,000/- from Karnataka State Financial Corporation.

Annual Report 2008 - 2009

A) Business Segment:

Particulars	Trading in wheat (Rs)		Manufacturing and Trading trading in wheat products (Rs.)		Total (Rs.)	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Revenue	27536181	21323574	514926467	533623841	542462648	554947415
Segment Results	(72425)	-1713519	10683433	8027619	10611008	6314100
Add: Unallocated Income					16394071	35255839
					27005079	41569939
Less: Unallowable Corporate Expenses						
Admin, Selling and Distribution Expense					15632225	19021277
Financial Charges					10720475	12147749
Profit before taxation					652379	10400913
Provision for taxation						
Current Tax					60000	1400000
Deferred Tax					166027	702297
Fringe Benefit Tax					125273	190057
Profit after Tax					301079	8108559
Particulars	Trading in wheat (Rs)		Manufacturing and trading in wheat products (Rs.)		Total (Rs.)	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Assets						
Fixed Assets			51079059	50900714	51079059	50900714
Capital Work-in Progress			5388215	5035673	5388215	5035673
Inventory			15851908	14186030	15851908	14186030
Cash & Bank Balances			52977508	73636812	52977508	73636812
Segment Liabilities						
Secured Loans			69721772	78727001	69721772	78727001
Unsecured Loans			7669867	1671941	7669867	1671941
Unallocated Segment Assets						
Investments					5421161	6077823
Debtors					47381369	49623970
Loans and Advances					33699348	26908810
Unallocated Segment Liabilities						
Current Liabilities & Provisions					41497646	54836629

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

B) Geographic Segment (Based on location of customer)

Particulars	Karnataka		Others		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Segment Revenue	475964468	489699078	66498180	65248337	542462648	554947415
Unallocated Revenue					17216532	35327229
Total Revenue	475964468	489699078	66498180	65248337	559679180	590274644
Segment Assets	34949652	37668982	12431717	11954988	47381369	49623970
Unallocated Assets					164417199	176745862
Total Assets					211798568	226369832

11 Related party disclosure

As required under "Accounting Standard - 18", issued by Institute of Chartered Accountants of India, the Company has disclosed the transaction with related parties effected during the financial year 2008 - 2009.

11.1 Disclosure of related parties and nature of relationship

Name of the Party	Type	Nature of Relationship
Sri. B Shanthilal	Individual	Managing Director
Sri. Pramod Kumar S	Individual	Executive Director
Sri. Sunil S Jain	Individual	Whole time Director
Sri. AVS Murthy	Individual	Director
Sri. Shailesh Siroya	Individual	Director
Smt. Kamala Bai	Individual	Spouse of MD
Smt. Pinky Jain	Individual	Spouse of ED
Brindavan Roller Flour Mills Private Limited	Company	
Sryshti Pharmaceuticals Private Limited	Company	
Mysore Vegetable Oil Products Limited	Company	
Mysore Snacks Foods Limited	Company	
Alampalli Investments Private Limited	Company	Enterprises over which individual/s indirectly owing an interest in the company, exercise the significant influence or control
Krishna Industries Private Limited	Company	
Sanjay Gems Private Limited	Company	
Novosynth Research Labs Private Limited	Company	
Basav Chem Limited	Company	
E-Xseed Technologies and Devices (P) Ltd.	Company	
Bal Pharma Limited	Company	
Belgaum Roller Flour Mills Private Limited	Company	
Puskar Investments Private Limited	Company	
Brindavan Softland Private Limited	Company	
Sunil AG	Partnership firm	

11.2 The following transactions were carried out with the related parties in the ordinary course of business:

Description	with Key Managerial Personnel (KMP) & Their Relatives		Enterprises over which KMP is able to exercise significant influence	
	For the year ending			
	2009	2008	2009	2008
Deposit Received	10077100	10563053	-	-
Deposit Repaid	4452000	9670382	-	-
Interest on Deposit Paid	593800	146700	-	-
Purchase of Wheat & Wheat Products	-	-	18085705	3554005
Sale of Wheat & Wheat Products	-	-	4966500	757835
Customer Milling Charges paid	-	-	5376519	3204954
Interest on ICD Received	-	-	300000	375000

11.3 Managerial Remuneration:

Remuneration paid / payable to Managerial Personnel

(Amount In Rs)

Name of the Managerial person	Relationship	For the year ended March 31, 2009	For the year ended March 31, 2008
Mr. B Shanthilal	Managing Director*	390000	390000
Mr. Pramodkumar S	Executive Director*	650000	650000
Mr. Sunil S Jain	Director*	162500	162500
Contribution to Provident Fund for all the directors		133200	133200
Market value of the perquisite provided to all the directors		126689	189575
Total		1462389	1525275

Note:* Remuneration includes bonus of Rs.92,500/- provided (Financial year 2007 - 2008 Rs.92,500/-).
Remuneration does not include the gratuity premium paid to LIC

11.3.1 Computation of net profit under Section 198 read with Section 349 and Section 350 of the Companies Act, 1956.

Particulars	March 31, 2009		March 31, 2008	
	Amount(Rs)	Amount(Rs)	Amount(Rs)	Amount(Rs)
Profit before Taxation		652379		10400913
Add: Managerial Remuneration	1335700		1335700	
Director's sitting fee	24000		20000	
Depreciation as per Accts	4496903	5856603	4027522	5383222
		6508982		15784135
Less: Depreciation as per Section 350 of the Companies Act,1956	4496903		4027522	
Gain (net) on sale of Investments (non trade)	381101	4878004	21670071	25697593
Net profit (Loss) as per Section 349 of Companies Act, 1956		1630978		(9913458)

Since Outcome of Calculation of profit is negative in the year 2007 - 2008 and inadequate profit in the financial year 2008 - 2009, remuneration needs to be paid on the basis of schedule XIII - Part - II.

11.3.2 Calculation of Effective Capital

	March 31, 2009 (Amount In Rs)	March 31, 2008 (Amount In Rs)
Paid up Capital	30029000	30029000
Add: Reserves & Surplus	45224161	38849026
Add: Long Term Loans	2437704	1548522
	77690865	70426548
Less: Investments	6077823	8199073
Effective Capital	71613042	62227475

Since the effective capital exceeds Rs.5,00,00,000/-, managerial remuneration payable to each managerial personal is Rs.1,25,000/- per month.

12 Obligation on Long term, non-cancelable Operating Lease:

a. As Lessor

The Company has entered into non-cancelable operating lease with Bharathi Mobile for letting the terrace space of the factory building for erecting the mobile tower. The brief description of the agreement is as follows:

- Lease agreement entered on July 1, 1996 was expired on June 30, 2006.
- The above agreement is renewed for another ten years from July 1, 2006 to June 30, 2016 on the following terms and conditions
 - * Lease rental charges of Rs.13,960 per month from July 1, 2006 Onwards.
 - * Lease rental will be enhanced by 10% on the last paid rent for every completed three years.
- Rent income included in Profit and Loss account is Rs.179547 towards operating lease.

Lease rental commitments from Bharathi mobile is as follows:

Lease Rentals	As at March 31,	
	2009	2008
Due with in one year of the balance sheet date	184272	167520
Due between one to five years	976641	949420
Due after five years	222969	476343

13 Earnings per share

Earning per share is calculated as per 'Accounting Standard - 20', issued by Institute of Chartered Accountants of India. The net profit considered for calculation of basis earning per share before tax expenses is Rs.652379 (Previous Year Rs. 1,04,00,914/-).

Earning per share is calculated as per 'Accounting Standard - 20', issued by Institute of Chartered Accountants of India. The net profit considered calculation of basis earning per share after tax expenses is Rs.301079 (Previous Year Rs.11,27,158/-).

14 Accounting for Taxes on Income

Consequent to the standard on 'Accounting for Taxes on Income' (Accounting Standard - 22) becoming mandatory with effect from 1st April, 2001, The company has recorded and Created a Rs.166027/- as deferred tax liability and made deduction from the Profit and Loss Account.

Deferred Tax Balance as at 31st March, 2009 of Rs. 5,242,754 is disclosed as liability.

The details are as follows:

Particulars	Amount (In Rs)
Opening Balance - Liability -1st April 2008	5076727
Add: Liability created (reversed) during the year	166027
Balance deferred tax liability as at 31st March 2008	5242754

15 Auditor's Remuneration:

Amount (In Rs)

The breakup of Auditor's remuneration is as follows:

Particulars	For the year ended March 31	For the year ended March 31
Statutory Audit Fee *	66,180	67,416
Other Services (taxation and company law matters)*	69,370	68,540
Out of Pocket Expenses	14,380	22,119
Total	1,49,930	1,58,075

* Inclusive of Service Tax

16 Contingent Liabilities

Amount (In Rs)

a. The following are the guarantees given by the banks to the parties on behalf of the company which are in force as on March 31, 2009.

Name of the Bank	Party to whom the guarantee given	Amount (Rs)
State Bank of Bikaner & Jaipur	Collector of Customs	219132

- 17 a. Based on the information available with the Company, there is no dues to Small Scale Undertaking in excess of Rs.1,00,000/- and outstanding for more than 30 days.
- b. Based on the information available with the Company, there are no suppliers who are registered as Micro, Small or Medium Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2009.

18 The following table provides the disclosure in accordance with Accounting Standard - 29 " Provisions and Contingencies":

Particulars	Provision for Fringe Benefit Tax	
	Financial year 2008 - 2009	Financial year 2007 - 2008
Opening balance	69438	44387
Add: Addition during the year	149397	204013
Less: Amount used / paid during the year	154096	175288
Less: Unspent Amount reversed during the year	24124	3674
Closing balance	40615	69438

19 Figures in bracket relates to previous year.

20 Previous year figures have been reclassified / regrouped wherever necessary to confirm to the current year presentation.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No.	L01111KA1988PTC00861
State Code	8
Balance Sheet Date	31.3.2009

II. Capital Raised During the Year

(Amount in Rs.
Thousands)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation and Development of Funds

(Amount in Rs.
Except for EPS)

Total Liabilities	158188635
Total Assets	158188635

SOURCE OF FUNDS

Paid-up Capital	30029000
Reserves & Surplus	45525242
Secured Loans	69721772
Unsecured Loans	7669867
Deferred Tax Liability	5242754

APPLICATION OF FUNDS

Net Fixed Assets	51079059
Capital Working Progress	5388215
Investments	5421161
Net Current Assets	96300200
Miscellaneous Expenditure	-

IV. Performance of Company

Turnover (Gross Revenue)	559679180
Total Expenditure	559026801
Profit before tax	652379
Profit After Tax	301079
Earnings per share (Rs.)	0.1
Dividend (%)	NIL

V. Generic Names of Three Principal Products

Services of the Company (as per monetary terms)

Items Code No. (ITC Code)	100190-02
Product Description	Wheat Products

Sunil Agro Foods Limited

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

ATTENDANCE OF SLIP FOR ANNUAL GENERAL MEETING

(Only Shareholder/proxy is allowed to attend the meeting)

(Please fill in this attendance slip and hand it over at entrance of the meeting hall)

Member Folio Number :

No. of Shares held :

Client Id :

DP Id :

Name & Address of the Shareholders (in Block letters)

Name of the Proxy holder (in Block letter)

I hereby record my presence at the TWENTY FIRST ANNUAL GENERAL MEETING of the Members of the Company, being held on Saturday, the 5th September, 2009, at Registered Office of the Company at Plot No. 39/A2, Hosakote Industrial area, Chokkahally, Hosakote - 562114, at 11-00 a.m.

.....
Signature of the Member/Proxy

Note: Shareholder/Proxy should bring his/her copy of Annual Report for reference at the meeting.

Sunil Agro Foods Limited

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

PROXY FORM

Member Folio Number :

No. of Shares held :

I/We

of in the district of

being a member/members of Sunil Agro Foods Limited, hereby appoint

..... in the district of failing him/her

..... of in the district of

..... as my/our proxy to attend

for me/us and vote on my/our behalf at the Twenty First Annual General Meeting of the Company, to be held at 11-00 a.m. on Saturday, the 5th September, 2009, and at any adjournment(s) thereof.

Signed this.....day of.....2009

Affix One
Rupee
Revenue
Stamp

Signature

Note: The Proxy must be lodged, at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid meeting. The proxy need not be a member of the Company.

BOOK - POST

If undelivered, please return to :

SUNIL AGRO FOODS LIMITED

No. 1/104, Ahuja Chambers,

Kumara Krupa Road,

Bangalore - 560 001.