

**SUNIL AGRO FOODS LIMITED**

Corporate Office:

1/104, Ahuja Chambers, Kumara Krupa Road,  
Bengaluru - 560001 ; T: 080 2225 1555 / 1666  
E-mail : info@sunilagro.in

Factory &amp; Registered Office:

Plot 39/A2, Chokkahalli, Hosakote Industrial Area,  
Hosakote - 562114 ; T: 080 27971371/ 463 E-mail :  
billing@sunilagro.in

CINNo : L01111KA1988PLC008861

www.sunilagro.in

To  
Department of Corporate Services (Listing)  
BSE Limited (BSE)  
25<sup>th</sup> Floor Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001

1<sup>st</sup> August, 2023

Dear Sir,

**SUB: COPY OF ANNUAL REPORT****REF: SCRIP CODE- 530953**

Pursuant to the provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of Annual Report along with the notice of Thirty Fifth (35<sup>th</sup>) Annual General Meeting of the Company to be held at 11.30 PM on Wednesday, the 23<sup>rd</sup> day of August, 2023 through Video Conference (VC) or Other Audio Visual Means (OAVM) as per the Companies Act, 2013.

Please take the documents on record and kindly treat this as compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you  
Yours faithfully

**For Sunil Agro Foods Limited**

CHANDRA LIKA SHARMA  
Digitally signed by  
CHANDRALIKA  
SHARMA  
Date: 2023.08.01  
16:28:34 +05'30'

**Chandralika Sharma**  
**Company Secretary and Compliance Officer**  
**M No: A62816**  
**Encl. as above**



# **ANNUAL REPORT**

## **2022-2023**

**SUNIL AGRO FOODS LIMITED**

FSSC22000 : V5.1

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

**BOARD OF DIRECTORS & KMP:**

Mr. AVS Murthy	Non Executive Chairman
Mr. B Shantilal	Managing Director
Mr. Pramod Kumar S	Chief Executive Officer & Director
Mrs.Sarika Bhandari	Independent Director
Mrs.Pinky Jain	Non Executive Director
Mr. Akshat Jain	Whole-Time Director
Mrs.Gayithri Shankarappa	Chief Financial Officer
Mrs.Chandralika Sharma	Company Secretary and Compliance Officer

**REGISTERED OFFICE & FACTORY:** Plot No: 39-A2  
Hosakote Industrial Area, Chokkahalli  
Hoskote -562 114

**CORPORATE OFFICE:** No: 1/104, Ahuja Chambers  
Kumara Krupa road  
Bangalore -560 001

**SECRETARIAL AUDITOR:** Mr. Vijayakrishna K T  
Practising Company Secretary

**AUDITORS:** Messrs G R V & P K  
Chartered Accountants  
Bangalore

**BANKERS:** HDFC Bank Limited  
Seshadripuram Branch, Bangalore

**SHARE TRANSFER AGENTS:** Integrated Registry Management Services  
Private Limited, Bangalore

## NOTICE

Notice is hereby given that the Thirty Fifth (35<sup>th</sup>) Annual General Meeting (AGM) of the Members of Sunil Agro Foods Limited will be held at 11.30 A.M. on Wednesday, 23<sup>rd</sup> August, 2023 through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet as at 31<sup>st</sup> March, 2023, the Statements of Profit and Loss and Cash Flow for the year ended on that date, together with Independent Auditors Report and the Board's Report including Secretarial Audit Report thereon.

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

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023, together with Independent Auditor's Report and the Board's Report including Secretarial Audit Report thereon be and are hereby received, considered and adopted."

2. To appoint Mrs. Pinky Jain (DIN: 03636974), Director who retires by rotation and being eligible, offers herself for reappointment.

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

"RESOLVED THAT Mrs. Pinky Jain (DIN: 03636974), Director, be and is hereby appointed as a Director of the Company, who retires by rotation at this Annual General Meeting, and being eligible, offers herself for reappointment."

### **SPECIAL BUSINESS:**

3. **TO RE-APPOINT MRS. SARIKA BHANDARI (DIN: 07140112) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

"RESOLVED THAT, pursuant to the provisions of sections 149, 152, and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act and based on the recommendations of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appoint Mrs. Sarika Bhandari (DIN: 07140112), as an Independent Director of the Company for second term of five years commencing from the 29<sup>th</sup> January, 2024 to 28<sup>th</sup> January, 2029.

RESOLVED FURTHER THAT the Board or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for re-appointment of Mrs. Sarika Bhandari (DIN: 07140112) as an Independent Director of the Company."

Place: Bangalore  
Date: 25.07.2023

By the Order of the Board  
For Sunil Agro Foods Limited

1/104 Ahuja Chambers  
Kumara Krupa Road  
Bangalore- 560 001

Chandralika Sharma  
Company Secretary  
M. No. A 62816

#### **NOTES TO E-AGM NOTICE:**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> August, 2023 to 23<sup>rd</sup> August, 2023 (both days inclusive) for the purpose of AGM.
2. Members holding shares in electronic form are requested to intimate any change in address to their respective Depository Participants and those holding Shares in physical form are requested to update/intimate the changes to 30, Ramana Residency, Ground Floor, 4<sup>th</sup> Cross, Sampige Road, Malleshwaram, Bangalore- 560 003.
3. The Securities Exchange Board of India (SEBI) has mandated submission of

Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their DEMAT accounts. Members holding Shares in physical form can submit their details to the Company's Registrar and Transfer Agent.

4. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 31, 2022, subject to compliance with various conditions mentioned therein. Similarly, SEBI vide Circular No. 79 dated May 12, 2020 and Circular No. 11 dated January 15, 2021 granted certain relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022. Further, MCA vide General Circular No. 10/2022 dated Dec 28, 2022 extended the option to conduct the AGM through VC till September 30, 2023. Similarly, SEBI vide Circular No. 4 dated January 5, 2023 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till September 30, 2023 subject to certain conditions. In compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 35<sup>th</sup> AGM of your Company is being convened and conducted through VC.
5. Members holding shares in physical mode and who have not updated their e-mail addresses with the Company are requested to update their e-mail address in prescribed form ISR-1 and other relevant forms with Registrar and Share Transfer Agent of the Company. Members may download the prescribed forms from the Company's website at <https://sunilagro.in/updation-of-kyc-details/>. Members holding shares in dematerialised mode are requested to register/ update their e-mail address for receiving all communications including Annual Report, Notices etc. from the Company electronically.
6. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the Companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide/update bank account details to the Registrar and Share Transfer Agent or Company. Please refer <https://sunilagro.in/updation-of-kyc-details/> for the process to be followed for updation of bank details.
7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the

AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Company has facilitated the members to participate in the 35<sup>th</sup> AGM through VC facility provided by Central Depository Services Limited (CDSL). The instructions for participation by members are given in the subsequent paragraphs. Participation in AGM through VC shall be allowed on a first-come-first-served basis.
10. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote by electronic means through e-voting platform provided by CDSL for remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.
11. Members joining the AGM through VC shall be permitted to exercise their right to vote using the e-voting facility at the AGM, provided they have not cast their votes using remote e-voting facility. The members who have already cast their votes prior to AGM using the remote e-voting facility may also join the AGM though VC; but shall not be entitled to cast their votes again at the AGM.
12. Members who have not registered their email address so far, are requested to register their email IDs for receiving all communications including Annual Report, Notices etc. from the Company electronically.
13. Annual Report for the financial year 2022-23 along with Notice of the 35<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting is being sent only through electronic mode to the Members whose email IDs are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at [www.sunilagro.in](http://www.sunilagro.in), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
14. The Shares of the Company are compulsorily traded in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings. Further, the members may note that as per Regulation 40 of the



Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25 January 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission, transposition etc. Accordingly, Shareholders holding Equity Shares in physical form are urged to have their shares dematerialized so that they will be able to transfer them freely and participate in corporate actions. Any shareholder who is desirous of dematerializing their securities may write to the Company at [cs@sunilagro.in](mailto:cs@sunilagro.in) or to the Registrar and Share Transfer Agent at [irg@integratedindia.in](mailto:irg@integratedindia.in).

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

16. Voting through Electronic Means:

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the 35<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means. The facility to cast the votes by the members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

17. The Members can join the AGM through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restrictions.

The instructions for Members for remote e-voting are as under:

- (i) The voting period begins on 20<sup>th</sup> August, 2023 at 9.00 AM and ends on 22<sup>nd</sup> August, 2023 at 5.00 PM. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16<sup>th</sup> August, 2023 may cast their vote electronically. The e-

voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of the Listing Regulations, Listed Entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to Listed Entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasinew/Home/Login">https://web.cdslindia.com/myeasinew/Home/Login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System My easi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeaslnew/Registration/EasiRegistration">https://web.cdslindia.com/myeaslnew/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded In the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-</p>

login through their <b>Depository Participants</b>	Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical Shareholders and Shareholders other than Individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

2. Click on "Shareholders" module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For Physical Shareholders and other than individual Shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by company / RTA or contact Company / RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly

- recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  10. Click on the EVSN for Sunil Agro Foods Limited.
  11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17. Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [vilaykt@vikt.in](mailto:vilaykt@vikt.in) and to the Company at the email address viz; [cs@sunilagro.in](mailto:cs@sunilagro.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat Shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or



through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance by mentioning their name, demat account number/folio number, email id, mobile number at [cs@sunilagro.in](mailto:cs@sunilagro.in) on or before 16<sup>th</sup> August, 2023. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 16<sup>th</sup> August, 2023 mentioning their name, demat account number/folio number, email id, mobile number at [cs@sunilagro.in](mailto:cs@sunilagro.in). These queries will be replied to by the Company suitably by email.
8. Only those Shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
9. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**General instructions:**

- a) Mr. Vijayakrishna K T, Practising Company Secretary (Membership No. FCS 1788 & CP 980) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- b) The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report will be communicated to BSE Limited.
- c) The voting rights of Shareholders shall be in proportion to their Shares of the Paid up Equity Share Capital of the Company as on 16<sup>th</sup> August, 2023.
- d) Members who did not cast their vote through e-voting during the e-voting period shall be allowed to cast their vote at the Annual General Meeting. Members who have voted through e-voting can attend the Meeting but cannot vote again at the Annual General Meeting.

Place: Bangalore  
Date: 25.07.2023

By the Order of the Board  
For Sunil Agro Foods Limited

1/104 Ahuja Chambers  
Kumara Krupa Road  
Bangalore- 560 001

Chandralika Sharma  
Company Secretary  
M. No. A 62816

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

**ITEM NO. 3**

In terms of Sections 149,150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Sarika Bhandari (DIN: 07140112), being

eligible and offers herself for re-appointment as an Independent Director of the Company, for a second term of five consecutive years from 29<sup>th</sup> January, 2024 to 28<sup>th</sup> January, 2029.

Mrs. Sarika Bhandari has furnished a declaration confirming that she satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and the Board noted the same. The Nomination and Remuneration Committee and the Board at their respective Meetings held on 27<sup>th</sup> May, 2023 have recommended the re-appointment of Mrs. Sarika Bhandari as an Independent Director of the Company for the second term of five years from 29<sup>th</sup> January, 2024 to 28<sup>th</sup> January, 2029. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Sarika Bhandari as an Independent Director. Accordingly, the Board recommends the re-appointment of Mrs. Sarika Bhandari as an Independent Director for a term of five consecutive years as above at the remuneration as per the Company's Remuneration Policy. As per explanation to Section 152(6), office of Independent Directors shall not be liable for retirement by rotation.

Mrs. Sarika Bhandari, being an appointee, is concerned or interested in the Resolution set out at item no. 3 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

Place: Bangalore  
Date: 25.07.2023

By the Order of the Board  
For Sunil Agro Foods Limited

1/104 Ahuja Chambers  
Kumara Krupa Road  
Bangalore- 560 001

Chandralika Sharma  
Company Secretary  
M. No. A 62816

### ANNEXURE A TO THE NOTICE

Information Pertaining to Directors seeking appointment or reappointment at the 35<sup>th</sup> Annual General Meeting as Required by Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Name	Mrs. Sarika Bhandari	Mrs. Pinky Jain
Date of Birth	21/01/1968	12/10/1971
Date of Appointment	28/01/2019	30/07/2011
Qualifications	Graduate	Graduate
Expertise In Specific Functional Area	General Management, Independent Director	General Management, Director
Number of Shares held in the Equity Capital of the Company	30 Equity Shares (As on 31.03.2023)	130300 Equity Shares (As on 31.03.2023)
Directorships Held In Other Public Companies (Excluding Foreign Companies)	-	Micro Labs Limited
Membership /Chairmanships Of Committees Of Other Public Companies (Included Only Audit And Stakeholders' Relationship Committee)	NIL	NIL

## BOARD'S REPORT

To  
The Members  
Sunil Agro Foods Limited  
Bangalore

Your Board of Directors has pleasure in presenting the Thirty Fifth (35<sup>th</sup>) Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2023 together with the Independent Auditor's Report.

### 1. FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	21,008.99	17,658.53
Less: Expenditure	20425.23	17087.82
<b>Profit before Interest and Depreciation</b>	<b>583.76</b>	<b>570.71</b>
Less: Interest	306.46	260.14
Less: Depreciation	169.52	168.18
<b>Profit Before Taxation</b>	<b>107.78</b>	<b>142.38</b>
Less: Provision for Taxation	18.74	37.76
<b>Profit After Taxation</b>	<b>89.04</b>	<b>104.62</b>
Less: Other Comprehensive Income		
Items that will not be reclassified to profit or loss	8.81	9.45
Items that will be reclassified to profit or loss	0	0
<b>Total Comprehensive Income</b>	<b>97.85</b>	<b>114.07</b>

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

Your Company continued to perform well during the year. The company has been awarded the best co-packing facility in India. Overall business improved satisfactorily with the Chakki Atta volume going up. During the year under review, the highest volatility

has been seen in wheat prices because of the Ukraine war, resulting in scarcity of wheat and high prices. Due to decrease in exports, the price of wheat increased by Rs.35/kg from Rs.25/kg. However, subsequently the government brought down the prices from Rs.35/kg to Rs.25/kg. The Company has associated General Mills for business with launch of manufacturing of rava. In this regard, the rava business has not turned up as expected. Further, the Company is working with General Mills to develop other business portfolios.

The Shareholders may note that there is increase in the revenue from Sales and Services to Rs. 21,008.99 Lakhs in the current year as compared to Rs. 17,658.53 Lakhs in the previous year due to reasons as mentioned above. Profit has decreased to Rs. 89.04 Lakhs in the current year compared to Rs. 104.62 Lakhs in the previous year.

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

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

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

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

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

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

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

agriculture and industrial segments of the economy. A thrust to the food processing sector implies significant development of the agriculture sector and ensures value addition to it.

**b. Business Overview:**

The Company has achieved a turnover of Rs. 21,008.99/- Lakhs (previous year Rs. 17,658.53 /- Lakhs) for the financial year ended 31.03.2023 with a net profit of Rs. 89.04/- Lakhs (previous year Rs. 104.62 /- Lakhs).

c. Opportunities: As stated earlier, your Company has completed its expansion which resulted in increase in production from 150 to 250 tonnes per day thereby resulting in increase in productivity, quality and acceptance in the market. There is bulk supply of whole wheat flour in silos in tankers to various suppliers.

d. Covid 19 pandemic has been a major risk factor and the Company being in food industry, has strived hard to overcome the risks and yet continue its operations strictly adhering to the guidelines issued by the Governments.

e. Outlook: Subject to prevailing economic conditions, your Company will take all steps to improve the business and enhance the value add to all the stakeholders.

**f. Internal Control System:**

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

**g. Human Resource Development:**

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

**5. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31<sup>st</sup> March, 2023 and the date on which this report has been signed.

**6. CHANGE IN THE NATURE OF BUSINESS:**

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

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

There are no material changes after 31<sup>st</sup> March, 2023 till the signing of this Report.

#### **8. DIVIDEND:**

Your Directors do not recommend any dividend for the year under review.

#### **9. AMOUNT TRANSFERRED TO RESERVES:**

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

#### **10. SHARE CAPITAL:**

The Authorized Equity Share Capital of the Company as on 31<sup>st</sup> March, 2023 was Rs. 3,50,00,000 /- (Rupees Three Crores Fifty Lakhs Only) divided into 35,00,000 (Thirty Five Lakhs) Equity Shares of Rs. 10 /- (Rupees Ten Only) each.

The Paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2023 was Rs. 3,00,29,000 /- (Rupees Three Crores Twenty Nine Thousand Only) divided into 30,02,900 (Thirty Lakhs Two Thousand Nine Hundred) Equity Shares of Rs. 10 /- (Rupees Ten Only) each.

During the financial year under review, the Company has not issued shares with differential voting rights nor granted Stock Options nor Sweat Equity.

#### **11. CAPITAL INVESTMENTS:**

Capital Investments during the Financial year 2022-23 was at Rs. 77.05 Lakhs (Net of capital work-in-progress and capital advances).

#### **12. CORPORATE SOCIAL RESPONSIBILITY:**

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

#### **13. RISK MANAGEMENT:**



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

#### **14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a Whistle Blower Policy for vigil mechanism pursuant to the provisions of Sections 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which is available on website of the Company at <http://sunilagro.in/wp-content/uploads/2019/08/whistle-blower-policy.pdf> and there were no cases reported during last year.

#### **15. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

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

#### **16. INTERNAL FINANCIAL CONTROL:**

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

#### **17. ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, Annual Return in MGT-7 is placed on the website of the Company i.e., [www.sunilagro.in](http://www.sunilagro.in) (sunilagro.in/mgt7/)

#### **18. DEPOSITS:**

Your Company has not invited/accepted/renewed any deposits from the public as defined under the provisions of Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31<sup>st</sup> March, 2023.

## 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Pinky Jain (holding DIN: 03636974), Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re appointment.

The following is the composition of the Board of Directors and Key Managerial Personnel as on 31<sup>st</sup> March, 2023:

Sl. No.	Particulars	Designation	DIN/PAN
1	Mr. Venkataramanasanjeev Alampalli Murthy	Non-Executive Independent Director - Chairman	00085805
2	Mr. B Shantilal	Managing Director	00719808
3	Mr. Pramod Kumar S	Chief Executive Officer and Director	00719828
4	Mrs. Sarika Bhandari	Non-Executive Independent Director	07140112
5	Mrs. Pinky Jain	Non-Executive Director	03636974
6	Mr. Akshat Jain	Whole time Director	08424334
7	Mrs. Gayithri Shankarappa	Chief Financial Officer	AYSPG9226G
8	Ms. Anchal Sethia	Company Secretary	BYMPA8347P

Ms. Anchal Sethia resigned from the Office of Company Secretary on 30th April 2023. Mrs. Sarika Bhandari is proposed to be reappointed as the Non-Executive Independent Director in the ensuing Annual General Meeting.

## 20. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the period under review Four (4) Board Meetings were held and the maximum time gap between 2 (two) meetings did not exceed one hundred and twenty days. The details of the Board Meetings were held on 27<sup>th</sup> May, 2022, 04<sup>th</sup> August, 2022, 10<sup>th</sup> November, 2022, and 02<sup>nd</sup> February, 2023.

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

Name of the Director	Board Meetings details		Attendance at Last AGM on 23.08.2022
	Held	Attended	
Mr. AVS Murthy	4	4	Yes
Mr. Pramod Kumar S	4	4	Yes
Mr. B Shantilal	4	3	Yes
Mrs. Pinky Jain	4	4	Yes
Mrs. Sarika Bhandari	4	4	Yes
Mr. Akshat Jain	4	4	Yes

## 21. BOARD COMMITTEES:

### I. AUDIT COMMITTEE:

During the year under review, Four Meetings were held on 27<sup>th</sup> May, 2022, 04<sup>th</sup> August, 2022, 10<sup>th</sup> November, 2022, and 02<sup>nd</sup> February, 2023.

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

### II. NOMINATION AND REMUNERATION COMMITTEE:

During the year under review, One Meeting was held on 27<sup>th</sup> May, 2022.

Name of the Member	Nature of Membership	No. of Meetings held	Attendance
Mrs. Sarika Bhandari	Chairperson	1	1
Mrs. Pinky Jain	Member	1	1
Mr. AVS Murthy	Member	1	1

### III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

During the year under review, One Meeting was held on 02<sup>nd</sup> February, 2023

Name of the Member	Nature of Membership	No. of Meetings held	Attendance
Mr. AVS Murthy	Chairman	1	1
Mrs. Sarika Bhandari	Member	1	1
Mrs. Pinky Jain	Member	1	1

### IV . FINANCE COMMITTEE:

During the year under review, Two Meetings were held on 28<sup>th</sup> September, 2022 and 05<sup>th</sup> December, 2022.

Name of the Member	Nature of Membership	No. of Meetings held	Attendance
Mr. Pramod Kumar S	Chairman	2	2
Mrs. Sarika Bhandari	Member	2	2
Mr. B. Shantilal	Member	2	2

### 22. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

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

### **23. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **24. INDUSTRIAL RELATIONS:**

The industrial relations of the Company have been cordial.

### **25. RELATED PARTY TRANSACTIONS:**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2022-23 in the prescribed format, AOC 2 is enclosed as **Annexure – II** as a part of this Annual Report.

### **26. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:**

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

Current/Non-Current Investments: Rs. 22.27 lakhs/-.

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

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

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

#### **Remuneration Policy**

The Company's policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is placed on the website of the Company at <https://sunilagro.in/wp-content/uploads/2019/08/nomination-and-remuneration-policy.pdf>

#### **28. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company had met on 02<sup>nd</sup> February, 2023 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company and Non-Executive Directors and other items as stipulated under the Listing Regulations. The Independent Directors have also declared their independence.

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

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

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as Board structure and composition, formation and

delegation of responsibilities to Committees, Board processes and their effectiveness, degree of effective communication with the stakeholders.

The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as Committee composition, structure, effectiveness of Committee Meetings.

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

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

### **30. AUDITORS:**

Messrs G R V & P K, Chartered Accountants, Bangalore (Firm Registration No. 008099S) were appointed, in the Annual General Meeting held on 23<sup>rd</sup> August, 2022, for a consecutive term of five years from the conclusion of 34<sup>th</sup> Annual General Meeting till the Conclusion of 39<sup>th</sup> Annual General Meeting.

#### **Remuneration Details (2022-23):**

	<u>In Rs</u>
Statutory Audit	2,65,000
Taxation Audit Fee	75,000
Limited Review Fee	45,000
Others	52,810
<b>Total</b>	<b>4,37,810</b>

#### **Qualifications in the Audit Report:**

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

**Board's Response:**

The Company is in the process of collecting the dues from Maiyas Beverage and Foods Private Limited. Therefore, the Company has deemed it fit not to make any provisions.

**31. SECRETARIAL AUDIT:**

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

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

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

**33. PARTICULARS OF EMPLOYEES:**

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

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

**34. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the Financial year 2022-23 to BSE Limited where the Company's Shares are listed.

**35. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY:**

No order was passed by any court or regulator or tribunal during the year under review which impacts going concern status of the Company.

**36. CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**



**(A) Conservation of Energy:**

1. Energy Conservation measures taken:

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

2. Additional investments and proposal being implemented for reduction and consumption of energy and the impact of the same in the cost of production of goods.

3. Energy Audit done

Investment was made in machinery designed for low energy consumption and such machinery was in operation in the period under review.

**(B) Technology Absorption:**

The Company is committed to maintaining its standard and high quality of its production and is constantly engaged in efforts to confer to the guaranteed customer satisfaction.

**(C) Foreign Exchange Earnings and Outgo:**

There were no Foreign Exchange Earnings and Outgo in the Company during the year under review.

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

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

The following is a summary of sexual harassment complaints received and disposed-off during the financial year 2022-23:

No of complaints received: NIL

No of complaints disposed: NIL

No. of complaints pending: NIL

**38. INVESTORS' EDUCATION AND PROTECTION FUND:**

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

During the year under review there were no unclaimed dividend required to be transferred to IEPF account.

**39. REPORTING OF FRAUD:**

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

**40. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:**

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

**41. MAINTENANCE OF COST RECORDS:**

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

**42. CODE OF CONDUCT:**

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

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

**43. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):**

There is no such process initiated during the year, therefore said clause is not applicable to the Company.

**44. REVISION OF FINANCIAL STATEMENT OR THE REPORT:**

As per the Secretarial Standards-4 in case the Company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

There is no revision of Financial Statements of the Company took place in any of the three preceding financial years under consideration.

**45. FAILURE TO IMPLEMENT ANY CORPORATE ACTION:**

There were no such events took place during the year under consideration.

**46. CREDIT RATING OF SECURITIES:**

Your Company has not obtained any rating from the credit rating agency for the securities during the year. Therefore, the said clause is not applicable to the Company.

**47. ACKNOWLEDGEMENTS:**

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

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

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

For and on behalf of the Board of Directors  
Sunil Agro Foods Limited

Place: Bengaluru  
Date: 27.05.2023

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

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

## ANNEXURE-I

### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
Sunil Agro Foods Limited

Dear Sirs,

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

1. Apart from receiving Director sitting fees/commission, We have/had no material pecuniary relationship / transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding, Subsidiary or Associate Company, or their Promoters, or Directors, during the immediately three preceding financial years or during the current financial;
2. None of our relatives:
  - a. is holding any security of or interest in the Company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
  - b. is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;
  - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company; for an amount of Rs. 50 lakhs during the three immediately preceding financial years or during the current financial year;
  - d. has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (b), (c) or (d);

3. Neither we nor any of our relatives:

- a. holds or held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
  - i. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
  - ii. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- c. holds together with my relatives two per cent or more of the total voting power of the listed entity; or
- d. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
- e. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

4. We meet the criteria of other qualifications as prescribed under Rule 5 of the (Companies Appointment and Qualification Rules), 2014.

5. We are not less than 21 years of age.

6. We are not a non-independent director of another company on the board of which any non-independent director of the listed entity as an independent director.

7. We have registered on the <https://www.independentdirectorsdatabank.in>.

8. We affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.

Venkataramanasanjeev Alampalli Murthy  
DIN: 00085805  
Date: 01.04.2023

Sarika Bhandari  
DIN: 07140112  
Date: 01.04.2023

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

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

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

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

Name of the party and nature of relationship	Brindavan Roller Flour Mills Private Limited
Nature of contracts / arrangements / transactions	Purchases of Goods and Services
Duration of the contracts/arrangements/transactions	Ongoing - based on periodical requirements
Salient terms of the contracts or arrangements or transactions including the Value:	Value: For 2022-23 - Rs. 28000/-
Date(s) of approval by the Board:	27.05.2022
Amount paid as advances	-

For and on behalf of the Board of Directors  
Sunil Agro Foods Limited

Place: Bengaluru  
Date: 27.05.2023

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

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



**ANNEXURE III**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2023**  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To  
The Members  
SUNIL AGRO FOODS LIMITED

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sunil Agro Foods Limited for the financial year ended on 31.03.2023 according to the provisions of:

- i) The Companies Act, 2013 and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA, 1956") and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act, 1992"): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
  - (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (j) Circulars/Guidelines issued thereunder;
- (vi) The Industry specific laws applicable to the Company are as follows:
- Prevention of Food Adulteration Act, 1954
  - Food Safety and Standards Act, 2006
  - The Legal Metrology Act, 2009
  - The Narcotic Drugs and Psychotropic Substances (Karnataka) Rules 1985
  - The Trade Marks Act, 1999
- (vii) The other general laws as may be applicable to the Company including the following:

**(1) Employer/Employee Related Laws & Rules:**

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923

- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Karnataka Shops & Establishments Act, 1961
- xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvii. The Labour Welfare Fund Act, 1965
- xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxix. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

**(2) Environment Related Acts & Rules:**

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**(3) Economic/Commercial Laws & Rules:**

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872

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

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bengaluru  
Date: 27.05.2023

Vijayakrishna K T  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980  
UDIN: F001788E000395931

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

**'Annexure'**

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

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

Place: Bengaluru  
Date : 27.05.2023

Vijayakrishna K T  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980

**ANNEXURE – IV**  
**THE RATIO OF REMUNERATION OF EACH DIRECTOR**

(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director – 5.57:1 Chief Executive Officer–12.30:1 Whole time Director – 3.22:1
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Nil
(iii). The percentage increase in the median remuneration of employees in the Financial Year;	NA
(iv) The number of permanent employees on the rolls of the Company;	As on 31.03.2023 - 97 Employees
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is based on the industrial standard & experience of each employees
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration paid to Key Managerial person is based on remuneration policy of the Company
(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current Financial Year and previous Financial Year;	Your Company's market capitalisation increased by 13.22% to Rs.4756.59 Lakhs as of March 31, 2023 from Rs. 4201.06 Lakhs as of March 31, 2022.  The Price Earnings ratio decreased by 32.66% to 53.33 as of March 31, 2023 from 54.96 as of March 31, 2022.  The closing price of Company's equity share in BSE as of March

	31, 2023 was Rs. 158.40 per share, representing an increase of 13.22 % over the price as on March 31, 2022
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the Companies increment guideline.
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	This is as per the Companies increment guideline.
(x) The key parameters for any variable component of remuneration availed by the Directors;	Not Applicable
(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	Not Applicable
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

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

(i) Designation of the employee;	Not Applicable
(ii) remuneration received;	
(iii) nature of employment, whether contractual or otherwise;	
(iv) qualifications and experience of the employee;	
(v) date of commencement of employment;	
(vi) the age of such employee;	
(vii) the last employment held by such employee before joining the company;	
(viii) the percentage of equity shares held by the employee in the company within the meaning of clause	

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

For and on behalf of the Board of Directors  
Sunil Agro Foods Limited

Place: Bengaluru  
Date: 27.05.2023

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

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



## **Annexure V**

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

### **Code of Conduct for Directors and Senior Management**

#### **CEO Confirmation**

I hereby confirm that the Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for and in respect of the year ended March 31, 2023.

Place: Bengaluru

Date: 27.05.2023

Pramod Kumar S  
Chief Executive Officer & Director  
DIN: 00719828

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**M/S. SUNIL AGRO FOODS LIMITED**

**Report on the Audit of the Financial Statements**

### **Qualified Opinion**

We have audited the accompanying Standalone financial statements of **M/s. Sunil Agro Foods Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

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

- 1. The Company has not made provisions for Bad debt of Rs 97.56 Lakh (PY Rs.97.56 lakhs) in case of one debtor Maiyas Beverage and Foods Private Limited which was referred to NCLT under Indian Bankruptcy Code and NCLT has passed the order on 10th May, 2019. As per NCLT order only 15.14% amount is payable to all the Sundry Creditors of Maiyas Beverage and Foods Private Limited. Company's total outstanding against Maiyas Beverage and Foods Private Limited at the time of referral to NCLT stood Rs.114.97 lakhs (PY Rs.114.97 lakhs). Due to this Company's profit and Sundry debtors are overstated by Rs.97.56 lakhs (PY Rs.97.56 lakhs).***

## Key Audit Matters

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

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>A. Valuation of Inventories</b></p> <p>Refer to note 6 to the financial statements.</p> <p>The Company is having Inventory of 3,970.39 lakh as on 31st March, 2023.</p> <p>Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 45( 2.2) to the financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions against inventory of Stores, Raw Material, Finished goods and Work in progress based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p> <p>To ensure that all inventories owned by the entity are recorded and recorded inventories exist as at the year-end and valuation has been done correctly</p>	<p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:</p> <ul style="list-style-type: none"> <li>• Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>• Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification.</li> <li>• Verify that the adequate cut off procedure has been applied to ensure that purchased inventory and sold inventory are correctly accounted.</li> <li>• Reviewing the document and other record related to physical verification of inventories done by the management during the year.</li> <li>• Verify that inventories are valued in accordance with Ind AS 2</li> <li>• Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>• Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>• Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> </ul> <p><b>Our Conclusion:</b> Based on the audit procedures performed we did not identify any material Exceptions in the Inventory valuation.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to the Board's Report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

### **Responsibility of Management for the Standalone Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection, application, implementation and maintenance of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative

factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**b. Except for the effect of the matters described in basis of qualified opinion paragraph above,** in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015

e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our Report expresses an Qualified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations which could impact its financial position as mentioned in note no.32 to financial statement.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. The amount which was required to be transferred to the Investor Education and Protection Fund has been transferred by the company on time and there has been no delay in transferring amount.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether,

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv(a) and iv(b) contain any material mis-statement.

v. The company has declared dividend during the year in compliance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

h. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act as Amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For GRV & P K.**  
**Chartered Accountants**  
**FRN.008099S**

**Kamal Kishore**  
**Partner**  
**M N.205819**  
**UDIN:23205819BGXZVF3153**  
**Place: Bangalore**  
**Date: 27-05-2023**



**Annexure -A to the Independent Auditors' Report on the Financial Statement of Sunil Agro Foods Limited for the year ended 31<sup>st</sup> March, 2023**

The Annexure referred to in Independent Auditors' Report on other Legal and Regulatory Requirement's section of our report of even date to the members of **M/s. Sunil Agro Foods Limited ("the Company")** on the financial statements for the year ended 31 March 2023, we report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;  
(B) The company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, these Properties, Plant & Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not revalued its Property, Plant and Equipment during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) On basis of information and explanation given to us, Physical verification of Inventory has been conducted at reasonable intervals by the management. Procedure of physical verification of Inventory followed by the management is reasonable & adequate in relation to the size of company and nature of its business and no material discrepancies were noticed on physical verification of stocks as compared to book records that were 10% or more.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets. Differences between Quarterly returns or statement filed by the company with banks and books of account are as follows:

Quarter	As per bank return(in Lakhs)	As per books of account (in lakhs)	Difference (in lakhs)	%age of Differences
Q1	3899.55	3,626.71	272.84	7.00%
Q2	4,203.88	4,044.92	158.96	3.78%
Q3	3,892.10	3,828.42	63.68	1.64%
Q4	3,876.10	3,970.39	(94.29)	(2.43%)

(iii) In our opinion and according to the information and explanations given to us, the Company has not made any investments, granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or to any of the parties. Accordingly, clause (iii) of paragraph 3 of the order is not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has not provided any loans, guarantees, and investments to which the provision of sec 185 of the act apply. However regarding loans, guarantees, and investments to which the provision of sec 186 apply such investment are within the limit provided under Section 186 of the act.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits from public during the year. Accordingly, clause (v) of paragraph 3 of the order is not applicable to the company.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company. Accordingly, clause (vi) of paragraph 3 of the order is not applicable to the company.

(vii) (a) According to the records of the company and information and explanations given to us and on the basis of our examination of the records of the company, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, employees state insurance (ESI), Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, employees state insurance (ESI), Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears / were outstanding as at 31 March, 2023 for a period of more than six months from the date they became payable.

(b) Details of Statutory dues referred in clause (a) above which have not been deposited as on 31st March, 2023 on account of any dispute are given below:

Name of Statute	Nature of the dues	Disputed amount pending (Amount Lakhs) in	Period to which the amount relates	Forum where dispute is pending.
Central Excise Act, 1944	Central Excise duty Excise duty Penalty Excise duty Interest	195.51 195.51 Department yet to quantify the interest liability	05/08/2010 to 31/10/2013  Until Payment made	CESTAT

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loanstaken were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes.

(e) The company does not have Subsidiaries, associates or Joint Ventures, therefore reporting on clause (ix) (e) of paragraph 3 of the order are not applicable to the company.

(f) The company does not have Subsidiaries, associates or Joint Ventures, therefore reporting on clause (ix) (f) of paragraph 3 of the order are not applicable to the company.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company.

(b) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (x)(b) of paragraph 3 of the order is not applicable to the company.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As auditor, we did not receive any whistle-blower complaint during the year.

(xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the order is not applicable to the company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the order is not applicable to the company.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi)(a) and (b) of paragraph 3 of the order is not applicable to the company.

(b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(c) As per the information and explanations received, the group does not have any CIC as part of the group.

(xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There is not liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) (a) and (b) of paragraph 3 of the order are not applicable to the Company.

(xxi) The company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

**For G R V & P K.**  
**Chartered Accountants**  
**FRN.008099S**

**Kamal Kishore**  
**Partner**  
**M N.205819**  
**UDIN:23205819BGXZVF3153**  
**Place: Bangalore**  
**Date: 27-05-2023**

### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sunil Agro Foods Limited of even date)

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

We have audited the internal financial controls over financial reporting of **M/s. Sunil Agro Foods Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31<sup>st</sup>, 2023

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

A "material weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

### **Qualified Opinion**

*In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.*

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and our aforesaid report and opinion on Internal Financial Control over Financial Reporting should be read in conjunction with our report of even date issued on the standalone financial statements of the Company.

**For G R V & P K**  
**Chartered Accountants**  
**FRN.008099S**

**Kamal Kishore**  
**Partner**  
**MN.205819**  
**UDIN:23205819BGXZVF3153**  
**Place: Bangalore**  
**Date: 27-05-2023**



<b>SUNIL AGRO FOODS LIMITED</b>			
<b>CIN : L01111KA1988PLC008861</b>			
<b>Balance Sheet as at March 31st, 2023</b>			
<i>(Amount in Lakhs)</i>			
Particulars	Notes	Figures at the end of	
		Current Reporting Period	Previous Reporting Period
<b>A. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Property, plant and Equipment	1	1,673.68	1,767.11
(b) Capital Work-in Progress	1	34.27	-
(c) Investment Property	2	17.08	17.08
(d) Financial Assets			
i) Investments	3	22.27	17.24
ii) Other non current financial assets	4	88.65	85.72
(e) Other non current assets	5	56.29	37.00
<b>Total Non current assets</b>		<b>1,892.24</b>	<b>1,924.16</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	6	3,970.39	3,211.96
(b) Financial Assets			
i. Trade Receivables	7	1,665.76	1,407.92
ii. Cash and cash equivalent	8	20.77	31.72
(c) Other current assets	9	48.32	71.26
<b>Total Current Assets</b>		<b>5,705.24</b>	<b>4,722.86</b>
<b>TOTAL ASSETS</b>		<b>7,597.48</b>	<b>6,647.01</b>
<b>B. EQUITY &amp; LIABILITIES</b>			
<b>1. EQUITY:</b>			
(a) Equity Share Capital	10	300.29	300.29
(b) Other Equity	11	1,300.42	1,217.58
<b>Total Shareholders Fund</b>		<b>1,600.71</b>	<b>1,517.87</b>
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	12	425.60	1,213.88
ii. Other Financial Liabilities	13	-	1.50
(b) Provisions	14	47.30	45.43
(c) Deferred tax Liabilities	15	112.09	127.30
<b>Total Non-Current liabilities</b>		<b>584.99</b>	<b>1,388.10</b>
<b>3. CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	16	3,323.37	2,368.58
ii. Trade Payables	17		
<b>Total Outstanding dues of Micro and small Enterprises</b>		<b>5.08</b>	<b>4.10</b>
<b>Total Outstanding dues of Creditors other than Micro and small Enterprises</b>		<b>2,001.49</b>	<b>1,275.56</b>
iii. Other financial liabilities	18	46.32	49.16
(b) Short term Provisions	19	21.76	22.11
(c) Other Current Liabilities	20	5.76	0.92
(d) Current Income Tax Liabilities	21	8.00	20.61
<b>Total Current liabilities</b>		<b>5,411.78</b>	<b>3,741.04</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,597.47</b>	<b>6,647.02</b>

Notes from 01 to 45 form the integral part of Financial statements

On behalf of the board of directors,

Pramod Kumar S  
Chief Executive Officer  
& Director  
DIN: 00719828

B. Shantifal  
Managing Director  
DIN: 00719828

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

Gaythri Shankrappa  
Chief Financial Officer  
PAN: AY5PG92266

Chandrabika Sharma  
Company Secretary  
M No. A62816

Kamal Kishore  
Partner  
Membership No. 205829  
UDIN: 232058198GXZF3153

Place: Bangalore  
Date : 27/05/2023

**SUNIL AGRO FOODS LIMITED**  
CIN : L01111KA1988PLC008861

Statement of Profit and Loss Account for the year ended as at March 31st, 2023

(Amount in Lakhs)

PARTICULARS	Notes	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
<b>Income</b>			
Revenue From Operations	22	20,960.64	17,617.49
Other income	23	48.35	41.04
<b>Total Income</b>		<b>21,008.99</b>	<b>17,658.53</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	18,930.24	15,536.55
Purchase of Stock in Trade	24	395.59	816.56
Changes In Inventories of Finished Goods	25	(348.68)	(560.05)
Employee Benefits Expense	26	290.75	306.11
Finance Costs	27	306.46	260.14
Depreciation and Amortisation Expense	1	169.52	168.18
Other Expenses	28	1,148.32	1,088.66
<b>Total expenses</b>		<b>20,901.20</b>	<b>17,516.14</b>
<b>Profit / (Loss) before tax</b>		<b>107.78</b>	<b>142.38</b>
<b>Tax expense:</b>			
Current tax		33.20	29.50
Tax expense/(reversal) relating to earlier year		3.42	(0.07)
Deffered tax	30	(17.87)	8.33
		<b>18.74</b>	<b>37.76</b>
<b>Profit / (Loss) After Tax</b>		<b>89.04</b>	<b>104.62</b>
<b>Other Comprehensive Income (OCI)</b>			
a) Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains/(losses)		6.46	3.78
i) Income Tax relating to items that will not be reclassified to profit or loss		(1.63)	-
b) Items that will be reclassified to profit or loss on fair Value			
Changes on Investment		5.02	7.16
ii) Income Tax relating to items that will be reclassified to profit or loss		(1.04)	(1.49)
<b>Total other Comprehensive Income for the period</b>		<b>8.81</b>	<b>9.45</b>
<b>Total Comprehensive income for the period</b>		<b>97.85</b>	<b>114.07</b>
<b>Earning Per Share</b>			
Basic and Diluted	29	2.97	3.48
		<b>2.97</b>	<b>3.48</b>

Notes from 01 to 45 form the integral part of Financial statements

On behalf of the board of directors,

**Prasad Kumar S**  
Chief Executive Officer  
& Director  
DIN: 00719828

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

AS PER OUR REPORT OF EVEN DATE  
For G R V & P K

Chartered Accountants  
Firm Reg. No. 0080995

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

**Chandrika Sharma**  
Company Secretary  
M No.: A62816

**Kamal Kishore**  
Partner  
Membership No. 205819  
UDIN: 232058198GXCZF3153

Place: Bangalore  
Date : 27/05/2023

SUNIL AGRO FOODS LIMITED			
CIN : L02111KA1988PLC008961			
CASH FLOW STATEMENT			
PARTICULARS	Amount in Lakhs.		Amount in Lakhs
	FOR YEAR ENDED 31st March 2023		FOR YEAR ENDED 31 MARCH, 2022
<b>A. Cash flows arising from operating activities</b>			
Net Profit/(Loss) Before Tax	107.78		142.38
Add: Depreciation	169.52		168.16
Impairment Loss	-		1.77
Interest Paid	306.46		260.14
Provision for increase in value of investment	-		-
Less: Other comprehensive income loss/(Gain)	(5.46)		(3.78)
Less: Profit on sale of asset	590.22		576.26
Interest Received	0.77		0.34
Dividend received	2.98		3.80
	0.18		0.00
	586.29		572.12
Operating profit before working capital changes			
(Increase)/Decrease in Inventory	(758.42)		(962.18)
(Increase)/Decrease in Debtors	(257.84)		227.29
(Increase)/Decrease in Other current assets	22.84		(7.40)
Increase/(Decrease) in Trade Payables	726.91		(413.65)
Increase/(Decrease) in Provisions	1.52		1.09
Increase/(Decrease) in other current liabilities	(20.12)		(21.43)
Cash flow from Operations	301.26		(604.15)
Payment of Income Tax	28.62		8.86
Net Cash Flow from Operating Activities		272.66	(613.01)
<b>B. Cash flows arising from investment activities</b>			
Inflows:			
Receipt of Loans and Advance	-		1.74
Sale of Fixed Asset	1.73		8.71
Change in capital Work in Progress	-		50.43
Interest Received	2.98		3.80
Dividend Received	0.18		0.00
Outflows:			
payment of Loans and Advance	14.37		
Change in capital Work in Progress	34.27		
Investment in Fixed Assets	77.05		249.72
Investment in FD	7.85		0.19
Investment in shares	-		0.07
		(128.64)	(185.29)
<b>C. Cash flows arising from finance activities</b>			
Inflows:			
Proceeds of Secured Loan	27.72		450.58
Proceeds of Unsecured Loan	503.71		1,034.54
Outflows:			
Repayment of Secured Loan	231.61		153.03
Repayment of Unsecured Loan	133.31		239.80
Dividend Paid	15.01		-
Interest paid	306.46		260.14
		(154.87)	812.10
Cash flow from all activities-(A+B+C)		(10.95)	13.79
Add: Cash & cash equivalents at beginning of the year		31.72	17.95
Cash & cash equivalents at year end of the year		20.77	31.72

Notes from 01 to 45 form the integral part of Financial statements  
On behalf of the board of directors,

Pramod Kumar S  
Chief Executive Officer  
& Director  
DIN: 00719828

S. Shantilal  
Managing Director  
DIN: 00719806

Gayithri Shaniorappa  
Chief Financial Officer  
PAN: AYSPG32266  
Place: Bangalore  
Date: 27/05/2023

Chandralika Sharma  
Company Secretary  
M No.: A62816

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

(Kamal Kishore)  
Partner  
Membership No. 205819  
UDIN: 2320581949XZVF3153

SUNIL AGRO FOODS LIMITED  
CIN : L01111KA1988PLD048161

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Lakhs)

PARTICULARS	G R O S S B L O C K		D E P R E C I A T I O N		NET BLOCK AS ON 31.03.2023	NET BLOCK AS ON 31.03.2022	
	ORIGINAL COST AS ON 01.04.2022	ADDITION 01.04.2022 to 31.03.2023	SALES 01.04.22 to 31.03.2023	TOTAL GROSS BLOCK 31.03.2023			UP TO 01.04.2022
INTANGIBLE ASSETS:							
FREE HOLD LAND	79.83	-	-	79.83	-	79.83	79.83
BUILDINGS	868.28	3.97	-	872.25	265.72	582.49	602.56
PLANT AND MACHINERIES	1,775.00	57.54	4.92	1,837.46	831.65	884.50	943.35
FURNITURES AND PICTURES	42.95	-	-	42.95	18.64	20.37	24.31
VEHICLES-TRANSPORTATION	101.72	-	-	101.72	67.45	27.63	34.35
VEHICLES- OTHERS	145.39	16.17	9.76	151.73	79.72	63.50	85.81
OFFICE EQUIPMENTS	18.24	0.27	-	18.51	9.71	6.09	8.53
COMPUTERS	4.58	-	-	4.58	2.84	1.40	1.55
LAB EQUIPMENTS	16.57	-	-	16.57	12.89	3.32	4.17
POOJA ITEMS	1.94	-	-	1.94	-	1.94	1.94
TOTAL	3,054.43	77.05	14.68	3,116.10	1,287.32	1,673.68	1,767.11
Previous Year	2,879.61	348.72	78.10	3,054.43	1,194.09	1,757.11	1,695.72

BY CAPITAL WORK IN PROGRESS:	Opening as on 01.04.2022	Addition 01.04.2022 to 31.03.2023	Transferred to Property plant & equipment	Total as on 31.03.2023
BUILDINGS	-	1.05	-	1.05
PLANT AND MACHINERIES	-	33.22	-	33.22
TOTAL	-	34.27	-	34.27
Previous Year	50.43	-	50.43	-

WIE Aging Particulars	(Amount in lakhs)				Total
	Less than 1 year	1-2 Years	2-3 years	3 years & above	
As on 2022-23					
BUILDINGS	1.05	-	-	-	1.05
PLANT AND MACHINERIES	33.22	-	-	-	33.22

- The title deeds of immovable properties are held in the name of the company
- For assets pledged against borrowings Refer Note No.12 & 16
- Company has not revalued its Property, Plant & Equipment & Intangible assets during the period ending 31st March, 2023 and also during the previous period ending 31st March, 2022.
- The company is not having any Intangible assets under development for the year ended 31st March, 2023 and also for the year ended 31st March, 2022.
- During the year ended March 31, 2023, certain assets which were old and have no realisable value having Net book value of Rs. Nil (PY Rs. Rs. 1.77 lakhs/-) (Gross book value of Rs. Nil lakhs/-) PY Rs.

Particulars	Current Year		Previous year	
	Gross Value	Net Value	Gross Value	Net Value
Furniture and Fixtures	-	-	14.67	0.32
Office Equipment	-	-	21.85	0.86
Computers	-	-	16.98	0.59
Total	-	-	53.08	1.77

PARTICULARS	ORIGINAL COST AS ON 01.04.2022		GROSS BLOCK AS ON 31.03.2023		GROSS BLOCK AS ON 31.03.2022		DEPRECIATION ADJUSTMENT ON SALES		NET BLOCK AS ON 31.03.2022	
	01.04.2022	31.03.2023	01.04.2022	31.03.2023	01.04.2022	31.03.2023	01.04.2022 to 31.03.23	TOTAL DEPRECIATION 31.03.2023	31.03.2022	31.03.2023
PROPERTY INVESTMENTS	17.08	-	17.08	-	17.08	-	-	-	17.08	17.08
TOTAL	17.08	-	17.08	-	17.08	-	-	-	17.08	17.08
Previous Year	17.08	-	17.08	-	17.08	-	-	-	17.08	17.08

- Details:
- Depreciation on the investment property has not been charged & the same has not been revalued at FVM, as the FVM is higher than the cost as per management estimation.
  - Income from investment property for the period
  - Risk received - 5.81 Lakhs (rv 3.06 Lakhs)
  - Expenses incurred on investment property for the period a) Maintenance - 0.81 Lakhs (PWO.41 Lakhs)

**SUNIL AGRO FOODS LIMITED**  
**CIN : L01111KA1988PLC008861**

**Statement of Changes in Equity**

**A. EQUITY SHARE CAPITAL**

*(Amount in Lakhs)*

Balance as at April 1, 2022	Changes in Equity share capital due to prior period errors	Restated Balance as at April 1, 2022	Changes in Equity Share Capital during the year	Balance as at March 31, 2023
300.29	-	300.29	-	300.29

Balance as at April 1, 2021	Changes in Equity share capital due to prior period errors	Restated Balance as at April 1, 2021	Changes in Equity Share Capital during the year	Balance as at March 31, 2022
300.29	-	300.29	-	300.29

**B. OTHER EQUITY**

*(Amount in Lakhs)*

Particulars	(As at 31st March 2023)			
	Share Premium	Retained Earnings	Other Comprehensive Income	Total Other Equity
Opening Balance	218.33	1,010.51	(11.25)	1,217.58
Add: Profit for the Period		89.04		89.04
Add: Other Comprehensive Income/(Loss)			8.81	8.81
Total Comprehensive Income for the period	218.33	1,099.54	[2.44]	1,325.43
Less: Dividend		15.01		15.01
Closing Balance	218.33	1,084.53	[2.44]	1,300.42

Particulars	(As at 31st March 2022)			
	Share Premium	Retained Earnings	Other Comprehensive Income	Total Other Equity
Opening Balance	218.33	905.88	(20.71)	1,103.51
Add: Profit for the Period		104.62		104.62
Add: Other Comprehensive Income/(Loss)			9.45	9.45
Total Comprehensive Income for the period	218.33	1,010.51	(11.25)	1,217.58
Less: Dividend				-
Closing Balance	218.33	1,010.51	(11.25)	1,217.58

Notes from 01 to 45 form the Integral part of Financial statements  
On behalf of the board of directors,

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

Pramod Kumar S  
Chief Executive Officer  
& Director  
DIN: 00719828

B. Shantilal  
Managing Director  
DIN: 00719808

Gayathri Shankrappa  
Chief Financial Officer  
PAN: AYSP69226G  
Place: Bangalore  
Date : 27/05/2023

Chandranika Sharma  
Company Secretary  
M No.:A62835

(Kamal Kishore)  
Partner  
Membership No. 205819  
UDIN: 232058198GXZVF3153

## SUNIL AGRO FOODS LIMITED

CIN : L01111KA1988PLC008861

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st March 2023

Particulars	(Amount in Lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>Note 3: Investments</b>		
<b>a Investment in Equity Shares (Carried at Fair value Through Other Comprehensive Income)</b>		
<b>Quoted Investments</b>		
Refinery and Petrochemicals Limited 40(40) equity shares of Rs.10/- each, fully paid	0.06	0.06
Mercator Limited 1000(1000) equity shares of Rs.1/- each, fully paid	1.63	1.63
Mukunda Industrial Finance Limited 12119(12119) equity shares of Rs.10/- each, fully paid	0.94	0.94
Pentamedia Graphics Limited 18650(18650) equity shares of Rs.1/- each fully paid	7.85	7.85
Reliance Industries Limited 322(150) equity shares of Rs.10/- each fully paid	1.83	1.83
Shree Digvijay Cement Company Limited 2500(2500) equity shares of Rs.10/- each fully paid	1.01	1.01
Adroit Infotech Limited 400(400) equity shares of Rs.10/- each fully paid	1.20	1.20
Surat Textile Mills Limited 10000(10000) equity shares of Rs.10/- each fully paid	1.31	1.31
Valuemark Info Technologies Limited 2500(2500) equity shares of Rs.10/- each fully paid	0.25	0.25
Welspun Enterprises Limited 345(345) equity shares of Rs.10/- each fully paid	0.50	0.50
Xchanging Solutions Limited 2000(2000) equity shares of Rs.10/- each fully paid	4.88	4.88
	21.46	21.46
Less: Diminution/(Increase) in Value through Other Comprehensive Income	9.19	6.38
	12.27	15.08
<b>Unquoted Investments</b>		
Datar Switchgear Limited 1000(1000) equity shares of Rs.10/- each, fully paid	1.08	1.08
Karnataka Financial Service Limited 6800(6800) equity shares of Rs.10/- each, fully paid	0.92	0.92
Sanmitra Credit Limited 10000(10000) equity shares of Rs.10/- each fully paid	1.00	1.00
SH Krish Pal Limited 10000(10000) equity shares of Rs.1/- each fully paid	0.28	0.28
SI Max Golden Ko Limited 24000(24000) equity shares of Rs.10/- each fully paid	2.40	2.40
Pushpa Packages Limited 10600(10600) equity shares of Rs.10/- each fully paid	1.07	1.07
Tajassvi Ashram Limited 4900(4900) equity shares of Rs.10/- each fully paid	0.49	0.49
Mazda Controls Limited 2000(2000) equity shares of Rs.10/- each fully paid	1.11	1.11
Tata Teleservices (Maharashtra) Limited 500(500) equity shares of Rs.10/- each fully paid	0.80	0.80
Vyshall Energy Private Limited 1450(1450) equity shares of Rs.10/- each fully paid	0.15	0.15
	9.29	9.29
Less: Diminution/(Increase) in Value through Other Comprehensive Income	9.15	9.15
	0.15	0.15
<b>b Investment in mutual funds (Carried at Fair value Through Other Comprehensive Income)</b>		
Kotak Standard Multicap Regular fund (12303.36 units having NAV value of Rs.55.779/- each)	1.00	1.00
Less: Diminution/(Increase) in Value through Other Comprehensive Income	(5.86)	-
	6.86	1.00

<b>c Other Investment</b>		
Investment in gold(50gms having market value of Rs.2.98 Lakhs)	1.01	1.01
Less: Diminution/(Increase) In Value through Other Comprehensive Income	(1.97)	-
	<b>2.98</b>	<b>1.01</b>
National Savings Certificate	0.01	0.01
	<b>22.27</b>	<b>17.24</b>
<b>Note 4: Other Non-Current Financial Assets</b>		
i) Security Deposits	84.85	81.92
ii) Deposit with bank more than 12 months Maturity State bank of India	3.80	3.80
	<b>88.65</b>	<b>85.72</b>
<b>Note 5: Other Non-Current Assets</b>		
<b>a Capital Advances</b>		
For Plant & Machinery	1.46	-
For Building	4.71	-
	<b>6.16</b>	<b>-</b>
<b>b Advances Other than Capital Advances</b>		
i) Balances with Bank		
For Unpaid dividend	2.83	2.90
Bank Guarantee	15.20	14.71
SIDBI-Bank Guarantee *	7.85	-
ii) Other Advances		
Balance with Revenue Authorities	9.58	4.72
Other Receivables under protest	14.56	14.66
	<b>50.13</b>	<b>37.00</b>
	<b>56.29</b>	<b>37.00</b>
*The company has deposited with the SIDBI against the Loan taken from the SIDBI of Rs.31.00 Lakhs		
<b>Note 6: Inventories</b>		
Raw Materials	1,340.94	1,043.09
Finished Goods	1,789.77	1,449.09
Packing Materials	712.20	608.26
Stores, Spares & Consumption	127.48	111.54
	<b>3,970.39</b>	<b>3,211.96</b>
1.Raw material,Finished Products,Packing material & Stores and Spares has been valued at cost or Net Realizable Value whichever is lower. 2.Inventories are pledged against the cash credit limit obtained by the company.		
<b>Note 7: Trade Receivables</b>		
<b>Unsecured ; Undisputed</b>		
-Considered Good	1,626.89	1,362.92
-Significant Increase in risk	-	-
-Credit Impaired	-	-
<b>Unsecured ; Disputed</b>		
-Considered Good	38.88	45.00
-Significant Increase in risk	-	-
-Credit Impaired	-	-
Less: Allowances for credit loss	-	-
	<b>1,665.76</b>	<b>1,407.92</b>



	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2023
a Unsecured ; Undisputed						
-Considered Good	1,117.57	55.63	173.00	33.36	247.31	1,626.89
-Significant increase in risk	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	-
b Unsecured ; Disputed						
-Considered Good	-	-	0.55	8.32	29.90	38.98
-Significant increase in risk	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	-
	1,117.57	55.63	173.56	41.69	277.21	1,665.76

	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2022
a Unsecured ; Undisputed						
-Considered Good*	973.85	68.76	40.80	103.78	175.79	1,362.92
-Significant increase in risk	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	-
b Unsecured ; Disputed						
-Considered Good	1.58	-	8.32	9.10	25.00	45.00
-Significant increase in risk	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	-
	975.44	68.76	49.12	112.88	201.72	1,407.92

- The above dues are from the date of transaction of sales.
- Trade receivables are pledged against the cash credit limit obtained by the company.
- trade receivables are non- interest bearing and generally on the terms 30-60 days
- No debts are due from directors or other officers of the company
- Company has filed suit for recovery of money from few debtors. Company is confident of obtaining favorable verdict and recovery of money. Hence Company has not made any provision on the debtors.

**Note 8: Cash & Cash Equivalents**

a Balances with Banks		
- Current Account	1.51	1.83
b Cash in Hand	19.26	29.88
	20.77	31.72

**Note 9: Other Current Assets**

Loans & Advances to employees		
Accrued Interest	13.74	14.50
GST Receivable	3.26	4.25
Advance to suppliers	-	1.68
Prepaid expenses	7.51	38.20
Other receivables*	16.32	0.76
*(includes TDS receivable from party)	0.85	0.36
Excess Interest charged receivable from Banks	6.60	11.49
	48.32	71.26

**Note 10: Equity Share Capital**

<b>AUTHORIZED</b>		
35,00,000 Equity Shares of Rs. 10.00 each (P.V 35,00,000 Equity Shares of Rs. 10 each)	350.00	350.00
<b>ISSUED, SUBSCRIBED, AND PAID UP</b>		
30,02,900 Equity Shares of Rs. 10.00 each (Previous year 30,02,500 shares of Rs.10 each)	300.29	300.29
	300.29	300.29

**a. Details of the Shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No of Shares	% of Shares	No of Shares	% of Shares
Pramod Kumar S	15,49,776	51.61	20,09,776	69.92
Alshah Jain	3,50,000	11.66	-	-

b. Reconciliation of number of shares outstanding at beginning & end of the reporting period.		
Particular	As at 31.03.2023	As at 31.03.2022
Outstanding as at beginning of the reporting period	30,02,900	30,02,900
Add: Shares Issued during the year	-	-
Outstanding as at end of the Reporting period	30,02,900	30,02,900

c. Disclosure of Shareholding of Promoters					
Name of Shareholder	No of Shares as at 31.03.2023	% of Shares	% change during the year	No of Shares as at 31.03.2022	% of Shares
Pramod Kumar S	15,49,776	51.61	(18.32)	20,99,776	69.92
Pramod Kumar HUF	10,000	0.33	-	10,000	0.33
Pinky Jain	1,30,300	4.34	3.33	30,300	1.01
Vidhya Jain	30,200	1.01	-	30,200	1.01
B Shantilal	600	0.02	-	600	0.02
Akshat Jain	3,50,000	11.66	11.66	-	-
Manvi Jain	1,00,000	3.33	3.33	-	-
Brindaven Roller Flour Mills Ltd.	300	0.01	-	300	0.01
	21,71,176	72.30	(8.00)	21,71,176	72.30

- d. **Terms/Rights attached to the Equity shares**
- The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share.
- e. The company declares and pays dividends in Indian rupees, the Dividend proposed by the Board of directors in subject to the approval of shareholders in the Annual general Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.
- f. The company does not have any Holding /Ultimate holding Company.As such, no shares are held by them or their Subsidiaries/ Associates.
- g. There are NIL (previous year NIL) shares reserved for issue under option and contracts/Commitment for the sale of shares/divestment.
- h. During the period of five years for consideration other than cash
- No shares were issued for consideration other than cash
  - No bonus shares were issued
  - No shares were brought back

Note 11: Other Equity		
Share premium	218.33	218.33
Retained earnings		
Balance at the beginning of the year	1,010.51	905.88
Add: Profit for the year	89.04	104.62
Less: Dividend	15.01	-
Balance at the end of the year	1,084.53	1,010.51
Other comprehensive Income		
Balance at the beginning of the year	(11.29)	(20.71)
Add/(less) for the year	8.81	9.45
Balance at the end of the year	(2.44)	(11.25)
	1,300.42	1,217.58

Securities Premium :- This Securities Premium had been created on issue of shares by way of public issue.

Retained Earnings: Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for remeasurement gain/loss on defined benefit plan.

Note 12: Financial Non-Current Borrowings

a. Secured

A) Term Loans from bank - Vehicle

4.26 17.47

(Loan from Yes bank of Rs 15.00 Lakhs repayable in 60 equal monthly installments starting from 15 sept 2018)

(Loan from Kotak of Rs 15.00 Lakhs repayable in 36 equal monthly installments starting from 23 sept 2020)

B) Term Loans from bank - Machinery

27.85

(Loan from SIDBI of Rs 31.00 lakhs Secured by Movable Asset to be acquired under the project both present and future along with Lien on FDR of Rs. 7.75 lakhs and personal guarantees from Directors, term loan repayable in 54 equal monthly installments from 10-06-2023)

C) Term Loans from bank - Others

631.90

841.73

(Loan from HDFC bank of Rs.102.22lakhs repayable in 62 equal monthly installments Plant & Machinery, Industrial Property, Stock, Debtors and Fixed Deposit and collateral personal guarantee of 2 Directors. Term loan repayable within 48 monthly installments, starting from 7 October, 2019)

(HDFC WC Term Loan of Rs. 500 lakhs Secured on Plant & Machinery, Industrial Property, Stock, Debtors and Fixed Deposit and collateral personal guarantee of 2 Directors. Term loan repayable in 60 equal monthly installments, starting from 7 October, 2019)

(HDFC WC-GECL Term loan of Rs. 266 lakhs with HDFC bank secured on Plant & Machinery, Industrial Property, Stock, Debtors and Fixed Deposit and collateral personal guarantee of 2 Directors. Term loan repayable within 48 monthly installments, starting from January, 2022)

(Extension of HDFC WC-GECL of Rs. 247 lakhs secured on Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. Term loan principle repayable in 36 equal monthly installments. Moratorium till March, 2024)

Less: Current Maturities of Long Term debt

664.01

859.21

238.41

226.27

425.60

632.94

Particulars

Final Repayment

As at 31.03.2023

As at 31.03.2022

A) Term Loans from Bank - Vehicle

- HDFC Bank

Nov-22

-

2.17

- HDFC Bank

Nov-22

-

2.47

- Yes Bank

Aug-23

1.52

4.94

- Kotak

Sep-23

2.74

7.90

B) Term Loans from Bank - Machinery

- SIDBI

Nov-27

27.85

-

C) Term Loans from Bank - Others

- HDFC Bank

Nov-24

45.85

71.70

- HDFC Bank-BBG WC term Loan

Oct-24

174.74

276.78

- HDFC Bank WC-GECL

Dec-24

164.30

246.25

- HDFC Bank WC-GECL Extension

Mar-27

247.00

247.00

631.90

841.73

b Unsecured

Loans from Directors

(Repayable On Demand, Interest @ 12% p.a)

(Loan from Directors are classified as short term loan in the FY-22-23)

(Includes Interest Payable of FY Rs.12.52 Lakhs)

-

580.94

425.60

1,213.88

<b>Note 13: Other Financial Liabilities</b>						
Security Deposit Received from TSBT		-	1.50			
		-	1.50			
<b>Note 14: Non Current Provisions</b>						
Provision for Employee Benefits						
Provision for Gratuity		53.36	52.14			
Less: Short Term Provision		6.05	6.70			
		47.30	45.43			
		47.30	45.43			
<b>Note 15: Deferred Tax Liabilities</b>						
Opening deferred tax liability		127.30	117.47			
Deferred tax(Assets)/Liabilities arising in current year on account of timing difference (Refer Note 30)		(15.20)	9.82			
		112.09	127.30			
<b>Note 16: Financial Current Borrowings</b>						
<b>a. Secured</b>						
Repayable on demand						
i) Bank overdraft						
HDFC Bank		2,503.00	2,142.31			
ii) Current Maturities of long term debt						
- Term Loan		238.41	226.27			
<b>c. Unsecured</b>						
Loans from Others*		80.32	-			
Loans from Directors**		501.64	-			
(*Repayable on Demand, No Interest paid during the year)						
(**Repayable on Demand, Interest @ 12% p.a)						
(** Includes Interest payable of LY Rs 12.75 Lakhs)						
		3,323.37	2,368.58			
<p>Cash Credit loan of Rs. 2125 lakhs(P.Y Rs.2125 lakhs) secured on Plant &amp; Machinery, Stock ,Debtors and Fixed Deposit and collateral security Industrial Property located at Plot No.39-a2 &amp; Plot No.4c Hasakote Industrial Area KAIDB,Industrial Area Chokkana Halli Hosakote,Karnataka 562114 and personal guarantee of 2 Directors.</p> <p>Borrowings secured against current assets. The company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities (Refer note no.37)</p>						
<b>Note 17: Trade Payables</b>						
- Creditors-MSME		5.08	4.10			
- Disputed Creditors-MSME		-	-			
- Creditors-Goods		1,707.31	1,010.32			
- Creditors-Others		294.18	265.24			
- Disputed Creditors-Others		-	-			
		2,006.57	1,279.65			
<p>1. The above dues are from the date of transaction of Purchases</p> <p>2. Trade payables &amp; acceptances are non Interest bearing</p>						
<b>Undisputed</b>		<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total as on</b>
	- Creditors-MSME	5.08	-	-	-	5.08
	- Creditors for goods	1,621.79	85.52	-	-	1,707.31
	- Creditors-Others	294.18	-	-	-	294.18
		1,915.97	85.52	-	-	2,006.57

Undisputed	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as on
					31.03.2022
- Creditors-MSME	4.20	-	-	-	4.10
- Creditors for goods	1,004.51	5.81	-	-	1,010.32
- Creditors-Others	263.74	1.50	-	-	265.24
	<b>1,268.25</b>	<b>7.31</b>	<b>-</b>	<b>-</b>	<b>1,279.65</b>
1.The above dues are from the date of transaction of Purchases 2. Trade payables & acceptances are non interest bearing					
<b>Note 18: Other Financial Liabilities</b>					
Unpaid Dividends				2.83	2.91
Other Payables				21.19	7.25
- Statutory Payable				22.30	39.00
- Others				46.32	49.16
<b>Note 19: Short Term Provisions</b>					
<b>Provision for Employees Benefits</b>					
Provision for gratuity				6.06	6.70
Provided Fund Payable				4.76	2.54
ESI Payable				0.28	0.37
Salary Payable				9.86	11.49
Bonus Payable				0.80	1.00
				21.76	22.11
<b>Note 20: Other Current Liabilities</b>					
<b>Contract Liability</b>					
Advance from customers				5.76	0.92
				5.76	0.92
<b>Note 21: Current Income Tax Liabilities</b>					
Provision for Income Tax				33.20	29.50
Less: Advance Tax				(42.00)	-
Less: TDS/TCS Receivable				(13.20)	(8.89)
				8.00	20.61
<b>Reconciliation of estimated Income tax expenses at Indian statutory Income Tax rate to income tax expenses reported in the statement of profit &amp; Loss</b>					
Accounting Profit before Tax				107.78	142.38
At India's statutory income Tax purpose				25.168%	27.820%
Estimated tax expenses				27.13	39.61
Expenses not deductible for tax purpose				21.28	(7.43)
Deferred Tax effect				(15.20)	9.82
Tax credit				-	(12.50)
<b>Total tax reported in the statement of profit &amp; loss</b>				<b>33.20</b>	<b>29.50</b>
<b>Note 22: Revenue from Operations</b>					
<b>(i) Sale of Products</b>					
Malda				11,435.34	8,825.17
Sooji				493.64	522.09
Atta				5,301.90	4,587.55
Bran rough(fine,delux)				2,152.15	1,826.07
Bran Flakes				928.87	773.09
Wheat (including husk)				441.29	849.51
Gunny bag Sales				164.56	185.23
Others				6.73	22.64
				<b>20,924.47</b>	<b>17,591.56</b>
<b>(ii) Sale of Services</b>					
Conversion charges				11.50	25.92
Packing Charges				1.66	-
<b>(iii) Other Operating income</b>					
Saudha Settlement				23.00	-
				<b>20,960.64</b>	<b>17,617.49</b>

<b>Note 23. Other Income</b>				
Interest Income	2.98	3.80		
Dividend Income	0.18	0.00		
Rental Income	10.01	5.25		
Other Non-Operating Income	34.40	31.99		
Profit on sale of Capital Asset	0.77	-		
	<b>48.35</b>	<b>41.04</b>		
<b>Note 24. Cost Of Material Consumed</b>				
<b>RAW MATERIALS</b>				
Opening Stock				
Wheat	1,043.09	915.11		
Packing Materials	608.26	434.89		
Add: Purchases				
Wheat	19,068.85	15,940.08		
Packing Materials	489.40	472.68		
Freight Charges	170.38	241.71		
Less: Cost of wheat sold	395.59	816.56		
Less: Closing Stock				
Wheat	1,340.94	1,043.09		
Packing Materials	712.20	608.26		
	<b>18,930.24</b>	<b>15,536.55</b>		
<b>Imported and Indigenous Raw Materials Consumed:</b>				
<b>Particulars</b>	<b>Year Ended 31.03.2023</b>		<b>Year Ended 31.03.2022</b>	
	<b>%</b>	<b>Amount in lakhs</b>	<b>%</b>	<b>Amount in lakhs</b>
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	18,930.24	100.00%	15,536.55
	<b>100.00%</b>	<b>18,930.24</b>	<b>100.00%</b>	<b>15,536.55</b>
<b>Note 25. Changes In Inventories Of Finished Goods And Work In Progress</b>				
Increase/Decrease In stocks				
Stock at the Beginning of the year				
Maika	805.16	440.00		
Sooji	110.10	78.49		
Atta	327.81	156.08		
Bran rough	70.02	26.62		
Bran Flakes	135.98	87.83		
	<b>1,449.09</b>	<b>789.02</b>		
Stock at the end of the year				
Maika	978.65	805.16		
Sooji	126.94	110.10		
Atta	502.32	327.81		
Bran rough	47.53	70.02		
Bran Flakes	134.31	135.98		
	<b>1,789.77</b>	<b>1,449.09</b>		
Finished Goods				
(Increase)/ Decrease In Stock	<b>(340.68)</b>	<b>(660.06)</b>		
<b>Note 26. Employee Benefits Expenses</b>				
Wages & Salaries	156.65	169.15		
Contribution to provident fund and other funds	24.52	23.26		
Staff Welfare expenses	35.83	37.32		
Bonus	9.51	11.06		
Gratuity	3.23	5.10		
Keyman's Insurance	-	0.55		
Director Remuneration	52.36	47.77		
Leave Encashment Salary	5.83	6.56		
Sitting fees	0.60	0.84		
Employee Final Settlement	2.23	4.50		
	<b>290.75</b>	<b>306.11</b>		

Director Remuneration, under Section 197 of the Companies Act, 2013 are as follows				
Salary				
Club Membership Fees	45.44	41.64		
Bonus	3.48	3.06		
Leave encashment	1.12	1.00		
	2.31	2.08		
	52.36	47.77		
<b>Note 27. Financial Expenses</b>				
- Interest Expenses				
- Interest on Cash Credit	170.08	119.30		
- Interest on Term Loan	70.64	60.90		
- Interest on Unsecured Loan	57.45	50.85		
- Interest to Creditors	7.90	19.94		
- Other Borrowing Costs	0.39	9.15		
	306.46	260.14		
<b>Note 28. Other Expenses</b>				
a) Manufacturing Expenses				
(a) Consumption of stores & spares *				
(b) Power and Fuel	9.87	12.42		
(c) Laboratory expenses	449.33	458.28		
(d) Repairs & Maintenance	19.05	20.91		
- Building				
- Machinery	23.79	20.56		
- Others	77.87	59.22		
(e) Insurance	21.05	17.52		
	4.30	3.53		
	605.27	592.45		
*Imported and Indigenous Stores and Spare Parts Consumed:				
Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022	
Imported	%	Amount in lakhs	%	Amount in lakhs
Indigenous	0%	-	0%	-
	100%	9.87	100%	12.42
	100%	9.87	100%	12.42
b) selling and distribution expenses				
Rent			3.69	3.61
Communication Expenses			3.89	2.48
Repair, Maintenance & Running of vehicle			121.04	148.75
Printing & Stationery			5.67	3.89
Rates & Taxes			29.43	5.31
Freight & Forwarding			113.66	93.85
Commission			13.58	18.97
Interest on income Tax			1.97	0.90
Interest on statutory dues			0.15	1.29
Sales discount			109.37	95.36
Legal & Professional			12.05	15.95
Payment to Auditors			4.38	3.59
Miscellaneous Expenses			70.80	59.00
Bank Charges			0.32	0.26
Listing Fees			3.54	3.54
Travelling and other Expenses			17.09	5.87
Water charges			5.84	6.96
Balance Written Off			23.27	19.31
Impairment of Fixed Assets			-	1.77
Donation			1.30	3.60
Prior period Expenses			2.01	1.95
			543.06	496.21
			1,148.32	1,086.66
Payments to the Auditors Comprises				
(a) Statutory Audit Fee			2.55	2.00
(b) Tax Audit Fee			0.75	0.75
(c) Limited Review Fee			0.45	0.45
(d) Other			0.53	0.39
			4.38	3.59

**Note 29. Earning Per Share(EPS)**

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

Particulars	Year ended 31st	Year ended 31st
	March 2023(Lakhs)	March 2022(Lakhs)
Net Profit After Tax (A) ( Lakhs.)	89.04	104.62
Number of Equity Shares (B)	30,02,900	30,02,900
Face Value Per Equity Share ( Rs.)	10.00	10.00
Earning Per Share ( Rs) – Basic & Diluted	2.97	3.48

**Note 30. Deferred Tax**

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

Particulars	Year ended 31st	Year ended 31st
	March 2023(Lakhs)	March 2022(Lakhs)
8/11 Deferred Tax Liability	127.30	117.47
Deferred Tax (Asset)/Liability arising on account of timing difference in WDV as per Income tax act & Companies Act:		
WDV as per Income Tax Act	1,078	1,164.02
WDV as per Companies Tax Act	1,591.91	1,685.34
Difference	513.89	521.32
Deferred Tax (A)	129.34	145.03
Provision for fall in share value	18.34	15.53
Deferred Tax (B)	(3.81)	(3.23)
Provision for Gratuity	53.36	52.14
Deferred Tax ( C )	(13.43)	(14.50)
Net Deferred Tax (asset)/Liability at the end of year (A+B+C)	112.09	127.30
Deferred Tax (asset)/liability to be provided for the current year	(15.20)	9.82

**Note 31. Related parties**

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Disclosure as per Ind AS 24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is as follows:

(3) Names of related parties and description of relationship with the Company

**1. Key Managerial Personnel**

- i) Sri. B Shantilal
- ii) Sri. Pramod Kumar S
- iii) Sri. Akshat Jain
- iv) Smt. Pinky Jain
- v) Sr. AYS Murthy
- vi) Smt. Sarika Bhandari
- vii) Smt. Gayathri Shankarappa (CFO)
- viii) Ms. Anchal Sethia (CS) (Resigned on 11/05/2023)
- ix) Ms. Chandralika Sharma (CS) (Appointed on 11/05/2023)

**2. Enterprise with significant influence**

- i) BRFM India Private Limited
- ii) Brindavan Roller Flour Mills Private Limited



The following transactions were carried with the related parties in the ordinary course of business during the year ended March 31, 2023

(Amount in Lakhs)				
Particulars	Relation	Transaction	Year ended 31st	Year ended 31st
			March 2023(Lakhs)	March 2022(Lakhs)
Brindavan Roller Flour Mills Pvt. Ltd.	Enterprise with significant influence	Purchase	0.28	2.02
Akshath Jain	KMP/ Director	Interest on loan paid	1.41	0.56
Sri Pramod Kumar S	KMP/ Director	Interest on loan paid	43.88	41.04
Smt.Pinky Jain	KMP/ Director	Interest on loan paid	12.16	9.26
Sri AVS Murthy	Director	Sitting Fees	0.20	0.25
Smt.Pinky Jain	KMP/ Director	Sitting Fees	0.20	0.25
Smt.Sarika Bhandari	Director	Sitting Fees	0.20	0.25

Balance Outstanding :

Balance Payable	Year ended 31st	Year ended 31st
	March 2023(Lakhs)	March 2022(Lakhs)
Bonus Payable to Director	0.20	1.00

Unsecured Loans balances of KMP and Directors as on 31st March 2023:

Particulars	Opening	Receipt	Payment	Interest Due for payment	Year ended 31st
					March 2023(Lakhs)
Sri. Pramod Kumar S	486.41	301.5	435.97	9.08	361.02
Smt. Pinky Jain	81.06	50.00	4.69	3.39	129.75
Akshath Jain	13.47	-	2.89	0.29	10.87
<b>Total</b>	<b>580.94</b>	<b>351.50</b>	<b>443.55</b>	<b>12.75</b>	<b>501.64</b>

Unsecured Loans balances of enterprises with significant influence as on 31st March 2023:

Particulars	Opening	Receipt	Payment	Interest Due for payment	Year ended 31st
					March 2023(Lakhs)
BRFM India Private Limited	-	0.20	0.20		

Remuneration to Managerial Personnel

Particulars	Year ended 31st March 2023(Lakhs)			Year ended 31st March 2022(Lakhs)		
	Remuneration	Bonus	Leave Encashment	Remuneration	Bonus	Leave Encashment
Mr. Pramod Kumar (Chief Executive)	26.51	0.58	1.35	24.02	0.50	1.2
Perquisite to Mr. Pramod Kumar	3.12			3.06		
Mr. B. Shantilal (Managing Director)	12.00	0.25	0.60	12	0.25	0.6
Mr. Akshath Jain	6.94	0.29	0.36	5.62	0.25	0.28
Perquisite to Mr. Akshath Jain	0.36					
<b>TOTAL</b>	<b>48.93</b>	<b>1.22</b>	<b>2.31</b>	<b>44.70</b>	<b>1.00</b>	<b>2.08</b>

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

Notes:

- Related Party relationships are as identified by the company on the basis of information available with them and relied upon by the auditors.
- Reimbursement is not disclosed as related party transaction.
- Company does not have any subsidiary/Associates.

Note 32. Contingent liabilities and commitments (to the extent not provided for)

Particulars	Year ended 31st	Year ended 31st
	March 2023(Lakhs)	March 2022(Lakhs)
<b>A. Contingent Liabilities</b>		
(a) Claims against company not acknowledged to be debt		
Excise duty	195.51	195.51
Penalty on excise duty	195.51	195.51
(b) Guarantees	2.87	2.87
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil	Nil

**Note 33: Defined contribution plans**

The company has recognized, in the statement of profit and loss for the year ended March 31, 2023 an amount of Rs.19.11 lakh (previous year: Rs. 19.48 lakh) under defined

Benefit (Contribution to)	Year ended 31st March 2023(Lakhs)	Year ended 31st March 2022(Lakhs)
Provident Fund	15.98	15.65
Employee State Insurance Corporation	3.13	3.83
<b>TOTAL</b>	<b>19.11</b>	<b>19.48</b>

**Note 34: Employee Benefit Plan****Gratuity**

In accordance with Ind AS 19 actuarial valuation based on projected unit credit method as on 31st March 2023 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

**Economic Assumptions**

Date of Valuation	31st March 2023	31st March 2022
Discount Rate	7.40%	7.10%
Expected Rate of Return on Assets	7.40%	7.10%
Risk of Increase in Compensation	6.00%	6.00%
Employee Turnover Rates	Table a 100% of IAL	Table a 100% of IAL
Mortality Rates	Table a 100% of IAL	Table a 100% of IAL

IAL : Indian Assured Lives mortality (2012-14) Modified Ultimate

31-Mar-23		31-Mar-22	
Age	Rate	Age	Rate
Upto 25 Years	8%	Upto 25 Years	8%
26 - 30	7%	26 - 30	7%
31 - 35	6%	31 - 35	6%
36 - 40	5%	36 - 40	5%
41 - 45	4%	41 - 45	4%
46 - 50	3%	46 - 50	3%
51 - 55	2%	51 - 55	2%
Above 56 Years	1%	Above 56 Years	1%

(Amount in lakhs)

Amounts in Balance Sheet at Period-End	31-Mar-23	31-Mar-22
Closing Defined Defined Benefit Obligation	60.09	56.53
Closing Fair value of Plan Assets	(6.73)	(4.39)
Unrecognized Prior Service Cost	-	-
Limit under Para 59 (b)	-	-
<b>Net Amount Recognized in Balance Sheet</b>	<b>53.36</b>	<b>52.14</b>

(Amount in lakhs)

Amounts Recognised in Statement of Profit & Loss at Period-End	1st April 2022 to 31st March 2023	1st April 2021 to 31st March 2022
Company Service Cost - CY	5.01	7.14
Interest Cost - CY	4.01	3.52
Expected Return on Assets - CY	(0.38)	(0.26)
Past Service Cost - CY	-	-
Actuarial (Gains)/Losses - CY	(6.46)	(3.78)
Other Adjustments - CY	-	-
<b>Net Periodic Benefit Cost/(Income) - CY</b>	<b>3.18</b>	<b>6.62</b>

(Amount in lakhs)		
Current / Non Current Bifurcation	1st April 2022 to 31st March 2023	1st April 2021 to 31st March 2022
Current Liability		
Non Current Liability	6.06	6.70
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>60.09</b>	<b>56.53</b>

(Amount in lakhs)		
Change in Defined Benefit Obligation during the period	1st April 2022 to 31st March 2023	1st April 2021 to 31st March 2022
Opening Defined Benefit Obligation		
Current Service Cost	56.53	51.03
Interest Cost	6.01	7.14
Plan Participants' Contributions	4.01	3.52
Actuarial (Gain)/Loss (excluding Interest Income)	-	-
Acquisition/Divestiture - L	(5.46)	(3.60)
Benefits Paid	-	-
Past Service Cost	-	(1.57)
Currency Impact	-	-
Curtailments	-	-
Settlements	-	-
<b>Closing Defined Benefit Obligation</b>	<b>60.09</b>	<b>56.53</b>

(Amount in lakhs)		
Change in Fair Value of Plan Assets during the period	1st April 2022 to 31st March 2023	1st April 2021 to 31st March 2022
Opening fair value of Plan Assets		
Interest Income	4.39	3.56
Contributions from the Employer	0.38	0.44
Benefits Paid	1.95	1.95
	~	(1.57)
<b>Closing Fair Value of Plan Assets</b>	<b>6.73</b>	<b>4.99</b>

**Note 35. Micro, Small Or Medium Enterprises**

Based on the information/Documents available with the company, Information as per the requirements of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Year ended 31st March 2023 (Lakhs)	Year ended 31st March 2022 (Lakhs)
i. The principle amount remaining unpaid to any supplier as at the end of each accounting year	5.06	4.10
ii. The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
iii. The interest paid by the buyer under MSMED Act, 2006	Nil	Nil
iv. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	Nil	Nil
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
vi. The amount of further interest due and payable even in the succeeding year until such date when the interest dues as above actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

The above information has been determined to the extent such parties have been identified on the basis of information available with the company

**Note 36A. Income in Foreign currency - Nil**

**Note 36B. Expenditure in foreign currency (on payment basis, subject to deduction of tax where applicable) - Nil**

**Note 37. Quarterly Returns submitted to Banks**

The company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets. Differences between Quarterly returns or statement filed by the company with banks and books of account are as follows:

Quarter	As per bank return (amount in lakhs)	account (amount in lakhs)	Difference (amount in lakhs)	%age of Differences
Q1	3899.55	3626.71	272.84	7.00%
Q2	4203.88	4044.92	158.96	3.78%
Q3	3892.1	3828.42	63.68	1.64%
Q4	3876.1	3970.39	(94.29)	-2.43%

**Note 35. Fair value Measurement**

Particulars	Year ended 31st March 2023(Lakhs)		Year ended 31st March 2022(Lakhs)	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
<b>Non-current financial assets</b>				
(i) Investments	22.11	0.16	15.08	2.17
(ii) Other Financial Assets	-	88.65	-	85.72
<b>Current financial assets</b>				
(i) Trade receivable	-	1,665.76	-	1,407.92
(ii) Cash and cash equivalents	-	10.77	-	31.72
<b>Total Financial assets</b>	<b>22.11</b>	<b>1,775.34</b>	<b>15.08</b>	<b>1,527.53</b>
<b>Non-current financial liabilities</b>				
(i) Borrowings	-	425.60	-	1,213.88
(ii) Other Financial Liabilities	-	-	-	1.50
<b>Current financial liabilities</b>				
(i) Borrowings	-	3,323.37	-	2,368.58
(ii) Trade payables	-	2,006.57	-	1,279.65
(iii) Other current financial liabilities	-	46.32	-	48.16
<b>Total Financial liabilities</b>	<b>-</b>	<b>5,801.85</b>	<b>-</b>	<b>4,912.77</b>

**Notes:-**

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- Finance Income and finance cost by instrument category wise classification :-
  - Interest Income of Rs. 2.98 Lakhs (P.Y. Rs. 3.80 Lakhs) on financial instrument at amortised cost.
  - Interest expense of Rs. 306.07 Lakhs (P.Y. Rs. 250.99 Lakhs) on borrowing at amortised cost.

**Note 39. Segment Reporting**

The Company is engaged in the business of manufacturing and trading of wheat and wheat products and therefore has only one reportable segment in accordance with IND AS 108 "operating Segments"

**Note 40. Financial Risk Management-Objectives and Policies**

The Company's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investment in subsidiaries at cost and deposits.

The Company is exposed to market risk and credit risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risk of interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL Investments.

**a. Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates is not primarily to the Company's operating activities. Therefore there will be no impact on the company's Profit due to changes in the foreign currency rates.

**b. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effect on Profit before Tax (Amount in Lacs)
31st March, 2023	+50	18.74
	-50	-18.74
31st March, 2022	+50	17.91
	-50	-17.91

**(II) Credit Risks**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness.

**Trade receivables**

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 7 as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

Refer note no 7 for ageing of trade receivable as of 31st March, 2023 and 31st March, 2022.

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents, various deposits, and financial instruments such as derivative contracts. The Company manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Company's treasury department authorizes, manages, and oversees new transactions with parties with whom the Company has no previous relationship.

Furthermore, the Company limits its exposure to credit risk of financial guarantee contracts by strictly evaluating their necessity based on internal decision making processes, such as the approval of the board of directors.

**Credit risk exposure**

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. The maximum exposure to credit risk as of 31st March, 2023 and 31st March, 2022 are as follows:

Particulars	(Amount in Lakhs)	
	Year ended 31st March 2023 (Lakhs)	Year ended 31st March 2022 (Lakhs)
<b>NON CURRENT</b>		
Investments in Others	22.27	17.24
Other financial assets	88.65	85.72
<b>CURRENT</b>		
Trade receivable	1,665.76	1,407.92
Cash and cash equivalents	20.77	31.72
	1,797.45	1,542.60

Impairment losses on financial assets- Nil (PY-Nil)

(ii) Liquidity Risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

Availability of Liquidity is as follows

(Amount in Lakhs)

Particulars	Year ended 31st March 2023(Lakhs)	Year ended 31st March 2022(Lakhs)
Cash and Cash Equivalent	20.77	31.72
Availability under committed credit facilities	Nil	Nil

The table below summarises the maturity profile of the Company's financial liabilities based on contractual discounted payments.

Particulars	Less than 1 Year	1-2 Years	2-3 Years	Total
<b>Year ended 31st March, 2023</b>				
Borrowings	3,323.4	156.5	269.1	3,749.0
Other financial liabilities	46.3	-	-	46.3
Trade payables	2,006.6	-	-	2,006.6
	5,376.3	156.5	269.1	5,801.9
<b>Year ended 31st March, 2022</b>				
Borrowings	2,368.6	819.3	394.5	3,582.5
Other financial liabilities	49.2	1.5	-	50.7
Trade payables	1,279.7	-	-	1,279.7
	3,697.4	820.8	394.5	4,912.8

Note 41. Additional Disclosures relating to the requirement of revised schedule III

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iii) Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) There is no undisclosed income under the Income Tax Act, 1961 for the year ending 31st March, 2023 and 31st March, 2022 which needs to be recorded in the books of account.

(v) Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(vii) The below charges are pending for satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Sl.no	Charge holder name	Date of Creation /modification	Amount in Lakhs	Status	Reason
1	State Bank Of Saurashtra	04-06-1990	24.00	Pending for satisfaction	NOC from Bank is Not available

(viii) Relationship with struck off companies

There are no transactions with strike off company u/s 248 or 560 of Companies Act, 2013

(ix) The Company has not entered into any scheme of arrangements which has an accounting impact on current or previous financial year.

(x) Utilisation of Borrowed Fund & Share Premiums:

a) The Company have not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (Intermediaries) with the understanding that the intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The Company have not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 42. Ratio Analysis & Its Elements**

Refer note below

**Note 43.**

Previous year's figures have been rearranged and/or regrouped, wherever necessary.

**Note 44.**

The financial statements have been approved by the Audit Committee at its meeting held on 27th May, 2023 and by the Board of Directors on the same date.

**Note 45. Significant Accounting Policies**

Refer note below

Annex 42: Ratio Analysis & its Elements

Serial no.	Particulars	Numerator	Denominator	31.03.2023	31.03.2022	Deviation	REPORTING
a)	Current Ratio	Current Assets	Current Liabilities	1.05	1.26	-16.40%	reporting on this ratio is not required as the deviation is not more than 25%
b)	Debt Equity Ratio	Total Debt	Total Equity	2.34	2.36	-0.77%	reporting on this ratio is not required as the deviation is not more than 25%
c)	Debt Service Coverage Ratio	Earnings before interest, Depreciation, Tax and Exceptional items	Interest Expense + Principal Repayments made during the period for long term loans	1.16	1.57	-26.05%	Due to increase in repayment of loans during the year
d)	Return on Equity Ratio	Profit After Tax	Average Shareholder's Equity	0.06	0.07	-20.27%	reporting on this ratio is not required as the deviation is not more than 25%
e)	Inventory Turnover Ratio	Cost of Goods Sold (Cost of Material Consumed+ Purchases + Changes in Inventory + Manufacturing Expenses)	Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	11.72	14.02	-16.40%	reporting on this ratio is not required as the deviation is not more than 25%
f)	Trade Receivables Turnover Ratio	Value of sales & Services	Average Trade Receivables	13.64	11.58	17.79%	reporting on this ratio is not required as the deviation is not more than 25%
g)	Trade Payables Turnover Ratio	Value of purchases	Average Trade Payables	11.61	10.72	8.22%	reporting on this ratio is not required as the deviation is not more than 25%
h)	Net capital Turnover Ratio	Value of Sales & Services	working capital	71.59	17.99	298.05%	due to decrease in working capital
i)	Net Profit Ratio(%)	Profit After Tax (after exceptional items)	Value of Sales & Services	0.42%	0.55%	-28.47%	due to increase in expenses during the year
l)	Return on Capital Employed	Earnings before interest, Tax and Exceptional Items	Capital Employed	0.08	0.09	-1.89%	reporting on this ratio is not required as the deviation is not more than 25%
k)	Return on Investment	Profit on Investments	Value of Investments	-	-	-	There is no sale of investments during the year



## **45. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **1. CORPORATE INFORMATION**

The Company was incorporated on January 20th, 1988, having its registered office at Plot No.39-A2, Industrial Area, Chokkahalli, Hosakote - 562114 and Corporate office at - 1/104, Ahuja Chambers, Kumara Krupa Road, Bangalore -560001. The company is primarily engaged in the business of Manufacturers of Wheat Products and Dealers in Wheat and Wheat Products. The company's shares are listed in Bombay Stock Exchange Ltd. (BSE)

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 (i) BASIS FOR PREPARATION OF FINANCIAL STATEMENT:**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provision of the Act, to the extent applicable and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statement.

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

Where changes are made in presentation, the comparative figures of the previous years are regrouped and re-arranged accordingly.

#### **(ii) BASIS OF MEASUREMENT**

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

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

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

The presentation of financial statement in conformity with Ind AS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates.

### **2.2 INVENTORY VALUATION:**

- Raw Materials, Finished Products, Packing Materials, Stores and Spares are stated at lower of cost or net realizable value.
- Finished goods and process stock include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition.
- Finished goods are valued at cost or net realizable value whichever is lower.

### **2.3 CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby net profit (loss) before tax is adjusted for the effective transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flow from regular revenue generating, investing and financing activities of the group are segregated.

### **2.5 REVENUE RECOGNITION:**

- Sales are recognized when the significant risk attached to the goods is passed on to the seller and are recorded net of trade discounts, rebates but excluding GST wherever tax applicable.
- The company recognizes revenue significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and cost depends on the nature of the services rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Interest income is recognized on an accrual basis.
- Rental income on leased property is recognized on accrual basis, based on the terms and conditions agreed with the lessee.

## 2.6 PROPERTY, PLANT AND EQUIPMENT:

- Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including non-refundable taxes, duties, freight and other incidental expenses related to acquisition and installation.
- Interest on term loan taken for acquisition of assets is capitalized up to 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.
- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
- Depreciation on Property, Plant & Equipment is provided on straight-line basis on the useful life of the asset as mentioned in Schedule II to the companies Act, 2013. Free hold land and Investment Property is not depreciated. The estimated useful life of assets is reviewed annually.
- Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The Provision for Depreciation for the multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.
- Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows

Category	Useful Life
Buildings –	
a. RCC Structure	60 years
b. Without RCC Structure	30 years

Plant & Machinery	15 years (Double shift)
Computer	3 years
Equipment	5 years
Furniture & Fixture	10 years
Vehicles	8 years

#### **Impairment of Assets:**

At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

#### **2.7 INVESTMENT PROPERTY:**

Investment Property are stated at original cost less accumulated depreciation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

However Company having Investment Property stated at cost .No depreciation is charges as company expects the fair market value of immovable property is much higher than the book value.

#### **2.8 FOREIGN CURRENCY TRANSACTION:**

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

monetary items are recognized as income or as expenses in the period in which they arise.

## **2.9 INVESTMENTS:**

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

## **2.9 EMPLOYEE BENEFITS:**

### **2.9.1 Gratuity:**

The company has taken Group Gratuity Scheme for its eligible employees from Life Insurance Corporation of India, for the gratuity liability. The same has been provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions of the defined benefit obligation are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### **2.9.2 Leave Encashment:**

Leave Encashment Liability of eligible employees is accounted as and when incurred.

### **2.9.3 Provident Fund:**

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

## **2.10 BORROWING COST:**

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

which they are incurred.

### **2.11 SEGMENT REPORTING:**

The company is engaged in the business of manufacturing and trading of wheat and wheat products and therefore has only one reportable segment in accordance with IND AS-108 "Operating Segments".

### **2.12 INCOME TAX:**

- Tax expenses comprises of current and deferred tax.

Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

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

Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.

Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing

taxation laws.

#### **2.13 PROVISIONS:**

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

#### **2.14 CONTINGENT LIABILITIES:**

All known liabilities wherever material are provided for. Liabilities that are material, whose future outcome cannot be ascertained with reasonable certainty are contingent and disclosed by way of notes to accounts. Contingent liabilities is disclosed in case of a present obligation from past events

(a) When it is not probable that an outflow of resources will be required to settle the obligation;

(b) When no reliable estimate is possible;

(c) Unless the probability of outflow of resources is remote.

Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

#### **2.15 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:**

In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss but since the company does not meet the criteria for the applicability of Sec 135 of the Companies Act, this Clause is not applicable.

#### **2.16 FINANCIAL INSTRUMENTS:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## **A. Financial Assets**

### **(i) Initial Recognition and Measurement**

The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and those to be measured at amortized cost.

### **(ii) Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

(a) Debt instruments measured at amortized cost using the effective interest rate method and losses arising from impairment are recognized in Profit and Loss if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(b) Equity instruments at fair value through other comprehensive income.

(c) Equity instruments at fair value through profit or loss (FVTPL)

(d) Equity Instruments in subsidiaries are carried at cost, in accordance with option available in Ind AS 27 "Separate Financial Statements".

### **(iii) De-Recognition**

A financial asset is de-recognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

### **(iv) Impairment of Financial Assets**



In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

#### **B. Financial Liabilities:**

**i) Classification as debt or equity** - Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

**ii) Equity instruments** - An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### **iii) Initial Recognition and Measurement:**

All Financials Liabilities are recognized net of transaction costs incurred.

#### **iv) Subsequent Measurement-**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised through the EIR amortisation process.

#### **v) De-Recognition**

All Financials Liabilities are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **2.17 CURRENT AND NON- CURRENT CLASSIFICATION:**

The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

##### **An asset is current when it is**

- (a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (b) Held primarily for the purpose of trading
- (c) Expected to be realised within twelve months after the reporting period
- (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- (e) All other assets are classified as non-current.

##### **A liability is current when**

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be discharged within twelve months after the reporting period
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (e) All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **2.18 EARNING PER SHARE:**

Earnings per share are calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.