

ANNUAL REPORT

2009 - 2010



Sunil Agro Foods Limited

SUNIL AGRO FOODS LIMITED
TWENTY SECOND ANNUAL GENERAL MEETING 2009-10

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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 SECOND 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 Monday, the 6th September, 2010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 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. Sunil S Jain, Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Mr. AVS Murthy, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s) or modification(s) thereof, approval of the members be and is hereby accorded to the appointment of, and remuneration payable to, Mr. B. Shantilal, as Managing Director of the Company for a period of three years with effect from 1.10.2010 to 30.09.2013 on the following terms and conditions as mentioned below:

1. Salary:

Sl.No.	Period of Remuneration	Salary per month
i.	1.10.2010 - 30.09.2013	Rs.50,000/-

2. Commission:

At 1% of the net profits of the Company computed in the manner laid down in the Companies Act, 1956, but subject to a ceiling of Rs. 1,20,000/- (Rupees One Lac Twenty Thousand only).

3. Perquisites:

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

CATEGORY 'A'**i. Housing:**

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

Alternatively:

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

Alternatively:

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

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as

per Income-Tax Rules, 1962, as amended from time to time; however, such expenditure shall be subject to a ceiling of 10% (ten percent) of appointee's salary.

ii. **Medical Reimbursement:**

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

iii. **Leave Travel Concession:**

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

iv. **Personal Accident Insurance:**

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

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

CATEGORY 'B'

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

CATEGORY " C "

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

OTHER BENEEFITS

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

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

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

The total remuneration including perquisites shall not exceed 5% of the profits calculated in accordance with Sections 349 & 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Managing Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Managing Director shall be subject to the limits prescribed under Part II of Schedule XIII of the Companies Act, as may be in force for the time being.

FURTHER RESOLVED THAT in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission,

perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mr. B. Shantilal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.”

This may be deemed as abstract under Section 302 of the Companies Act, 1956 of the terms and conditions of appointment of Mr. B. Shantilal as Managing Director.

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s) or modification(s) thereof, approval of the members be and is hereby accorded to the appointment of, and remuneration payable to, Mr. Pramod Kumar S, Executive Director of the Company for a period of three years with effect from 1.11.2009 to 30.09.2012 on the following terms and conditions as mentioned below:

1. Salary:

Sl.No.	Period of Remuneration	Salary per month
i.	1.11.2009 - 06.09.2009	Rs.50,000/-
ii.	7.09.2010 - 30.09.2012	Rs.1,00,000/-

2. Commission:

At 1% of the net profits of the Company computed in the manner laid down in the Companies Act, 1956, but subject to a ceiling of Rs. 1,20,000/- (Rupees One Lac Twenty Thousand only).

3. Perquisites:

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

CATEGORY 'A'

i. Housing:

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

Alternatively:

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

Alternatively:

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

Explanation:

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

ii. Medical Reimbursement:

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

iii. Leave Travel Concession:

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

iv. Personal Accident Insurance:

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

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

CATEGORY 'B'

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

CATEGORY " C "

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

OTHER BENEEFITS

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

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

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

The total remuneration including perquisites shall not exceed 5% of the profits calculated in accordance with Sections 349 & 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Whole time Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Whole time Director shall be subject to the limits prescribed under Part II of Schedule XIII of the Companies Act, as may be in force for the time being.

FURTHER RESOLVED THAT in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mr. Pramod Kumar S be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting."

This may be deemed as abstract under Section 302 of the Companies Act,1956 of the terms and conditions of appointment of Mr. Pramod Kumar S as Executive Director.

By Order of the Board
FOR SUNIL AGRO FOODS LIMITED

Place: BANGALORE
Date: 31st July, 2010

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. Unclaimed dividends upto the year 2002-2003 will be transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Reserve Account of the Central Government), Rules, 1978.
5. 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 Code number quoting their folio number. All correspondence relating to transfer of shares may be sent directly to the aforesaid Transfer Agents of the Company.
6. The Share Transfer Book and Register of Member will remain closed on 6.09.2010.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item No. 5:**

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

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

Apart from B. Shantilal, Mr. Pramod Kumar S and Mr. Sunil Jain being relatives may be deemed to be interested/concerned in the resolution

Item No. 6:

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

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

Apart from Mr. Pramod Kumar S himself, Mr. Sunil Jain and Mr. B Shantilal being relatives may be deemed to be interested/concerned in the resolution.

FOR SUNIL AGRO FOODS LIMITED

Place: BANGALORE
Date: 31st July, 2010

B.SHANTILAL
MANAGING DIRECTOR

INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

As per the Listing Agreement, particulars of Directors who are proposed to be re-appointed are given below:

Kansas State University, USA,
MIE Institution of Engineers, India

1. Name: Mr. Sunil S Jain

Age: 42 years

Qualification:

Graduate in Engineering

Masters Degree in Business Administration from USA

Expertise:

General Management

Other Directorships:

1. Belgaum Roller Flour Mills Private Limited
2. Brindavan Softland Private Limited

Expertise :

General Management

Other Directorships :

1. Srushti Pharmaceuticals (P) Ltd
2. Mysore Vegetable Oil Products Limited
3. Mysore Snacks Foods Limited
4. Alampalli Investments (P) Ltd
5. Krishna Industries (P) Ltd

Name of the Company	Committee	Status
NA	NA	NA

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

2. Name : Mr. AVS Murthy

Age : 58 years

Qualification :

BE (Mechanical) Bangalore University,
MS (Grain Science & Industry),

For SUNIL AGRO FOODS LIMITED

Place: Bangalore
Date: 31st July, 2010

B.SHANTILAL
MANAGING DIRECTOR

DIRECTORS' REPORT

Your Directors are pleased to present the TWENTY SECOND Annual Report and the Audited Statements of accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS : (Rs. in Lacs)

Particulars	Year ended 31-03-2010	Year ended 31-03-2009
Sales	6858.76	5424.62
Other income	174.95	133.2
Profit before depreciation & tax	98.13	51.49
Less: Depreciation	44.35	44.97
Profit/(Loss) before tax	53.78	3.51
Less: Provision for tax	9.00	0.50
Profit/(Loss) after Tax	50.25	3.01
Add: P & L A/c brought forward	236.92	233.91
Proposed Appropriations:-		
Dividend & Tax	-	-
Balance Carried forward	287.17	236.92

DIVIDEND :

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

PERFORMANCE :

Your Company achieved higher revenue of Rs. 70.38 Crores during the year as against Rs. 55.16 Crores in the previous year. Healthy operating profit of Rs. 58.23 lakhs was made possible with better management of resources and with stabilized input cost. With change in the bankers, the Company was able to save on the interest cost as well. Your Directors hope to maintain the profit trend barring unforeseen circumstances.

During the year the Company did job work to General Mills India Private Limited, ITC Foods Limited, some quantity to Britannia Industries Ltd.

DIRECTORS :

Mr. Sunil S Jain and Mr. AVS Murthy, 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 PRAMOD KUMAR S**
Date : 31-7-2010 **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

	2009-10	2008-09
Power and Fuel Consumption L		
I) Power and Fuel Consumption L		
i) Electricity:		
a) Purchase Unit	2717430	2615324
b) Total Amount (Rs)	13321187	12348059
c) Rate Per Unit (Rs)	4.90	4.72
ii) In own Generation:		
a) Through Diesel Generator	119682	60000
b) Units/Liter of diesel Oil	3.05	3.00
c) Cost per Unit (Rs)	12.24	12.84
iii) Consumption per ton of production	66.12	65.50

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. No	Particulars	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 PRAMOD KUMAR S**
Date : 31-7-2010 **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 31.3.2010, five Board Meetings were held on 27th May, 2009, 24th June, 2009, 30th July, 2009, 29th October, 2009 and 29th January, 2010.

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	4	Yes	3	1
Mr. Pramod Kumar S	Executive	5	Yes	3	1
Mr. Sunil Jain	Executive	5	Yes	2	2
Mr. AVS Murthy	Non-Executive	5	Yes	5	2
Mr. Shailesh Siroya	Non-Executive	5	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 27th May, 2009, 29th June, 2009, 30th July, 2009, 29th October, 2009 and 29th January, 2010 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 Wholtime 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 2009-2010

Amount in Rs.

Name of Director	Remuneration	Sitting Fees
Mr. B Shantilal	390000	Nil
Mr. Pramod Kumar S	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. Pramod Kumar S	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. The said committees meet from time to time to address the requirement.

F. General Body Meetings :

The last time Annual General Meeting were held as under :

Financial Year	Date	Time	Location
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
2008-2009	05-09-2009	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. 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 Monday the 6th September, 2010.
- 2) Financial calendar:

Sl. No.	Particulars	Dates
1.	Annual Results of the previous year	29-6-2009
2.	First Quarter Result	30-7-2009
3.	Annual General Meeting	5-9-2009
4.	Second Quarter Result	29-10-2009
5.	Third Quarter Result	29-1-2010

- 3) Date of Book Closure for the year 2009-2010:
4th September, 2010 to 6th September, 2010 (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: alfint@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 31.3.2010 :

Shares holding of nominal value of	Shareholders		Share Amount	
	Number	% of Total	In Rs.	% of Total
Upto 5,000	1027	85.02	1537120	5.12
5,001 - 10,000	60	4.97	458030	1.53
10,001 - 20,000	64	5.30	1026560	3.42
20,001 - 30,000	135	1.08	339950	1.13
30,001 - 40,000	6	0.50	211520	0.70
40,001 - 50,000	7	0.58	350000	1.17
50,001 - 1,00,000	10	0.83	769980	2.56
1,00,001 and above	21	1.74	25335840	84.37
Total	1208	100.00	30029000	100.00

8) Categories of Shareholders as on 31.3.2010 :

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	210945	7.02	606
Electronic Mode	2791955	92.98	602

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.6858.76 lakhs (previous year Rs.5424.62 lakhs) for the financial year ended 31/3/2010 with a net profit of Rs.50.99 lakhs (previous year Rs. 3.01 lakhs). 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: 31st July, 2010

B Shantilal
Managing Director

Pramod Kumar 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, 2010 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.

Place : Bangalore
Date : 31st July, 2010

B. Shantilal
Managing Director

Pramod Kumar S
Executive Director

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, 2010. 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 or 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 paid-up 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 Four (4) times from 1.4.2009 to 31.3.2010 on the following dates 27.5.2009, 29.6.2009, 29.10.2009 and 30.7.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 5.9.2009 to 6.9.2009 (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 31.3.2009 was held on 5th September 2009 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. [MR RAO TO CONFIRM IF THIS STATEMENT IS CORRECT FOR THE YEAR] It is understood that the Company has not entered into any other 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 or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company:
 - (i) has delivered all the certificates on lodgment thereof for transfers/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) has not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) has not transferred funds to the Investor Education and Protection Fund.
 - (v) has 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 appointed Executive 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 and the rules made there under.
20. The Company has not issued any Shares, Debentures or other Securities during the financial 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.
25. The Company's borrowings during the financial year ended 31.3.2010 were in compliance with the Act.
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.
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.
28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
31. The Company has not altered its Articles of Association during the financial year.
32. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
33. The Company has not received any money as security from its employees during the financial year.
34. Section 418 of the Act relating to provisions applicable to Provident Funds of employees is not applicable to the Company.

Place: Bangalore
Date: 31.7.2010

VIJAYAKRISHNA KT
FCS - 1788
CP - 980

ANNEXURE-A

Following were the register maintained by the Company:

- 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 2010:

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.	Forms 23AC & 23ACA	220	Annual Accounts	3.10.2009	YES	NO
2.	Form 20B	159	Annual Return	4.11.2009	YES	NO
3.	Form 66		Secretarial Compliance Certificate	3.10.2009	YES	NO

**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, 2010, 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
31st July, 2010

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, 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2010 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, 2010 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. 21.64 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, 2010;
 - (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
Firm Reg. No. 001987S

Place : Bangalore
Date : 31st July, 2010

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 para vs clause 3(a) to 3(d) of the said order does not arise.
 - b. During the year, the Company has taken loan from three parties amounting to Rs.64.34 Lakhs and repaid to the extent of Rs.79.26 Lakhs to three parties. The balance payable as on the balance sheet date is Rs. 70.85 Lakhs.
 - 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 per the understanding of the parties.
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 weaknesses 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 to 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 a 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 para vs 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 explanations 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, 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 paragraph 18 of Company Audit Report Order, 2003 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 informations and explanations 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
Firm Reg. No. 001987S

Place : Bangalore
Date : 31st July, 2010

D. R. Venkatesh
Partner
Membership No. 25087

BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	Sch. No.	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCE OF FUNDS			
SHAREHOLDER'S FUNDS			
Equity Share Capital	1	3,00,29,000	3,00,29,000
Reserves and Surplus	2	5,06,24,382	4,55,25,242
Total		8,06,53,382	7,55,54,242
LOAN FUNDS			
Secured Loans	3	9,18,09,746	6,97,21,772
Unsecured Loans	4	70,85,793	76,69,867
Total		9,88,95,539	7,73,91,639
Deferred Tax Liability		45,17,330	52,42,754
Total Sources		18,40,66,251	15,81,88,635
APPLICATION OF FUNDS			
Fixed Assets	5	11,03,14,463	10,62,87,495
Less: Accumulated Depreciation		5,96,43,122	5,52,08,436
Net Book Value		5,06,71,341	5,10,79,059
Add: Capital Working Progress including capital Advances	6	66,15,370	53,88,215
Total		5,72,86,711	5,64,67,274
INVESTMENTS			
Immovable Properties	7	28,27,629	9,84,868
Investment in Securities		41,43,015	44,36,293
Total		69,70,644	54,21,161
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	7,92,34,977	5,29,77,508
Sundry Debtors		4,97,41,615	4,73,81,369
Cash and Bank Balances		40,95,519	37,39,621
Loans and advances		2,65,50,774	3,36,99,348
Gross Current Assets		15,96,22,885	13,77,97,846
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	3,67,83,632	3,98,73,211
Provisions		30,30,357	16,24,435
Total		3,98,13,989	4,14,97,646
NET CURRENT ASSETS			
Total Applications		11,98,08,896	9,63,00,200
Accounting Policy & Notes to Accounts	19	18,40,66,251	15,81,88,635

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
Firm Reg. No. 001987S

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 : 31st July, 2010

Sunil S Jain
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

PARTICULARS	Sch. No.	For the Year ended 31.03.2010 (Rs.)	For the Year ended 31.03.2009 (Rs.)
Revenues			
Sales	10	69,28,72,588	54,22,27,294
Other Income	11	1,40,49,159	1,63,94,071
Accretion (Decretion) to Inventory	12	27,11,087	8,22,461
Foreign Exchange Income		7,38,805	-
Total	A	71,03,71,639	55,94,43,826
Cost of Revenue			
Operating Expenses	13	67,16,25,919	52,83,00,468
Administrative, Selling and Distribution Expenses	14	1,85,13,334	1,52,73,601
Depreciation	5	44,34,686	44,96,903
Total	B	69,45,73,939	54,80,70,972
Profit before Interest & Income Taxes	C=A-B	1,57,97,700	1,13,72,854
Interest Expenses	15	1,05,22,949	1,07,20,475
Profit before Taxes		52,74,751	6,52,379
Income Tax Expenses		(9,00,000)	(60,000)
Deferred Tax Asset / (Liability)		7,25,424	(1,66,027)
Fringe Benefit Tax, net of reversal		(1,035)	(1,25,273)
Profit after Tax		50,99,140	3,01,079
Add: Balance brought forward		2,36,92,042	2,33,90,963
Profit available for appropriations		2,87,91,182	2,36,92,042
Balance in Profit and Loss Account		2,87,91,182	2,36,92,042
Balance carried to Balance Sheet		2,87,91,182	2,36,92,042

EARNING PER SHARE

Equity Share of Par Value of Rs.10/- Each

Basic earning per share - Before Tax	1.76	0.22
Basic earning per share - After Tax	1.70	0.10
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
Firm Reg. No. 001987S

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 : 31st July, 2010

Sunil S Jain
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

PARTICULARS	Sch No	For the Year ended	
		31.03.10	31.03.09
A. Cash from Operating Activities			
Net profit before tax		5274751	652379
Adjustments for:			
Depreciation	5	4434686	4496903
Interest Expenses		10522949	10720475
Loss on Sale of Assets		-	176192
Loss on Sale of Securities		39793	79284
Interest on FD/ Other deposits		(690552)	(648137)
Dividend received		(10551)	(13503)
Profit on sale of Securities		-	(460385)
Operating Profit before Working Capital Changes		14296325	14350829
		19571076	15003208
Adjustments for:			
(Increase) / decrease in Sundry Debtors		(2360246)	2242601
(Increase) / decrease in Inventory		(26257469)	20659304
(Increase) / decrease in Loans and advances	16	6998574	(6790538)
Increase / (decrease) in Current Liabilities & Provisions		(2584692)	(13398983)
Cash Generated from Operating Activities		(4632757)	17715592
Tax Expenses		150000	(125273)
Interest (Paid)		(10522949)	(10720475)
Net Cash (used in) Operations		(15005706)	6869844
B. Cash Flows from Investing Activities			
Purchase of Fixed Assets and Change in Capital Work in Progress	17	(5254124)	(5203979)
Sale / (Purchase) of Investments - net (Non Trade)	18	(1589277)	1037763
Maturity / (Investment) in Fixed Deposits		(187117)	351122
Interest on Fixed / Other Deposits Received		690552	648137
Dividend Received		10551	13503
Net Cash from Investing Activity		(6329415)	(3153454)
C. Cash Flows from Financing Activities			
Proceeds (Repayment) from borrowing		21503901	(3007303)
Net Cash (Used in) Financing Activities		21503901	(3007303)
Net decrease in Cash & Cash Equivalents (A+B+C)		168781	709087
Cash & Cash equivalents at the beginning of the year		2524908	1815821
Cash & Cash equivalents at the end of the year		2693689	2524908
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,
Chartered Accountants
Firm Reg. No. 001987S

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 : 31st July, 2010

Sunil S Jain
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010	As at 31.03.2009
	(Rs.)	(Rs.)
SCHEDULE NO. 1		
SHARE CAPITAL		
Authorised Capital		
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	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	2,87,91,182	2,36,92,042
Total	5,06,24,382	4,55,25,242

SCHEDULE NO. 3

SECURED LOANS		
Long Term Loan		
- Term Loan *	22,46,530	27,44,659
- Vehicle Loan *	5,73,628	12,82,676
Short Term Loan		
- Bank Overdraft		
HDFC Bank - Secured Over Draft	8,39,87,515	6,56,94,437
Other short - term loans	50,02,073	-
Interest Accrued and due on the above Loan	-	-
Total	9,18,09,746	6,97,21,772

* Includes loan payable with in one year amounting to Rs.10,99,035/- (Previous year Rs.11,37,587/-).

- Secured Over Draft Facility from HDFC Bank Limited is secured by Hypothecation of wheat & Wheat Products, Packing Material and Book Debts.

- 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 functional directors.

SCHEDULE NO. 4

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
UNSECURED LOANS		
Deposit from Directors	63,70,510	69,04,141
Deposit from Share Holders	5,33,841	2,33,000
Interest Accrued and due on above loan	1,81,442	5,32,726
Total	70,85,793	76,69,867

SCHEDULE NO.5

FIXED ASSETS

SL	PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION				NET BLOCK		
			AS ON 01.04.2009	Addition/	Deletion	AS On 31.03.2010	Upto 31-03-2009	For the Year	Adjust- ment	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	Land		64,48,588	-	-	64,48,588	-	-	-	-	64,48,588	64,48,588
2	Building - Factory	3.34%	3,12,03,863	-	-	3,12,03,863	85,48,467	9,63,667	-	95,12,134	2,16,91,729	2,26,55,396
3	Building - Office		16,73,627	-	-	16,73,627	1,64,903	50,793	-	2,15,696	14,57,931	15,08,724
4	Plant & Machinery	10.34%	5,39,41,187	3,649,045	-	5,75,90,232	4,12,00,752	23,97,144	-	4,35,97,896	1,39,92,336	1,27,40,435
5	Vehicles	9.50%	39,12,307	-	-	39,12,307	8,62,077	3,22,027	-	11,84,104	27,28,203	30,50,230
6	Transportation Vehicle	9.50%	39,11,805	-	-	39,11,805	15,65,228	3,37,800	-	19,03,028	20,08,777	23,46,577
7	Furniture & Fixtures	6.33%	25,90,934	65,863	-	26,56,797	13,65,476	1,68,076	-	15,33,552	11,23,245	12,25,458
8	Computer	16.21%	15,12,524	113,107	-	16,25,631	10,79,922	1,19,115	-	11,99,037	4,26,594	4,32,602
9	Office Equipments	4.75%	8,15,554	116,422	-	9,31,976	3,51,951	60,891	-	4,12,842	5,19,134	4,63,603
10	Lab Equipment	7.07%	2,26,606	82,531	-	3,09,137	69,660	15,173	-	84,833	2,24,304	1,56,946
11	Other Items	7.07%	50,500	-	-	50,500	-	-	-	-	50,500	50,500
	TOTAL		10,62,87,495	40,26,969	-	11,03,14,463	5,52,08,436	44,34,686	-	5,96,43,122	5,06,71,341	5,10,79,059
	Previous Year		10,22,18,034	51,25,000	1055438	10,62,87,495	5,13,17,221	44,96,903	605688	5,52,08,436	5,10,79,059	5,09,00,713

SCHEDULE NO. 6

	As at 31.03.2010	As at 31.03.2009
Capital Work in Progress		
Building	13,84,314	1,57,159
Plant and Machinery	16,44,909	16,44,909
Import Machinery	30,92,147	30,92,147
Purifier Seperator	4,94,000	4,94,000
Total	66,15,370	53,88,215

SCHEDULE NO. 7

INVESTMENTS

PARTICULARS	QUANTITY AS ON		FACE VALUE	COST 31.03.2010	AS AT 31.03.2009
	31.03.2010	31.03.2009			
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
	31.03.2010	31.03.2009			
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
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	80	10	5,873	5,873
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
Dharani Sugars & Chemicals Limited	-	7,755	10	-	2,93,278
Total				40,33,336	43,26,614
Less: Provision for fall in market value of shares				91,721	91,721
Net Value of shares				39,41,615	42,34,893
Aggregate Market Value of Quoted Investments				18,76,410	19,88,297
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				41,43,015	44,36,293
LONG TERM INVESTMENTS - Immovable Property					
Investment in Residential Flat at WH - 201, 2nd floor, "DHARMA" Block, Sai Garden, White Field, Bangalore				18,42,761	-
Investment In Residential Flat At WH 204 II Floor "DHARMA" Block, Sai Garden, White Field, Bangalore				9,84,868	9,84,868
Grand Total				69,70,644	54,21,161

SCHEDULE NO. 8

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
A] Current Assets		
i) Inventory		
a) Raw Materials	5,97,38,365	3,71,25,600
b) Finished Products	1,34,40,450	1,07,29,363
c) Packing Material	55,27,475	46,66,361
d) Consumable Stores/ Lab Chemicals / Diesel	5,28,687	4,56,184
	<u>7,92,34,977</u>	<u>5,29,77,508</u>
ii) Sundry Debtors		
Debt outstanding for a period Exceeding Six Months		
Unsecured, considered good.	95,82,300	61,44,943
Unsecured, considered Doubtful		-
Other Debts		
Unsecured, considered good	4,01,59,315	4,12,36,426
[Includes Rs.20,74,632/- receivable from company under the same management]		
Unsecured, considered Doubtful	-	-
	<u>4,97,41,615</u>	<u>4,73,81,369</u>
iii) Cash and Bank Balances		
a) Cash on hand	14,44,276	15,65,230
b) Cash with Scheduled Banks		
- In Current Account	12,49,413	9,59,678
- In Term Deposit Account	14,01,830	12,14,713
(Held as margin money for bank guarantees as on March 31, 2010 is 13.88 lakhs (March 31, 2009 is 12.15 lakhs)		
	<u>40,95,519</u>	<u>37,39,621</u>
Total - A	<u>40,95,519</u>	<u>37,39,621</u>
[Unsecured; considered good, recoverable in cash or in kind or for value to be received.]	13,30,72,111	104098498
Inter Corporate Deposit	39,54,678	44,70,746
* Includes Rs.3,00,000/- interest receivable net of TDS (Previous Year Rs.2,32,020/-)		
* Includes Rs.28,80,977/- 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	1,63,79,212	2,29,99,428
[Includes Rs.82,53,111/- due from other Company under same management (Previous Year 71,38,638/-)]		
Loans and advances to Staff	5,20,948	3,77,508
Advance Income Tax	21,50,000	21,00,000
Deposits with Government Departments and Others	35,45,936	37,51,666
Total - B	<u>2,65,50,774</u>	<u>3,36,99,348</u>
Total Current Assets	<u>15,96,22,885</u>	<u>13,77,97,846</u>
	[A + B]	

SCHEDULE NO. 9

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
A) Current Liabilities		
Sundry Creditors for Goods, Expenses and Services		
- Due to MSME	-	-
- Others		
Sundry Creditors for Purchases	3,00,10,897	3,46,13,221
Sundry Creditors for Expenses	44,43,556	44,55,938
Sundry Creditors for Others	15,62,652	6,16,559
Advance Received From Customers	7,66,527	1,87,493
	<u>3,67,83,632</u>	<u>3,98,73,211</u>
B) Provisions		
Fringe Benefit Tax	-	40,615
Provision for Gratuity	6,70,357	1,23,820
Provisions for Taxation	23,60,000	14,60,000
	<u>30,30,357</u>	<u>16,24,435</u>
Total	<u>3,98,13,989</u>	<u>4,14,97,646</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year Ended 31.03.2010 (Rs.)	For the Year Ended 31.03.2009 (Rs.)
SCHEDULE NO. 10		
SALES		
a) Maida	42,65,47,842	32,82,27,128
b) Sooji	6,66,90,702	4,97,15,784
c) Atta	4,81,35,893	4,96,73,456
d) Rough Bran	7,69,82,240	5,81,18,240
e) Bran Flakes	3,44,92,084	2,59,67,572
f) Wheat	3,12,75,185	2,75,36,181
g) Others	87,48,642	29,88,933
Total	69,28,72,588	54,22,27,294
Add: VAT & Cess Collected	-	-
Total	69,28,72,588	54,24,62,648
(Other sales includes Rs. 68,96,537/- being packing material sales)		

SCHEDULE NO. 11

OTHER INCOME		
Dividend from Indian companies (Non Trade)	10,551	13,503
Profit on Sale Of Securities & Derivatives (Non Trade)	-	4,60,385
Insurance Claim	82,663	1,07,569
Interest on Fixed Deposit & Bonds (Gross)*	61,604	1,10,238
Interest Received on Deposit - ICD (Gross)*	3,00,000	3,00,000
Interest on KPTCL Deposit *	1,95,276	2,37,899
Miscellaneous Income	14,55,601	44,16,834
Interest on Income Tax Refund		85,270
Rent :		
Other Rent	90,500	94,104
Terrace Space *	2,81,668	1,79,547
Tempo/Truck Freight	4,30,808	10,79,437
Weighment Charges	1,84,730	1,34,070
Provision no longer required - Income Tax	-	5,764
Custom Milling Charges *	1,09,55,758	91,69,451
Total	1,40,49,159	1,63,94,071
* Tax deducted at source	3,58,915	6,67,985

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

Wheat Products	Opening	Closing	Accretion/
	Stock	Stock	(Decretion)
	As of April, 2009	As at March 31, 2010	
	Rs.	Rs.	Rs.
Maida	61,26,394	81,00,482	19,74,088
Sooji	19,47,365	21,47,907	2,00,542
Atta	15,64,668	23,01,608	7,36,940
Bran Rough	9,23,111	4,11,214	(5,11,897)
Bran Flakes	1,67,825	4,79,239	3,11,414
Total	1,07,29,363	1,34,40,450	27,11,087
Previous Year	99,06,902	1,07,29,363	8,22,461

SCHEDULE NO. 13

	For the	For the
	Year Ended	Year Ended
	31.03.2010	31.03.2009
OPERATING EXPENSES		
Raw Material Consumed	59,11,07,515	45,50,91,547
Purchase Of Wheat Trading	3,10,82,961	2,76,08,606
Purchase Of Wheat Products	1,07,91,104	1,84,55,535
Purchase Other products	-	2,61,159
Custom Milling Charges	97,06,087	53,76,519
Freight & Carriage Inwards	14,340	1,93,206
Packing Material Consumed	72,08,412	13,07,690
Power & Diesel Charges	1,48,06,890	1,35,09,225
Stores & Spares Consumed	4,05,000	3,69,695
Wages/ Labor Charges	30,38,740	27,95,673
Insurance	3,42,081	3,94,497
REPAIRS & MAINTENANCE		
a) Plant & Machinery	8,70,056	8,43,107
b) Building	98,183	98,654
c) Others	11,48,426	9,43,540
Laboratory Expenses	10,06,124	10,51,815
Total	67,16,25,919	52,83,00,468

SCHEDULE NO. 14

	For the Year Ended 31.03.2010 (Rs.)		For the Year Ended 31.03.2009 (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	20,000		24,000	
Directors Welfare	1,18,899		1,26,689	
Directors Foreign Tour Expenses	2,26,207		44,473	
Traveling Expenses & Others	74,827	17,75,633	99,808	16,30,670
Employee Cost				
Salary	15,29,926		13,90,893	
Bonus	3,80,722		3,49,071	
Employees State Insurance	1,85,446		1,68,539	
Provident Fund	4,50,818		4,10,073	
LIC Group Gratuity	5,95,940		1,68,820	
Leave Encashment	82,678		82,532	
Canteen Expenses	13,67,355	459,2885	10,09,481	35,79,409
Auditors Remuneration:				
For Statutory Audit	66,180		66,180	
For Other Services	79,861		69,370	
Out of pocket expenses	5,600		14,380	
		1,51,641		1,49,930
Printing & Stationery		2,14,142		1,58,920
Rates, Taxes and Other fees		6,24,947		3,95,956
Postage, Telegram & Telephone		4,79,311		5,19,523
Carriage Outward		17,96,785		20,76,913
Membership & Subscription		7,24,669		3,18,617
Internal Audit fees & Expenses		68,580		63,516
Brokerage and Commission		1,60,026		1,01,984
Advertisements		1,06,780		79,961
Discount Allowed		12,67,720		15,64,955
General And Miscellaneous Expenses		13,64,081		6,78,759
Loss On Derivatives		39,793		79,284
Truck/ Tempo Vehicle Maintenance		32,97,720		31,66,128
Vehicle Maintenance		7,08,858		5,32,884
Loss on Sale of Assets		-		1,76,192
Amount no longer receivable		11,39,763		-
Total		1,85,13,334		1,52,73,601

SCHEDULE NO. 15

	For the Year Ended 31.03.2010 (Rs.)	For the Year Ended 31.03.2009 (Rs.)
FINANCIAL CHARGES		
Interest on Secured Overdraft	82,45,291	81,89,860
Bank Charges & Commission	4,43,843	8,78,151
Interest on Deposits & Others	13,70,014	11,94,508
Interest on Car Loan	1,07,572	1,75,662
Interest on Term Loans	3,56,229	2,82,294
Total	1,05,22,949	1,07,20,475

SCHEDULES FORMING PART OF THE CASH FLOW STATEMENT

SCHEDULE NO. 16

CHANGES IN LOANS AND ADVANCES

Opening Balance	3,36,99,348	2,69,08,810
Less: Advance Income Tax Separately Considered	-1,50,000	-
Balance as per Balance Sheet - Closing Balance	(2,65,50,774)	(3,36,99,348)
Total	69,98,574	-67,90,538

SCHEDULE NO. 17

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

Purchase of Fixed Assets other than Motor Car - net	(40,26,969)	(43,58,146)
Less: Deletion of Fixed Asset	-	-
Less: Opening Capital Work in Progress	53,88,215	50,35,673
Add: Closing Work in Capital	(66,15,370)	(53,88,215)
Total A	(52,54,124)	(47,10,688)
Purchase of Motor Car	-	(7,66,854)
Less: Sale Proceeds of Motor Car	-	2,73,558
Total B	-	(4,93,296)
Total (A+B)	(52,54,124)	(52,03,984)

SCHEDULE NO. 18

INVESTMENTS IN SECURITIES AND IMMOVABLE PROPERTY

Opening balance Considered		60,77,823
Less: Purchases Made during the year	(18,42,761)	(1,01,63,475)
Add: Sale of Investments	2,53,484	1,05,44,576
Balance as per Balance Sheet - Closing Balance	-	(54,21,161)
Total	(15,89,277)	10,37,763

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 accrual 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 based 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 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 balance 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 as 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.

Annual Report 2009 - 2010

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	:	41813.177 Mts	(35183.245 Mts)	
Customer Milling	:	1090.800 Mts	(5655.722 Mts)	(In Metric Tonnes)

2 Wheat Products

	Opening Stock(Mts)		Closing Stock (Mts.)	
	Current Year	Previous Year	Current Year	Previous Year
Maida	397.451	419.505	481.75	397.451
Sooji	117.119	112.77	123.204	117.119
Atta	86.488	105.646	140.788	86.488
Bran Rough	73.743	215.094	34.933	73.743
Bran Flakes	20.18	107.458	25.764	20.18

(Amount in Rs.)

3 a) Value of Raw Material Consumed

	Current Year		Previous Year	
	Consumption	% Consumption	Consumption	%
Wheat Products				
Imported	10868880	1.84	-	-
Indigenous	580238635	98.16	455091547	100
Total	591107515	100	455091547	100

b) Value of spare parts and components consumed

	Current Year		Previous Year	
	Consumption	% Consumption	Consumption	%
Imported				
Indigenous	405000	100	369695	100
Total	405000		369695	

c) Sales

(Quantity in metric tonnes)

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Quantity	Amount	Quantity	Amount
Domestic Sales				
1) Maida	24668.111	426547842	19919.05	328227128
2) Sooji	3751.29	66690702	3195.81	49715784
3) Atta	3158.355	48135893	4014.75	49673456
4) Bran Rough	7666.646	76982240	6732.342	58118240
5) Bran Flakes	3618.654	34492084	3501.693	25967572
6) Wheat	2056.503	31275185	2161.97	27536181
7) Others		8748642		2988933
Total	44919.56	692872588	39525.615	542227294

d) Raw Material Consumed
(Quantity in metric tonnes)

	For The Year Ended 31.03.2010		For The Year Ended 31.03.2009	
	Quantity	Amount	Quantity	Amount
Opening Stock	2709.889	37125600	4552.598	59450782
Add: Purchases (net of discount)	46032.306	644803241	36194.865	460374971
Total	48742.195	681928841	40747.463	519825753
Less: Cost of Wheat Sold	2056.503	31082961	2161.97	27608606
Total	46685.692	650845880	38585.493	492217147
Less: Closing Stock	4036.376	59738365	2,709.89	37125600
Wheat Consumed	42649.316	591107515	35875.604	455091547

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.

- d. In the earlier years the company purchased vacant sites at No.38 & 39 to the extent of 3729 Sq Feet at Chokkahalli Kasaba, Hoskote, Bangalore Rural District for Rs.1,06,970/- and has constructed a residential building.
- e. During the year 2004 - 2005, the company has purchased land at Mavalli Village Sy NO.535, Marasur Village, Kasaba Hobli, Anekal Taluk, Bangalore District measuring 2620 Sq feet for Rs.4,22,025/-.

Particulars	For the Year 2009-10	For the Year 2008-2009
5 Capital Work remaining to be executed (net of advance)	NIL	NIL
6 Earning in foreign Exchange - Export Sales	NIL	NIL
7 a. Expenditure in foreign currency during the financial year on account of royalty, professional consultancy fees, know how etc	NIL	NIL
b. Traveling expenses : Expenses	RS.47025	
	(1000USD)	
	73,200	44,473
	(15000 Rand)	-
Import of wheat	32549703	-
	(703732.4245 USD)	-
c. Value of Import of Machinery on CIF Basis	NIL	NIL
d. Other contract negation charges	NIL	NIL

8 Investment in Residential Flat

- a In the earlier years, the company purchased and took possession of 830 Sq Feet of residential flat at WH 204, II floor, Dharma Block, Sai Gardens, Whitefield, Bangalore and disclosed it as investments in immovable property as the company is not intended to be occupied substantially for use by to in the operations of the company.
- b In the Financial year 2008 - 2009, the company purchased residential flat at WH 201, II Floor, Dharma Block, Sai Gardens, Whitefield, Bangalore and disclosed it as investments in immovable property as the company is not intended to be occupied substantially for use by to in the operations of the company.
- 9 The liability towards gratuity has been insured with LIC, under group gratuity Scheme. Company has provided the liability for Gratuity as per the Actuarial Valuation .The following Table provides the disclosure in accordance with Revised AS – 15 in respect of Gratuity for the year ended and as at March 31, 2010

Category	For the Year 2009-2010	For the Year 2008-2009
I Change in benefit Obligations:		
Projected Defined Benefit obligations at the beginning of the year	668456	608932
Interest Cost	53476	48715
Current Service Cost	48811	48450
Benefits paid	-	-
Actuarial Losses / Gain	544146	(37641)
Projected Defined Benefit obligations at the end of the year	1314889	668456
II Change In Plan Assets		
Plan assets at the beginning of the year at Fair Value	594039	505909
Expected return on plan asset	50493	45948
Contributions by the employer	-	42182
Benefits Paid	-	-
Actuarial Gain / Loss	NIL	NIL
Plan assets at the end of the year at Fair Value	644532	594039
III Present Value of Defined Benefit Obligation	1314889	668456
Plan Assets at the end of the year at Fair Value	644532	594039
Net asset / (liability) to be recognised in balance sheet	-670357	-74417
IV Expenses to be recognised in the profit and loss account	-595940	13576
Assumptions		
Discount Rate	8%	8%
Salary Escalations	7%	7%

- 10 As per Accounting Standard - 17 "Segment Reporting" issued by Institute of Chartered Accountants of India, the company should report information based on Business Segment and Geographical Segment. It is the perception of the management that there is only one segment and it is viewed as a whole. However information is disclosed to the extent possible.

Annual Report 2009 - 2010

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	31275185	27536181	661597403	514691113	692872588	542227294
Segment Results	192224	(-72425)	19330847	10324809	19523071	10252384
Add: Unallocated Income					14787964	16394071
					34311034	26646455
Less: Unallowable Corporate Expenses						
Admin, Selling and Distribution Expense					18513334	15273601
Financial Charges					10522949	10720475
Profit before taxation					5274751	652379
Provision for taxation						
Current Tax					900000	60000
Deferred Tax					(725424)	166027
Fringe Benefit Tax					1035	125273
Profit after Tax					5099140	301079

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			50671341	51079159	50671341	51079159
Capital Work-in Progress			6615370	5388215	6615370	5388215
Inventory			19496612	15851908	19496612	15851908
Cash & Bank Balances			79234977	52977508	79234977	52977508
Segment Liabilities						
Secured Loans			91809746	69721772	91809746	69721772
Unsecured Loans			7085793	7669867	7085793	7669867
Unallocated Segment Assets						
Investments					6970644	5421161
Debtors					49741615	47381369
Loans and Advances					26550774	33699348
Unallocated Segment Liabilities						
Current Liabilities & Provisions					39813989	41497646

- 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	617794669	475964468	75077919	66498180	692872588	542462648
Unallocated Revenue					17499051	17216532
Total Revenue	617794669	475964468	75077919	66498180	710371639	559679180
Segment Assets	40406212	34949652	9335403	12431717	49741615	47381369
Unallocated Assets					189539718	164417299
Total Assets					239281333	211798668

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 2009 - 2010.

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	
Sryшти 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 owning an interest in the company, exercise the significant influence or control
Krishna Industries Private Limited	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 Enterprises over which KMP is able to exercise significant influence (KMP) & Their Relatives			
	For the year ending			
	2010	2009	2010	2009
Deposit Received	6434819	10077100	-	-
Deposit Repaid	7926140	4452000	-	-
Interest on Deposit Paid	1001535	593800	-	-
Purchase of Wheat & Wheat Products	-	-	13714390	18085705
Sale of Wheat & Wheat Products	-	-	662985	4966500
Custom Milling Charges paid	-	-	9706087	5376519
Interest on ICD received	-	-	300000	300000
Purchase of Immovable property	-	-	1700000	-

11.3 Managerial Remuneration:

Remuneration paid / payable to Managerial Personnel

Name of the Managerial person	Relationship	(Amount In Rs)	
		For the year ended March 31, 2010	For the year ended March 31, 2009
Mr. B Shantilal	Managing Director*	390000	390000
Mr. Pramod Kumar Jain	Executive Director*	650000	650000
Mr. Sunil S Jain	Director*	162500	162500
Contribution to Provident Fund for all the directors		133200	133200
Total		1335700	1335700

Note:* Remuneration includes bonus of Rs.92,500/- provided (Financial year 2008 - 2009 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, 2010		March 31, 2009	
	Amount(Rs)	Amount(Rs)	Amount(Rs)	Amount(Rs)
Profit before Taxation		5274751		652379
Add: Managerial Remuneration	1335700		1335700	
Director's sitting fee	20000		24000	
Depreciation as per Accts	4434686	5790386	4496903	5856603
		11065137		6508982
Less: Depreciation as per Section 350 of the Companies Act,1956	4434686		4496903	
Gain (net) on sale of Investments (non trade)	(39793)	4394893	381101	4878004
Net profit (Loss) as per Section 349 of Companies Act, 1956		6670244		1630978

Since outcome of Calculation is inadequate profit in the financial year 2008 - 2009 and 2009 - 2010, remuneration needs to be paid on the basis of Schedule XIII - Part - II.

11.3.2 Calculation of Effective Capital

	March 31, 2010 (Amount In Rs)	March 31, 2009 (Amount In Rs)
Paid up Capital	30029000	30029000
Add: Reserves & Surplus	45525242	45224161
Add: Long Term Loans	2928300	2437704
	78482542	77690865
Less: Investments	5421161	6077823
Effective Capital	73061381	71613042

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.281668 towards operating lease.

Lease rental commitments from Bharathi mobile is as follows:

Lease Rentals	As at March 31,	
	2010	2009
Due with in one year of the balance sheet date	286688	184272

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.5274751 (Previous Year Rs. 6,52,379/-).

Earning per share is calculated as per 'Accounting Standard - 20', issued by Institute of Chartered Accountants of India. The net profit considered calculation of basic earning per share after tax expenses is Rs.5099140 (Previous Year Rs.3,01,079/-).

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 reversed Rs. 725424/- as deferred tax liability and made deduction from the Profit and Loss Account (166027/-).

Deferred Tax Balance as at 31st March 2010 of Rs. 45,17,330/- is disclosed as liability (5242754/-).

The details are as follows:

Particulars	Amount (In Rs)	
Opening Balance - Liability -1st April 2009	5242754	5076727
Add: Liability created (reversed) during the year	-723424	166027
Balance deferred tax liability as at 31st March 2010	4517330	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	66,180
Other Services (taxation and company law matters)*	79,861	69,370
Out of Pocket Expenses	5,600	14,380
Total	1,51,641	1,49,930

* 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, 2010.

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, 2010.

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

Particulars	Provision for Fringe Benefit Tax	
	Financial year 2009 - 2010	Financial year 2008 - 2009
Opening balance	40615	69438
Add: Addition during the year	NIL	149397
Less: Amount used / paid during the year	40615	154096
Less: Unspent Amount reversed during the year	NIL	24124
Closing balance	NIL	40615

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	31.3.2010

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	184066251
Total Assets	184066251

SOURCE OF FUNDS

Paid-up Capital	30029000
Reserves & Surplus	50624382
Secured Loans	91809746
Unsecured Loans	7085793
Deferred Tax Liability	4517330

APPLICATION OF FUNDS

Net Fixed Assets	50671341
Capital Working Progress	6615370
Investments	6970644
Net Current Assets	119808896
Miscellaneous Expenditure	-

IV. Performance of Company

Turnover (Gross Revenue)	710371639
Total Expenditure	705096888
Profit before tax	5274751
Profit After Tax	5099140
Earnings per share (Rs.)	1.7
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 SECOND ANNUAL GENERAL MEETING of the Members of the Company, being held on Monday, the 6th September, 2010, 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 Second Annual General Meeting of the Company, to be held at 11-00 a.m. on Monday, the 6th September, 2010, and at any adjournment(s) thereof.

Signed this.....day of.....2010

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.